



Annual Report 2014

**OFFICE OF FILM
& LITERATURE CLASSIFICATION**

Te Tari Whakarangahau Whakakaro, Tubitubinga

Annual Report of the
OFFICE OF
FILM & LITERATURE CLASSIFICATION
TE TARI WHAKARŌPŪ TUKUATA, TUHITUHINGA

for the year ended 30 June 2014



OFFICE OF FILM
& LITERATURE
CLASSIFICATION

Te Tari Whakarōpū Tukuata, Tūhitūbinga

The Hon. Minister of Internal Affairs

Minister

Pursuant to Section 150 of the Crown Entities Act 2004, I present the Annual Report of the Office of Film & Literature Classification for the year ended 30 June 2014.

Yours sincerely

A handwritten signature in black ink, appearing to be 'AR Jack', written in a cursive style.

Dr AR Jack
Chief Censor

OFFICE OF FILM & LITERATURE CLASSIFICATION

PO Box 1999

Wellington

Telephone: (04) 471 6770

Free call: 0508 CENSOR

Website: www.classificationoffice.govt.nz

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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.

STRUCTURE AND ROLE OF THE OFFICE

The Office of Film and Literature Classification (the Classification Office or the Office) is established by s76 of the Films, Videos, and Publications Classification Act 1993 (the Classification Act). The Classification Office replaced the Chief Censor of Films, the Indecent Publications Tribunal and the Video Recordings Authority. The Office is structured into two main units, both of which are supported by a Corporate Services Unit. The primary function of the Classification Unit is to determine the classification of any publication submitted to it by the Film and Video Labelling Body, the Secretary for Internal Affairs, the Comptroller of Customs, the Commissioner of Police, the Courts, commercial applicants and members of the public. These publications deal with matters such as sex, horror, crime, cruelty or violence in a manner which may cause injury to the public good. 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.

The Classification Office is an independent Crown entity named in Part 3 of Schedule 1 of the Crown Entities Act 2004. Its Board 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 for purposes of the Public Finance Act 1989. The Chief Censor and Deputy Chief Censor are appointed by the Governor-General.

The regulatory environment is depicted on page 65 and the organisational structure is set out on page 66.

CHIEF CENSOR'S YEAR IN REVIEW

It is a pleasure to present the annual report of the Office of Film and Literature Classification for the year ended 30 June 2014.

Context of the Work of the Classification Office

The right to freedom of expression is vital to our political, social and artistic existence. The right to seek, receive and impart information and opinions is necessary if citizens are to fully and meaningfully participate in democratic political life. It enables us to test and compare different ideas in pursuit of the truth, and it allows us to express ourselves through art. The right to freedom of expression is recognised in international legal instruments such as the United Nations Declaration of Human Rights and the International Covenant on Civil and Political Rights, instruments to which New Zealand has put its signature.



In New Zealand domestic legislation the right to freedom of expression is guaranteed in s14 of the New Zealand Bill of Rights Act 1990. Section 5 of that Act provides that any limitations to the right must be reasonable, demonstrably justified in a free and democratic society, and prescribed by law. In New Zealand some of these 'reasonable' and 'demonstrably justified' legally prescribed limitations are found in the Films, Videos, and Publications Classification Act 1993.

Strengths of the New Zealand Classification System

The New Zealand classification system has three key strengths. The Act requires the Office of Film and Literature Classification, led by the Chief Censor, to only limit the availability of publications when they deal with sex, horror, crime, cruelty or violence in such a manner that it is likely to be injurious to the public good. This sets a high bar with a strong emphasis on the right to freedom of expression and is a key strength in the New Zealand classification system. The law permits only those limitations on the right to freedom of expression necessary to protect the community, in particular more vulnerable members of the community such as children, from the harm which would otherwise flow from unrestricted access to such harmful material.

Another key strength in the New Zealand classification system is the deliberately structured independence of the Chief Censor. The Classification Office as the arbiter of such limitations is a statutory entity independent of government, independent of the commercial interests which influence those involved in distributing publications, and free from capture by particular interest groups within the community. The Chief Censor and Deputy Chief Censor are independent, apolitical and quasi-judicial statutory officers holding office under warrants from the Governor-General. The roles required of them are carefully prescribed in the Films, Videos, and Publications Classification Act 1993.

The third key strength of the New Zealand classification system is the express statutory requirement for the Office to inform the public about the classification system, and to conduct

research to assist the Office to perform its functions effectively. This requirement reflects the sophisticated nature of the law and the expertise required to properly mark out the boundaries of the right to freedom of expression in New Zealand.

Research and Community Engagement Highlights

As planned, we undertook a strategic communications review and formulated objectives to guide information and resource development for the coming three to five years. As a consequence, highlights during the year included the launch of our social media presence with regular Twitter and Facebook updates and blog posts on our website. These communications are made by advisors in our Information Unit who engage with participants in the social media space in a friendly and informative way. This audience is still small, but growing steadily. Social media is an important two-way engagement as we are alerted to trends, information and advice from people and organisations that we 'follow' as well.

Over the past few years our efforts have been to increase classification label understanding. Research findings have reassured us that the public understands the restrictive nature of the red R labels, and our focus has shifted to encouraging self-compliance with the restrictions in an environment where protection of children, in particular, from potentially harmful content, is in the hands of their caregivers and older brothers and sisters. We have produced and will shortly launch a series of clips to play from our popular website homepage on the theme of wise choices. Visitors will also be able to search for and play the clips on Youtube.

With an updated website presence achieved last year, and now a social media presence we rebranded our main website from 'censorship.govt.nz' to 'classificationoffice.govt.nz'. This inexpensive change better reflects our Office's identity in the Films, Videos, and Publications Classification Act, and the nature of the work we do.

Once again we received excellent feedback for our community presentations. On invitation, the Chief Censor discusses the classification system and the work of the Office with community, student, and special interest groups, and participates in our *Censor for a Day* programme for senior secondary school students. These forums are a great opportunity to keep in touch with public views about the classification system, and to debate its strengths and weaknesses in our increasingly digital environment.

In November 2013 we published the findings of our *Young Peoples Research*. Young New Zealanders are one of the groups most affected by the decisions of the Classification Office. This set of research reports explores this group's perceptions of the harm that can come from the content in films and games, and the systems set up to regulate and restrict access to this content. A literature review drew together findings from New Zealand and overseas to investigate what young people perceive the effects of media to be, what they think about content regulation, and what type of content concerns them. The literature review is unique in its focus on young people's views. The findings of the studies included in the review in many instances reflect those of the Classification Office's own research, of which this review is a component. Secondly, survey findings presented the results of an online survey of 507 New Zealanders aged 16 to 18, in which respondents were asked about their perceptions and use of the classification system

for films and games. The survey findings indicate that young New Zealanders are accepting of the idea of having restrictions on certain films and games, both for themselves and for those younger than them. The third report was of discussion groups in which young people also told us that although they feel they are on the whole mature enough to handle most types of content, they want to be able to make informed choices about films and games in order to view or avoid certain content. Young people also mentioned being disturbed by content they had seen prior to being old enough to handle it and expressed a desire for some kind of warning about content in films both for themselves and for those younger than them. It's not difficult to see how valuable such research is in informing the work of the Office and those involved in policy development in this complex area.

Also in our research programme we worked in-house to produce another analysis in the series *Comparing Classification*. In this series we compare the classifications during a two-year period assigned to films and games in different countries. The jurisdictions we include are our own and film classification boards in the United Kingdom, Australia, Ontario, the United States, and Singapore, and games rating systems PEGI (as it is applied in the United Kingdom) and ESRB for the United States and Ontario. Our previous published comparison was for 2010 and 2011, this one is for 2012 and 2013. There is a summary of findings of this analysis on page 36.

To read the full reports discussed here please access them on the research page of our website www.classificationoffice.govt.nz.

Administrative and Policy Highlights

Initiatives implemented in previous years and reported in previous annual reports have continued to produce tangible results. The Office expected to operate \$29,500 in deficit in 2013/14. However due to the withdrawal of one international distributor from the New Zealand market the Office finished the year \$111,000 in deficit, with a cash flow from operating activities of \$118,000. This was a satisfactory result given that it was achieved in the face of rising costs, reduced commercial revenue, and funding by appropriation which has remained static since 1998. The Office remains fully committed to returning to surplus, and on-going savings achieved in 2013/14 significantly contribute to this goal.

The Office also remained committed to meeting government's expectation that it will explore changes to its funding model to address commercial stakeholder's legitimate concerns about the unfairness and inequities in the Office's current model, and to provide the Office with a sound and enduring financial base for the future.

The Office experienced significant upheaval during 2013/14. Due to damage caused by the Seddon earthquake in July 2013 the Office was unable to return to its premises in BP House after the earthquake. The Office set up a temporary site within two weeks and continued operations with only slight disruption to the services provided to the public and commercial distributors. The staff of the Office proved themselves flexible and adaptable, while the Office's service providers went above and beyond the call of duty to keep the Office working. The Office subsequently negotiated a lease for a new permanent site and moved again in February 2014.

The new premises are much smaller than the old site, reflecting the downsizing of the Office from a high of 40 staff to 25 today, and this will see significant on-going savings in rent.

Looking forward

Building on the achievements of 2013/14 I will maintain focus on implementing the Office's Organisational Development Plan, and in particular developing options for addressing the deficiencies of the Office's current funding model. I will also continue to look for opportunities to further control costs to ensure we return to surplus at the earliest opportunity.

To strategically position the Office for the future we will continue to develop and implement a range of strategies to address the challenges posed by changing technology.

In addition, the move to new premises occasioned by the Seddon earthquake afforded the opportunity to identify and put in place changes to improve the Office's Business Continuity Plan. In particular, we have upgraded our technology platform and infrastructure and we are moving from a record-keeping system that is largely paper-based to a system which is primarily electronic.

A handwritten signature in black ink, appearing to read 'AR Jack', with a stylized flourish at the end.

Dr AR Jack
Chief Censor

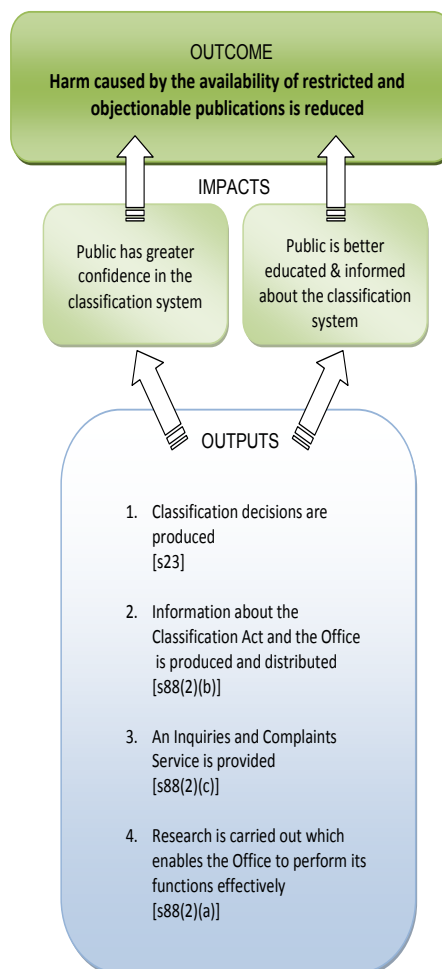
Discussion of Outcome and Outputs

The Office's work contributes to reducing harm to the public good which can be caused by the availability of restricted and objectionable publications.

The idea of 'public good' and how this may be 'harmed' are fairly intangible concepts and measuring such things is fraught. It is far more than physical or emotional injury to an individual, it includes changes in attitudes, behaviour and beliefs and it includes how these changes affect other members of our society, either directly or indirectly.

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.

Chart 1: Outcome Structure



Impact A: Public has greater confidence in the classification system

Surveys to understand public knowledge and use of the classification system are carried out in association with Research under output 4. This assists in evaluating the extent to which our outputs have contributed to public confidence in the classification system. The Office conducts these surveys every 5 years.

When this research was carried out in 2006 we found that:

64% of those surveyed were happy with the classification system.

25% felt it was too lenient.

11% felt the system was too strict.

In the survey carried out in 2011 we found that:

69% said the system was 'about right'.

23% believed the system was too lenient.

8% believed the system was too strict.

This research is not scheduled to be repeated until 2016. However, as an interim measure a wider study conducted in 2013 into younger people's perception and use of the classification system (16-18 year olds), indicated that:

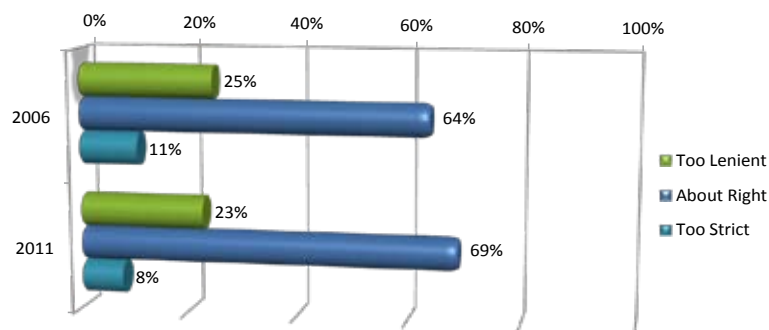
48% of young people think that the system is 'about right'.

12% of young people think that the system is too lenient.

40% of young people think that the system is too strict.

While these figures vary from the trend seen when a wider age range is surveyed, 85% of the younger people believed that age restrictions are at least 'quite a good idea' and 90% believed this is so for people younger than themselves.

Chart 2: Confidence in Classification System



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

The Office undertakes a range of activities to increase public understanding of the classification system. During the year, the Information Unit began implementing a new communications plan for the years 2013-2016 with the objective to review and refocus our engagement with industry and the public on relevant issues particularly:

- compliance with the classification system
- the changing technological environment and
- the social and personal impacts of increased access to objectionable material.

We are setting out to engage with different stakeholder groups to achieve the following:

- a public that is informed about the protective purpose of the system
- a public that is educated about the harm of restricted/objectionable material
- an enhanced focus on the classification system's purpose to keep children safe from harm
- a public that understands how to comply with the classification system, and why they should
- engagement with people about how we can apply the classification system's protective intent in new technologies' delivery of publications.

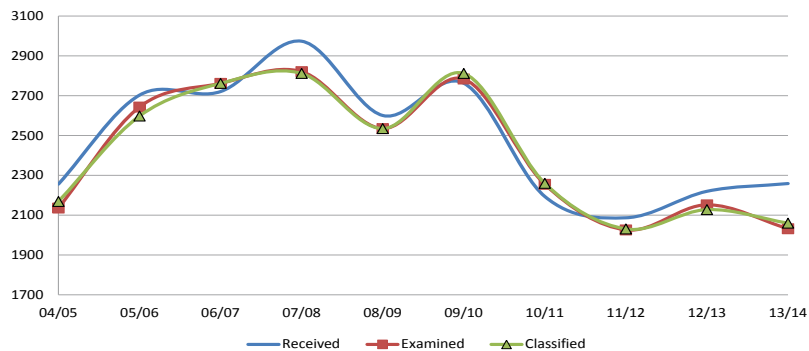
To this end we have rolled out a series of short and entertaining video clips on the theme of wise choices for all the family encouraging decisions about film and game choices that are appropriate for the age and development stage of those viewing and playing, or the preferences of adults to not be exposed to material that offends or concerns them. We will be able to directly measure the impact of these communications when next we survey the public in 2016 about their confidence in, and knowledge and use of, the classification system.

During 2013 the Office participated in an omnibus survey which indicated that 78% of New Zealanders use the classification labels to inform their viewing decisions when choosing material for younger viewers.

Classification Statistics

A total of 2,259 publications were submitted for classification this year, 2,032 publications were examined and 2,060 decisions registered. Publications received were 27% above the projected minimum estimate, publications examined and registered were 15% and 16% above the projected minimum respectively. Crown submissions increased by 48% from the previous year while commercial work dropped by 8%. This drop was expected to be larger with the main New Zealand distributor of adult DVDs withdrawing from the market. However, during this period local distributors of online movie and TV series began submitting product for classification. In terms of Crown work a 48% increase from the previous year in Crown submissions was largely driven by Police and the Department of Internal Affairs enforcement activity. As a result, the number of publications banned this year more than doubled from the previous year's result. Of the 320 publications banned, 88% dealt with the sexual exploitation of children and young persons.

Chart 3: Publications Received, Examined and Classified 2004-2014



DVD: *High School DXD Series Collection (Disc 1)*

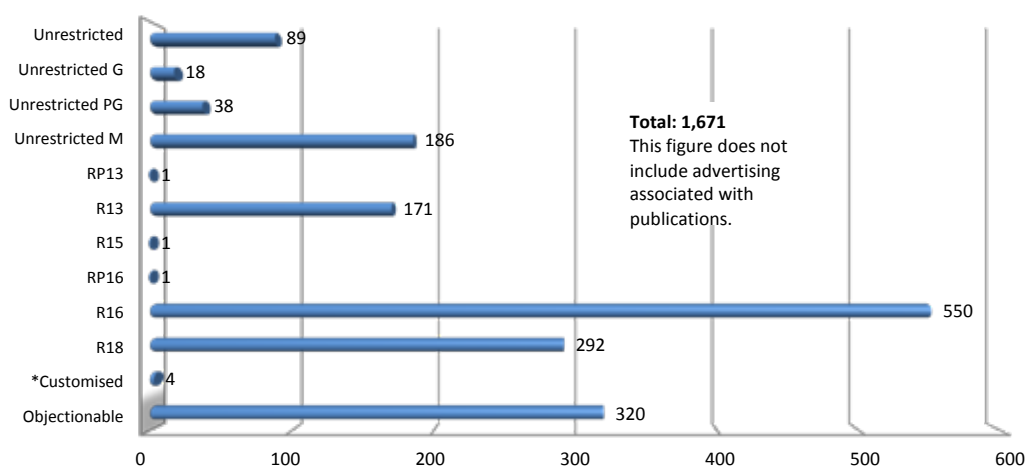
Classified Objectionable

Summary of reasons for decision: *The DVD is classified objectionable. The publication is the first set of episodes of a Japanese anime series set in high school about a sex-obsessed schoolboy who becomes part of the supernatural world. The DVD tends to promote and support the sexual exploitation of young persons. All of the young female characters are highly sexualised and fetishised. They are relentlessly depicted as nude or in limited sexualised clothing. Focus is made on their breasts and youthful bodies in such a way as to titillate and arouse the viewer. Their youthfulness is emphasised by the high school setting, their school uniforms and their engagement in high school activities. Episodes are separated by photo stills of the female characters sexually posing, reminiscent of adult pornographic material. The credits feature these characters performing strip tease. The scenes are constructed wholly for the sexual benefit of the viewer. The main purpose of this treatment is to reinforce the notion that young persons are sexually desirable and available. It encourages and legitimises the pursuit of young persons as viable adult sexual partners.*

The Classification Office has considered the effects of the New Zealand Bill of Rights Act 1990 on the application of the classification criteria. The classification of this publication interferes with the freedom of expression. However, the decision is a reasonable and demonstrably justified limitation on the freedom of expression that reflects the concern of a free and democratic society to prevent the availability of publications that tend to promote and support the exploitation of young persons for sexual purposes.

The outcome of reducing injury to the public good was achieved this year by appropriately classifying 1,671 publications (excluding advertising material). The Board of Review issued two decisions during the year. The New Zealand novel *Into The River* by Ted Dawe was submitted by the Department of Internal Affairs following complaints from the Society for Protection of Community Standards and Family First New Zealand. This was subsequently classified unrestricted by the Office as it was found that its availability was unlikely to injure the public good but recommended it as suitable for mature audiences 16 years and over. Family First New Zealand sought a review of this decision. The Board classified *Into The River* as R14 - restricted to persons who have attained the age of 14 years. The Office and the Board's summary of reasons appear on page 23.

Chart 4: Classification of all Publications



*Customised: R18 film festival/tertiary study (1); restricted to Film Festival (3)

DVD: *I Spit On Your Grave 2* Classified Objectionable

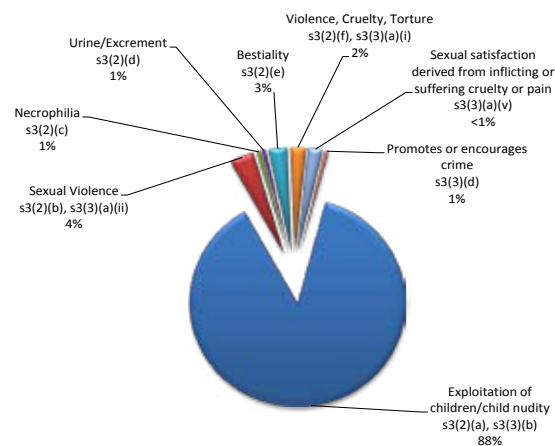
Summary of reasons for decision: *The DVD I Spit On Your Grave 2 is deemed objectionable because it tends to promote and support the use of violence to compel any person to submit to sexual conduct. It also tends to promote and support acts of torture and the infliction of extreme violence and extreme cruelty.*

The DVD contains the horror exploitation feature I Spit On Your Grave 2. The first hour of the feature contains extensive material showing a woman subjected to multiple rapes, kidnapping, torture and cruel degradation by a group of men whose bogus offer of free photography hides their real purpose: to procure the woman for the sexual use of a depraved and violent man. Later scenes show her wreak implausible but sadistic vengeance against her tormentors. There will be many viewers who find the material distressing and repugnant. However, it is unlikely that the material will affect all viewers in this way. In the Classification Office's view, the material tends to encourage attitudes that contribute to sexual violence, acts of torture and other extremes of cruelty and violence, particularly against women. There is little respite from the cruelty and sexual sadism of the men's treatment of their victim. Their contempt for her echoes a damaging myth about rape: the woman is worthless and therefore "deserves it." The high extent and the strong impact of scenes showing sexual violence and degradation invite viewers to take pleasure in the misogyny of the woman's tormentors and to become voyeurs who are complicit in her suffering. Other factors, such as the eroticisation of sexual violence by elements such as the titillatory effect of the woman's nudity, and the possibility that the rapes themselves will be arousing to some viewers, add weight to these considerations. Images of a rapist using a cattle prod in a ghastly mimicking of fellatio, for instance, are unequivocally pornographic.

The torture and gory deaths that make up the woman's unlikely retribution follow one another in a parade of bloody and horrifying images. The sadism of the woman's vengeance is a particular concern: it is starkly expressed in her methods and in dialogue full of pent-up venom. Viewers are invited to cheer her on. Katie's tormentors are so ...

The other review involved five chat logs from mobile phone records and was originally submitted to the Office by the New Zealand Police as part of a pending court case. These text messages were sent by a 35 year-old man to girls aged 11-12 years old. They consisted almost entirely of explicit sexual comments and questions from the male. The girl's responses were not recorded except for one log. Because the recipients were young girls the issue of whether the conversation logs promoted or supported the exploitation of children for sexual purposes was considered. The Office concluded that the man's behaviour while highly inappropriate; was not abusive or predatory. The texts themselves did not show clear evidence that the man even knew that the recipients were young girls. One text indicated that one of the recipients lied that she was 17 and the male appeared to believe this. The texts did not unequivocally show that the sender knew he was communicating with children and therefore did not meet the required threshold

Chart 5: Subject Matter of Objectionable Publications



I Spit On Your Grave 2, continued

.. despicable that most will enjoy seeing them get what they deserve. In spite of the fact that the majority of viewers will realise that Kate is acting out a rape victim's implausible wish-fulfilment fantasy, they receive considerable encouragement to take pleasure in the sadism and viciousness of these scenes.

The feature is presented solely for entertainment and can make little claim to artistic or any other merit or value. The simplistic storyline exists only to provide minimal context for the main rape/revenge motif. The dominant effect is of sexual sadism and degradation, coupled with merciless cruelty and violence, that takes up the majority of the running time.

The Classification Office has considered the effects of the New Zealand Bill of Rights Act 1990 on the application of the classification criteria. The classification of this publication interferes with the freedom of expression, but this is an outcome that is consistent with Parliament's intention that publications falling under s3(2) of the FVPC Act are deemed to be objectionable. The question of whether a different classification might be possible if excisions were made has been considered. However, the material that contributes to the decision that the feature tends to promote and support sexual violence and other violence and cruelty is extensive. To remove the worst parts too many excisions would be required and it is arguable whether these would remove the problematic messages underlying the feature. Therefore, excisions are not considered viable in this instance.

to result in a ban. Given the sexually explicit nature of the texts the Office classified them R18. The Crown Solicitor sought a review of the chat logs and the Board, while acknowledging that the male's conduct was "abhorrent", found no grounds for determining that the publications could be said to be objectionable as defined in s3 of the Act. The chat logs were classified as unrestricted by the Board. This case illustrates a gap in the current legislation given technological advances as we move further into a digital world. This case will be better dealt with under the new Objectionable Publications and Indecency Legislation Bill's section concerning indecent communication with a young person, currently before Parliament.

The Office has also dealt with "selfies" where young teenagers have taken and sent sexually suggestive or explicit images of themselves. The Office is able to deal with these following the 2005 amendments to the Act that extended the definition of matters of sex:

Included as a "matter such as sex" is any publication that in terms of s3(1A) –

- (a) ... is or contains 1 or more visual images of 1 or more children or young persons who are nude or partially nude; and
- (b) those 1 or more visual images are, alone, or together with any other contents of the publication, reasonably capable of being regarded as sexual in nature.

To date explicit "selfies" of children and teenagers sought by men, apparently in some instances for cell phone top ups or cash, have been dealt with by the Office. However, it is only a matter of time before the Office deals with teenagers sharing such images amongst themselves. Criminalising young people is clearly not the outcome Parliament intended with the 2005 amendments and it is hoped that enforcement agencies take an educational rather than prosecutorial approach to these cases.

Computer Moving Image File: DSCF0029.mov

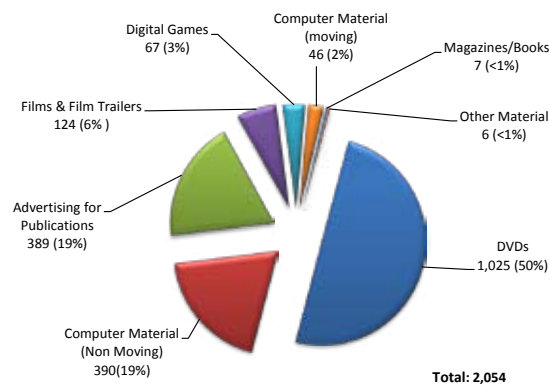
Classified Objectionable except if the availability of the publication is restricted to the two individuals depicted in this publication.

Summary of reasons for decision: *This computer moving image file is a private recording of two consenting and mature adults engaging in the erotic practice of BDSM (bondage and discipline/sadism and masochism). Taken out of context the material is strong and startling, and the violent undertones would shock and highly disturb those with limited or no knowledge or understanding of such sexual activity. This clip and another of a similar nature have been submitted for classification by the New Zealand Police.*

Contextualising information and the written submission by the owner supports a reading of the publication not promoting or supporting or tending to promote or support extreme violence or torture, or sexual violence. However, there is the potential for considerable injury and harm if this material were to be made available to a wider audience, even of adults. The potential for misinterpreting the consensual sexual activity as non-consensual sexual violence is high. The owner has stated clearly in his submission this material was intended for the use of the participants only. The depictions of sexual activity in this clip and the rights of the participants have been weighed against the right to freedom of expression as set out in s14 of the New Zealand Bill of Rights Act. In this instance, it is reasonable and justified and in accordance with the law to restrict the material to the participants alone. This limitation on the publication's availability is the minimum restriction that can be applied in order to prevent likely injury to the public good.

In addition to the standard commercial work, the Office continues to deal with a range of unusual publications which this year included bumper stickers and amateur recordings of a sexual nature. The Act allows for a customised classification that acknowledges on the one hand an individual's right to freedom of expression and on the other, the Office's responsibility to prevent injury to the public good. During the year two moving image files depicting a couple engaging in strong BDSM activity were submitted by the Police. These files contained short clips of conduct that could appear violent and degrading out of context. Another clip was part of a verbal contract in which the parties agreed to the conditions and limits of the conduct undertaken. These were clearly private records between consenting adults. However, the Office was concerned that the availability of such material to those with little or no knowledge of the activity or context behind BDSM practises could result in injury to the public good. A customised classification in this instance allowed the material to be restricted to the individuals appearing in the clips.

Chart 6: Publications Classified (by Medium)



Sticker: I'm Loving It

Classified Unrestricted

Summary of reasons for decision: *The publication is a car window sticker which depicts a very basic silhouette of a sexualised image of a woman, as a parody of the McDonalds golden arches logo. The image and text (as per the title) comprise crude sexual innuendo. While some viewers are likely to be offended by the overt sexual character and sexism of the sticker, the test for restriction does not involve offence, but likely injury to the public good. Due to the silhouette graphics, the sexual components of the sticker are not sufficiently overt or strong to render its unrestricted availability likely to injure the public good.*

In this instance, where injury to the public good cannot be adequately demonstrated, then a reading in accordance with the New Zealand Bill of Rights Act 1990 is inevitable.

Table 1: Publications Classified by Channel & Medium 2013/14

	Advertising for Publications	Other Material	Magazines / Books	Computer Material (Moving)	Computer Material (Non-Moving)	Digital Games	DVDs	Films & Film Trailers	Total
Section 12(1) Labelling Body	387	0	0	0	0	66	1,019	122	1,594
Section 13(1)(a) Comptroller of Customs	0	0	0	2	3	0	3	0	8
Section 13(1)(ab) Commissioner of Police	0	0	0	32	83	0	0	0	115
Section 13(1)(b) Secretary for Internal Affairs	1	6	7	6	173	0	1	0	194
Section 13(1)(c) Public & Commercial	0	0	0	0	3	1	2	2	8
Section 13(3) Chief Censor's Own Motion	0	0	0	0	0	0	0	0	0
Section 29(1) Courts	0	0	0	6	128	0	0	0	134
Section 41(3) Reconsiderations (Courts)	0	0	0	0	0	0	0	0	0
Sections 42(1), (2) and (3) Reconsiderations	0	0	0	0	0	0	0	0	0
Regulation 27 Film Poster Approvals	1	0	0	0	0	0	0	0	1
Total	389	6	7	46	390	67	1,025	124	2,054

Table 2: Comparison of Publications Received 2004-2014

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05
Section 12(1) Labelling Body	1,741	1,998	1,886	1,798	2,234	2,165	2,577	2,423	2,471	1,994
Section 13(1)(a) Comptroller of Customs	8	1	3	35	53	40	80	79	22	36
Section 13(1)(ab) Commissioner of Police	155	44	49	192	279	167	180	44	11	16
Section 13(1)(b) Secretary for Internal Affairs	209	47	104	36	28	13	21	38	27	46
Section 13(1)(c) Public & Commercial	9	8	9	10	8	28	2	4	14	6
Section 13(3) Chief Censor's Own Motion	0	0	0	2	3	2	3	1	5	2
Section 29(1) Courts	116	100	30	109	145	174	80	115	143	143
Section 41(3) Reconsiderations (Courts)	0	0	0	0	0	0	0	0	0	0
Sections 42(1), (2) and (3) Reconsiderations	20	1	0	0	1	0	0	0	0	12
Regulation 27 Film Poster Approvals	1	3	6	12	12	12	31	17	10	1
Total	2,259	2,202	2,087	2,194	2,763	2,601	2,974	2,721	2,703	2,256

Table 3: Comparison of Publications Examined 2004-2014

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05
Section 12(1) Labelling Body	1,587	1,957	1,816	1,829	2,238	2,165	2,455	2,442	2,416	1,898
Section 13(1)(a) Comptroller of Customs	8	1	38	0	57	36	84	76	27	28
Section 13(1)(ab) Commissioner of Police	115	47	33	242	284	129	145	44	20	7
Section 13(1)(b) Secretary for Internal Affairs	194	24	100	36	31	20	14	41	31	36
Section 13(1)(c) Public & Commercial	9	8	11	8	26	10	2	4	14	5
Section 13(3) Chief Censor's Own Motion	0	0	0	2	4	1	3	5	1	2
Section 29(1) Courts	115	111	22	125	130	161	78	134	124	147
Section 41(3) Reconsiderations (Courts)	0	0	0	0	0	0	0	0	0	0
Sections 42(1), (2) and (3) Reconsiderations	3	1	0	0	1	0	0	0	0	12
Regulation 27 Film Poster Approvals	1	3	6	13	13	13	31	16	10	1
Total	2,032	2,152	2,026	2,255	2,784	2,535	2,812	2,762	2,643	2,136

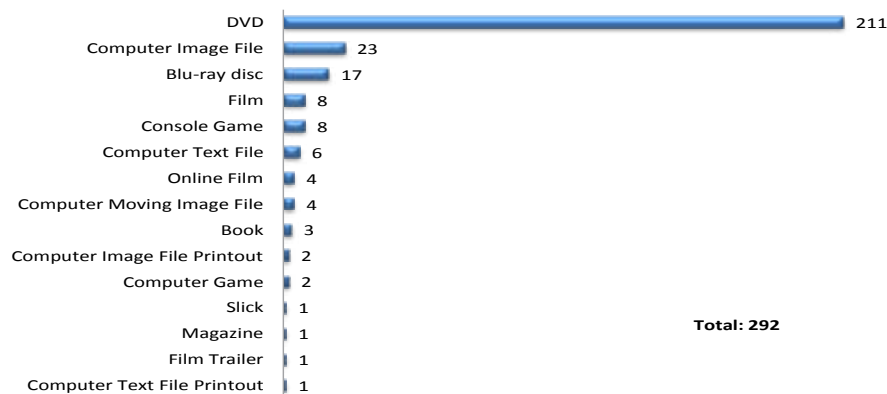
Table 4: Comparison of Publications Classified 2004-2014

	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05
Section 12(1) Labelling Body	1,594	1,942	1,830	1,814	2,263	2,189	2,462	2,451	2,378	1,905
Section 13(1)(a) Comptroller of Customs	8	1	38	0	57	36	84	74	27	28
Section 13(1)(ab) Commissioner of Police	115	47	33	253	293	109	146	41	20	7
Section 13(1)(b) Secretary for Internal Affairs	194	34	90	36	31	20	17	41	27	51
Section 13(1)(c) Chief Censor Grants Leave	8	8	11	8	26	10	2	7	11	5
Section 13(3) Chief Censor's Own Motion	0	0	1	1	5	0	3	5	1	2
Section 29(1) Courts	134	92	22	135	123	158	78	127	124	157
Section 41(3) Reconsiderations (Courts)	0	0	0	0	0	0	0	0	0	0
Sections 42(1), (2) and (3) Reconsiderations	0	1	0	0	1	0	0	0	0	13
Regulation 27 Film Poster Approvals	1	3	6	13	13	13	29	16	10	1
Total	2,054	2,128	2,031	2,260	2,812	2,535	2,821	2,762	2,598	2,169

The majority of banned publications this year continue to be child sex abuse material. Sexual violence was the second highest category accounting for 4% of all publications banned, this included two mainstream films: the 1980 *House On The Edge Of The Park* and the 2013 *I Spit On Your Grave 2*. Detailed abstracts appear below. Bestiality, necrophilia, the use of urine or excrement, violence and torture all featured in the bans. What did not feature this year was material banned or cut for degrading, dehumanising or demeaning sexual conduct. This is the result of the main distributor of adult DVDs no longer supplying the New Zealand market due to online competition offering cheap or free content.

In summary classification servicing over the year was both varied and productive. The majority of timeliness measures were met despite our evacuation from an earthquake damaged building. Remote access to our database ensured minimal disruption to servicing and increasing access to online publications has resulted in efficiency gains for the Office.

Chart 7: Publications Classified as R18 (by Medium)



Film: *House On The Edge Of The Park*
Classified Objectionable

Summary of reasons for decision: *This film is deemed objectionable because it tends to promote and support violence and coercion to compel women to submit to sexual conduct. The film is dominated by numerous scenes of sexual violence. It opens on a graphic scene of rape that is not supported by context. The narrative then follows two men as they terrorise a group of people, particularly the female members of the group, who they repeatedly subject to sexual violence. Gratuitous lingering shots of nudity and other cinematic effects such as romantic music and lighting during the scenes of assault and rape support this purpose. The sexual violence is not contextualized or explored beyond the superficial presentation of the conduct. The victims appear aroused by, unaffected by and thus collusive in the violence perpetrated against them; this feeds into the intrinsic rape myth dialogue of the publication. Viewers are relentlessly exposed to titillating images that eroticise sexual humiliation and violence. All of these factors invite viewers to become complicit in events and to take vicarious pleasure in the men's misogyny and the victims' humiliation and dehumanisation. Further, due to the publication's proliferation of rape myths and relentless eroticized presentation of sexual violence, people who have been subjected to any form of sexual abuse will be re-traumatized by the film's depictions of violence and sexual violence. The legitimization of these rape myths also irredeemably serves to validate viewers' misconceptions of sexual violence and thus their real world response to sexual violence.*

The Classification Office has considered the effects of the New Zealand Bill of Rights Act on the application of the classification criteria. The classification of this publication interferes with the freedom of expression, but this is an outcome that is consistent with Parliament's intention that publications falling under s3(2) of the Films Videos and Publications Classification Act are deemed to be objectionable. The Classification Office is aware that cut versions of the feature have been released in the United Kingdom and has considered whether a different classification might be possible if excisions were made. However the distributor has notified the Classification Office that any excisions will not be made, so in this instance they have not been recommended.

Chart 8: Publications Classified as Objectionable (by Medium)

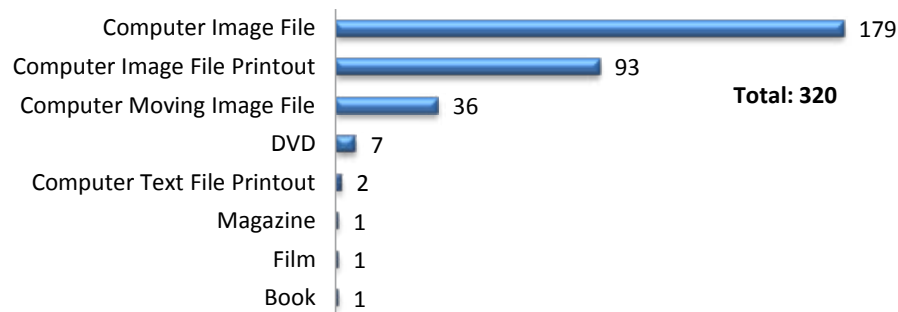
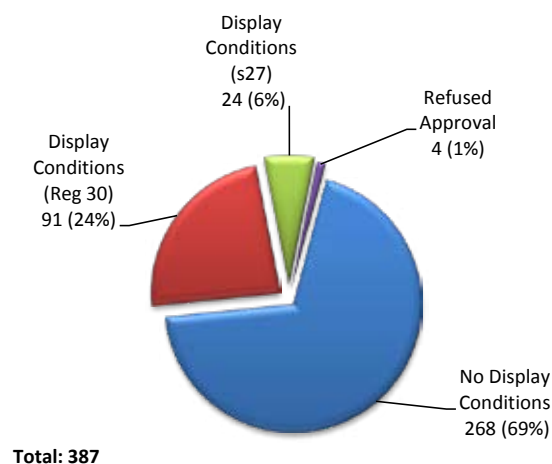


Chart 9: Moving Image Advertising Material



Book: *Lost Girls*

Classified R18

Summary of reasons for decision: *Lost Girls* is a graphic novel with text by Alan Moore and images drawn by Melinda Gebbie. The book was submitted for classification by Auckland City Libraries. Its creators describe it as a work of pornography and its contents are explicitly sexual. The book's three main characters are the young heroines of classic works of fiction: Alice, from *Alice's Adventures In Wonderland*; Dorothy from *The Wonderful Wizard Of Oz*; and Wendy from *Peter Pan*. The story presents the three characters as adults who meet by chance at an Austrian hotel just before the outbreak of the First World War. Dorothy and Wendy are drawn into sexual activity by Alice and the three women share stories about their early sexual experiences, which include sexual molestation and incest. Other notable elements in the book are pornographic pastiches in the style of authors and artists of the period, including Aubrey Beardsley and Oscar Wilde. *Lost Girls* is a challenging work that contains problematic material. However, the book has been widely acclaimed for its literary and artistic significance, and its call for the freedom of the sexual imagination. The book has a serious purpose: author and artist intend it as "good" pornography that re-asserts pornography's potential as art and therefore, its socio-political possibilities as an antidote to repression and violence. It is likely that most readers will experience some discomfort at images and text that appear to challenge strong social taboos. However, the publication as a whole does not promote or support, or tend to promote or support, any of the activities shown.

The book is clearly intended for adult readers. There is a consensus amongst the public of New Zealand that children and young people should not be exposed to explicit sexual material intended for adults until they reach a level of maturity and experience that would allow them to cope with such material. In particular, young readers should not be exposed to images and text that they would be likely to find extremely shocking and disturbing. The availability of *Lost Girls* is therefore restricted to adults. Given how explicitly sexual the book is, the classification does not greatly interfere with the right to freedom of expression set out in the New Zealand Bill of Rights Act 1990. In light of the book's intended adult readership, the decision is a reasonable and justified limitation on the freedom of expression.

Book: Into The River (Office of Film & Literature Classification Decision)

Classified Unrestricted

Summary of reasons for decision: *'Into The River'* is a young adult novel from New Zealand/Aotearoa. The novel is centred on Te Arepa Santos, a boy from a fictional village on the East Coast of the North Island. Te Arepa wins a scholarship to a boys' boarding school in Auckland. The transition is difficult. He forges friendships, finds enemies, and discovers that his Maori identity is discounted and a disadvantage. He endures the bullying that comes from this, as well as that meted out to new boys, and sees what happens when that bullying goes too far. At school, Te Arepa grapples with serious competition, hard work and success. Holidays and term breaks are also full of learning. His friends' families provide stark and often uncomfortable contrasts to his East Coast roots and values. Along the way, there are confusing encounters with sex and a growing understanding of intimacy, the use of drugs, peer pressure, deep racism, grief and death.

The book deals with some stronger content. There are sexual relationships between teenagers, encounters with possible child sexual exploitation, the use of illegal drugs and other criminal activities, violent assault, and a moderate level of highly offensive language. These are well contextualised within an exciting fast moving narrative that has as its protagonist, a young teenage Maori boy from a rural community who is finding his way through the strange uncomfortable environment of a boys' boarding school and unfamiliar social mores. The story captures the raw and real extremes of adolescence in teenage boys. The content immerses the reader in action, wit, and intrigue, as well as a level of social realism, all likely to engage teen and young adult readers and with particular appeal for older boys and young men. The content to do with matters of sex and crime does not automatically require restriction. A reader with the maturity to read a text-dense novel is likely to have the maturity to deal with the contents. Readers must also make a conscious decision to engage with the book, and the usual browsing behaviours will influence their choice to continue to a more comprehensive level. Unlike film or television, a book does not make a sudden and colourful impression on naive viewers.

It is clearly acknowledged by the author and by expert literary reviewers that the book is intended for a more mature audience. There are many other novels widely available without restriction in New Zealand with similar sexual descriptions of an equivalent nature, many of them literary classics and coming of age novels, or popular fiction phenomena in their own right. This would make a restriction on *'Into The River'* arbitrary and unfair. It would create a widespread inconsistency in conditions of access to books of this nature. Concerns about children or young persons are adequately addressed by a classification indicating the book's suitability for mature audiences and a label that indicates sexual content. This has already been addressed by some booksellers, which indicates a reasonable and conscious responsibility taken by marketers to warn parents and caregivers and thus provide protection for children and young people.

The Classification Office has taken into account the New Zealand Bill of Rights Act 1990 (NZBR Act) when making this decision. While it is acknowledged that some people may be offended by reading parts of this book, the NZBR Act states that everyone has the freedom to seek, receive, and impart information and opinions of any kind in any form. Under s5 of the NZBR Act, this freedom is subject only to such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society. Any restriction on the availability of this publication would not be a reasonable limitation nor demonstrably justified in a free and democratic society.

Book: Into The River (Board of Review Decision)

Classified R14

Summary of reasons for decision: The book *"Into the River"* by Ted Dawe is a 279 page novel that tells the story of a young Maori boy who wins a scholarship to a prestigious boy's boarding school. In his first two years at the school he is academically successful, but ends up being expelled.

The book realistically describes challenges and issues which such a young boy might face. In the course of doing so, the book contains scenes, and deals with themes, that people may find offensive and upsetting. Those themes include bullying, underage casual and unsafe sex, drug taking and other matters. The book also includes the use of offensive language by a number of the characters.

Overall, when considering the section 3(1) test in light of section 3(3) and 3(4), the Board considers that although this book does describe, depict or otherwise deal with matters such as sex, crime, cruelty and violence it does not do so in such a manner that the availability of the publication is likely to be injurious to the public good. Subject to the age limitation referred to below, the Board considers the book is likely to educate and inform young adults about the potentially negative consequences that can follow from involvement in casual sex, underage drinking, drug taking, crime, violence and bullying. The Board considers that the book serves a useful social purpose in raising these issues for thought and debate and creating a context which may help young adults think more deeply about the immediate and long term consequences of choices they may be called upon to make. However, there are scenes in the book that are powerful and disturbing, and in the opinion of the Board run a real risk of shocking and disturbing young readers. Whilst those aged 14 and above are likely to have a level of maturity that enables them to deal with this, those below the age of 14 may not. Accordingly, the Board considers the publication should be age restricted to those who have attained the age of 14 years.

Accordingly, the Board classifies the book as objectionable except if the publication is restricted to persons who have attained the age of 14 years. The Board also requires that any further publication of the book carry the same descriptive note as the present publication, reading "parental advisory explicit content".

Statements of the

OFFICE OF

FILM & LITERATURE CLASSIFICATION

TE TARI WHAKARŌPŪ TUKUATA, TUHITUHINGA

for the year ended 30 June 2014


STATEMENT OF RESPONSIBILITY

For the Year Ended 30 June 2014

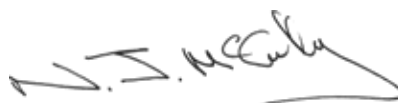
The Board is responsible for the preparation of the Office of Film and Literature Classification's (Classification Office) financial statements and statement of service performance, and for the judgements made in them.

The Board of the Classification Office has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Classification Office for the year ended 30 June 2014.



Dr AR Jack
Chairperson



N J McCully
Deputy Chairperson

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

31 October 2014

Independent Audit Report

To the readers of Office of Film and Literature Classification's financial statements and non-financial performance information for the year ended 30 June 2014

The Auditor-General is the auditor of Office of Film and Literature Classification (the Classification Office). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and non-financial performance information of the Classification Office on her behalf.

We have audited:

- the financial statements of the Classification Office on pages 39 to 58 that comprise the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the non-financial performance information of the Classification Office that comprises the statement of service performance on pages 28 to 38 and the report about outcomes on pages 9 to 11.

Opinion

In our opinion:

- the financial statements of the Classification Office on pages 39 to 58:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Classification Office's:
 - financial position as at 30 June 2014; and
 - financial performance and cash flows for the year ended on that date.
- the non-financial performance information of the Classification Office on pages 28 to 38 and 9 to 11:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the Classification Office's service performance and outcomes for the year ended 30 June 2014, including for each class of outputs:
 - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
 - its actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

Basis of Opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments; we consider internal control relevant to the preparation of the Classification Office's financial statements and non-financial performance information that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Classification Office's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported non-financial performance information within the Classification Office's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and non-financial performance information that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Classification Office's financial position, financial performance and cash flows; and
- fairly reflect its service performance and outcomes.

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Films, Videos and Publications Act 1993.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and non-financial performance information and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Classification Office.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand

STATEMENT OF SERVICE PERFORMANCE

For the Year Ended 30 June 2014

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 (M41). 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 2013/14 is \$ 3,269,551 (ex GST)

Total forecast expenditure is \$ 3,298,080 (ex GST)

Total forecast deficit is \$ (29,529) (ex GST)

Classification Services

(Report against Statement of Intent 2013-2016)

Output 1 - Production of Classification Decisions

Quantity	Notes	Minimum Estimate	Maximum Estimate	Actual 2014	Actual 2013
Publications Received		1,774	2,440	2,259	2,202
Publications Examined		1,774	2,440	2,032	2,152
1.1.1 Third Party - Publications Classified		1,429	1,948	1,603	1,959
1.1.2 Crown - Publications Classified	1	345	492	451	175
1.1.3 Classification Decisions Registered		1,774	2,440	2,060	2,134

Quality		Projected	Actual 2014	Actual 2013
1.2.1 Classification decisions to set standard	2	95%	98.9% ✓	99.9%
1.2.2 Classification decision apply all relevant criteria and are soundly reasoned	3	95%	- ×	100%
1.2.3 Classification decisions are appropriately classified	4	95%	98.4% ✓	100%

Note 1: Quantity Measure not achieved

Actuals and Estimates vary because Estimates are based on historic submissions patterns, the Crown and the Labelling Body have automatic rights of submission, and these are demand driven activities.

Note 2: Quality of Classification Decisions

The quality measure target of 95% requires that classification decisions and directions are consistent with the standards set down in the *Classification Office Practice Manual*. The size of the sample consists of at least 15% of the total number of publications classified, with this figure comprising at least 15% from each submission channel employed for the period in question.

Note 3: Quality Classification Decisions

Due to the disruption during 2013/14, with two relocations and high volumes of submissions in the 4th quarter, an independent quality review of decisions was not conducted. This is now scheduled for 2014/15, and will include decisions from 2013/14. Since the last independent review of the quality of classification decisions, the Office has maintained a highly stable and experienced workforce and has built in quality control processes. This provides ongoing assurance of the quality of the Office's decisions.

Note 4: Classification Decisions are appropriately classified

Correct and consistent application of the law should result in similar classifications by the Office and the Board of Review. The Classification Office monitors classification decisions which are issued by the Board of Review to identify any significant divergence in classifications, or the rationale of classification decisions, between the Office and the Board of Review. Divergence could indicate that publications were not appropriately classified. To achieve this measure at least 95% of Board of Review decisions issued over a 5 year period are the same as, or lower than, decisions issued by the Office. During 2013/14 the Board reviewed 6 publications. One decision was raised from an unrestricted 'M' to R14 while the other 5 decisions were changed from R18 to Unrestricted. This is discussed further on page 12. For the 5 years to July 2014 the Board issued 61 decisions of which 8 were lowered, 1 was raised and the balance (52) were unchanged.

Timeliness

			Target ³		No. of Pubs	Actual 2014			Actual 2013
			Days	%		No.	%	✓/✗	%
Internal Measures	Queue Time	s12 & s42	20	90%	1,591	1,483	93%	✓	80%
		s13	25	70%	326	225	69%	✗	70%
	Processing Time	Standard s12 & s42	10	90%	1,600	1,429	89%	✗	93%
		Complex s12 & s42	15	70%	6	4	67%	✗	65%
		s13	30	70%	325	308	95%	✓	98%
SOI Measures	Total Processing Time								
	1.3.1	Standard s12 & s42	30	90%	1,600	1,499	94%	✓	91%
	1.3.2	Complex s12 & s42	35	70%	6	5	83%	✓	71%
	1.3.3	s13	55	70%	325	254	78%	✓	94%

Note 1: Timeliness Definitions

- The distinction between 'standard' and 'complex' publications is based on the requirement to consider excisions. Complex publications are those publications for which excisions have been recommended.
- Performance on Queue Timeliness is calculated on publications examined during the reporting period.
- Performance on Processing Timeliness and Total Processing Timeliness are calculated on publications registered during the reporting period.
- Publications which achieve the Total Processing Timeliness target may have failed either Queue or Processing timeliness.
- s12 and s42 publications requiring assistance under s21 of the Act and s29 submissions are excluded from the timeliness measures.

Note 2: Internal Measures not achieved

A range of internal Queue and Processing measures were not met. Factors which contributed to this were:

- Disruption caused by the evacuation and relocation of Office premises following the July Seddon earthquakes slowed Processing times, particularly during the 1st quarter.
- Submissions in both the 3rd and 4th quarters exceeded upper submission estimates (submissions in the 4th quarter exceeded the upper estimate by 20%) and so exceeded the Office's capacity to process.

Note 3: Target

Timeliness targets are set by the Office, not in legislation. The Act requires the Office to examine publications submitted 'as soon as practicable'.

Classification Analysis

Performance by Section of the Act against Estimates

Section 12 - Labelling Body	Minimum Estimate	Maximum Estimate	Actual 2014	Actual 2013
Publications Received	1,420	1,930	1,741	1,998
Publications Examined	1,420	1,930	1,587	1,957
Classifications Registered	1,420	1,930	1,600	1,942

Regulation 27 - Film Poster Approvals

Publications Received	3	6	1	3
Publications Examined	3	6	1	3
Film Poster Decisions	3	6	1	3

Section 13(1)(a) - Comptroller of Customs

Publications Received	6	12	8	1
Publications Examined	6	12	8	1
Classifications Registered	6	12	8	1

Section 13(1)(ab) - New Zealand Police

Publications Received	150	200	155	44
Publications Examined	150	200	115	47
Classifications Registered	150	200	115	47

Section 13(1)(b) - Secretary for Internal Affairs

Publications Received	83	118	209	47
Publications Examined	83	118	194	24
Classifications Registered	83	118	194	34

Section 13(1)(c) - Chief Censor Grants Leave (Commercial & Public)

Publications Received	6	12	9	8
Publications Examined	6	12	9	8
Classifications Registered	6	12	8	8

Section 13(3) - Chief Censor's Own Motion

Publications Received	0	0	0	0
Publications Examined	0	0	0	0
Classifications Registered	0	0	0	0

Section 29(1) - Courts	Minimum Estimate	Maximum Estimate	Actual 2014	Actual 2013
Publications Received	106	162	116	100
Publications Examined	106	162	115	111
Classifications Registered	106	162	134	92

Section 41(3) - Court Reconsiderations				
Publications Received	0	0	0	0
Publications Examined	0	0	0	0
Classifications Registered	0	0	0	0

Sections 42(1),(2) & (3) Reconsiderations				
Publications Received	0	0	20	1
Publications Examined	0	0	3	1
Classifications Registered	0	0	1	1

SUMMARY				
Publications Received For the Year	1,774	2,440	2,259	2,202
Publications Examined	1,774	2,440	2,032	2,152
Classifications and Film Poster Decisions	1,774	2,440	2,060	2,128
Variance Between Actual and Estimates				
<i>Received</i>	27%	(7%)		
<i>Examined</i>	15%	(17%)		
<i>Registered</i>	16%	(16%)		

Note 1:

The figures in the estimated range have been rounded to the nearest whole number.

Note 2:

Publications Received may be Examined and/or Registered in the next year.

Publications Examined and/or Registered may have been Received in the previous year.

STATEMENT OF SERVICE PERFORMANCE

For the Year Ended 30 June 2014

Information Services

(Report against Statement of Intent 2013-2016)

Output 2 - Dissemination of Information

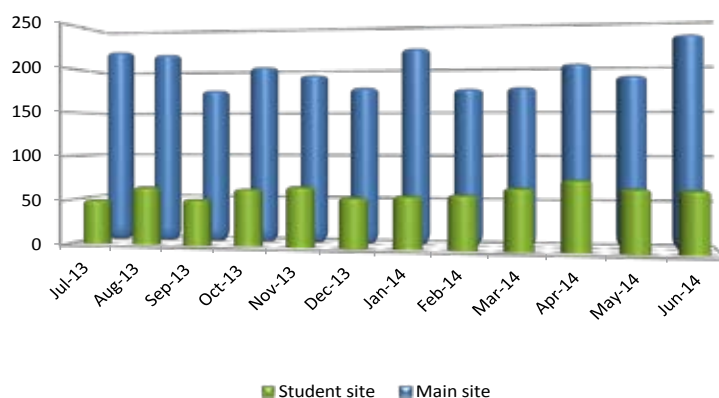
Activity 2.1 Development of a Quality Web Presence

Quantity & Quality	Targets	Actual 2014	Actual 2013
2.1.1 Number of visits to the Classification Office websites (average per day)	125	262 ✓	225
2.1.2 Significant errors identified on Classification Office websites are corrected within 1 working day	90%	100% No errors ✓	99.5%

No significant errors in information on our websites were identified during the year.

Chart 10 shows the average daily visits by month to the Office's sites.

Chart 10: Average Daily Visits 2013/14



The most frequently accessed information on our main site during the year was:

- searching for a classification decision
- information about classification labels
- an article about 'what does M mean?'
- the public section of the website, and
- information for parents on New Zealand's classification system.

Activity 2.2 Educational Presentations

Quantity & Quality	Targets	Actual 2014	Actual 2013
2.2.1 Number of educational presentations given	15-20	15 ✓	18
2.2.2 Responses to client satisfaction surveys 'Very Good', or better	80%	100% ✓	100%

There were 15 presentations during the year to 1,570 attendees (cf. 1,296 in 2013). Feedback on presentations was 100% positive, as in 2013.

Censor for a Day

In our regular education programme for media studies students who can choose censorship topics within the NCEA unit standards, we conducted seven *Censor for a Day* events to around 735 students and their teachers in the following North Island centres: Wellington, New Plymouth, Palmerston North, Napier, Lower Hutt, Hamilton and Tauranga. Students hear a lecture about the classification law, watch a pre-release feature film and complete a written exercise to classify the film using the criteria for this purpose in the Classification Act. After the events we publish a full report of the students classification finding on our student website.

Output 3 - Inquiries and Complaints

	Notes	Targets	Actual 2014	Actual 2013
Quantity				
3.1 Number of inquiries and complaints answered	1	800 - 1,000	696 ×	793
Quality				
3.2 Responses to 'request for feedback' on inquiries and complaints service are 'Satisfied with service'.	2	80%	96% ✓	N/A
Timeliness				
3.3 Inquiries and complaints responded to promptly		80% within 5 days	98% ✓	98%
		100% within 20 days	100% ✓	100%

Note 1: This is a demand driven activity.

Note 2: New measure introduced in 2013/14.

Quality of responses to complaints and inquiries

The Information Unit administers a quality survey about its response to inquiries and complaints.

People who make a substantive inquiry or complaint in writing (considered to be an Official Information Act request) are surveyed on our response to them. The purpose of the survey is to provide evidence about the quality of the responses we provide.

425 emailed or written responses were sent during the year. 205 correspondents were surveyed. 23 completed the survey questions. One was dissatisfied with the quality of the information provided. Four respondents suggested improvements.

Trends in inquiries and complaints

The trend is downward. Overall, we dealt with one hundred fewer inquiries during the year, compared to the previous year. However, daily visits to our main website have doubled over the past few years indicating that more people are getting the information they need there.

Of the total, 59 complaints (cf. 68 in 2013) were received during the year. They covered a range of issues with the classification system and with the classifications of specific publications. Forty-four of the complaints were prompted by the classification of specific publications. Of these, the most complained about were:

- the film *Maniac* (5) because correspondents thought that its classification was too restrictive
- the New Zealand book *Into the River* (4) which complainants said should be restricted due to sexual content
- the film *The Heat* (3) because its R13 classification was considered too low by complainants due to offensive language
- the film *Rush* (2) because its R13 classification was considered too low due to sexual and violent content.

The Censorship Compliance Unit at the Department of Internal Affairs submitted the book *Into the River* for classification but the classification was subsequently appealed to the Film and Literature Board of Review (for more information, please see abstract on page 23).

Output 4 - Research

	Notes	Targets	Actual 2014	Actual 2013
Quantity				
4.1 Research projects per year		1	1 ✓	3
Quality				
4.2.1 Published research helps inform the wider public about censorship issues	1	Research reports make up at least 10% of resources downloaded	21% ✓	20%
Timeliness				
4.3 Research findings are published within 1 month of report being finalised		100%	100% ✓	100%

Note 1: Published research helps inform the wider public about censorship issues

Published research is intended to inform the wider public about censorship issues. Research conducted by the Office increases general understanding of people's attitudes and behaviours, fosters informed debate, and helps individuals understand the nature of injury to the individual, or society, of harmful publications. It provides an evidence base to censorship policy-making. The website is the main point of access to the Office's research and contains all research published by the Office since 2001. If the Office's research is considered of high value and quality it will continue to be accessed, by researchers, students and others and will remain relevant over time.

2013/14 Research Project: Summary of findings of *Comparing Classifications: feature films and video games 2012 & 2013*

(published online in October 2014)

Purpose of the research

The classifications assigned to films and games by different countries are substantially variable as are the symbols, names and meanings used on classification labels. Nevertheless, it is interesting to compare New Zealand classifications with those of other jurisdictions to find out what is similar and what is different between us.

Methodology

To enable comparisons to be made, we have developed and applied a scoring system. Classifications are listed and ranked in increasing order of age restriction. A numerical score is attached to each classification, with less restrictive ones receiving lower scores. In general, classifications allowing parental/caregiver accompaniment below a given age are considered weaker than those that have an enforced age restriction.

260 films and 112 games are included in the analysis for 2012 and 2013. The film titles were mainly for cinematic release, but in some jurisdictions were only released on home formats. Respectively, 102 films and 77 games were classified in all of the jurisdictions compared.

The samples are selected from films and games that the New Zealand Classification Office deals with, that is, content for mature or age-restricted audiences. In New Zealand, classifications of films and games for general or younger audiences are adopted from Australia or the United Kingdom and supplied with an equivalent local label displayed.

The comparison for film show that:

- Overall, film classifications in New Zealand are less restrictive than those of Singapore and the United Kingdom, and more restrictive than those of the United States, Ontario, and Australia.
- The average strength of film classifications in all six jurisdictions (for 2012/13) has changed little since our last report (for 2010/11).
- Film classifications in the United Kingdom are most consistent with New Zealand's with 75% of titles in our comparison receiving a similar classification.
- Film classifications in the United States are the least consistent with New Zealand's with just 18% receiving a relatively consistent classification.
- In general, the greater range of age restrictions available in New Zealand (R13, R15, R16, R18 etc) means that decisions can be tailored more here than in jurisdictions with fewer labelling options. This means that in some jurisdictions a wide variety of content will receive the same classification. For example, there are only two restricted ratings for films in the United States and 87% of the film sample was rated R in that jurisdiction. The ESRB system for games (used

in the United States and Ontario) also has only two restricted ratings, and 91% of the game sample was rated M17+ by the ESRB (all other titles were unrestricted).

- Australian film classifications are generally more liberal than New Zealand's mainly due to Australia's MA15+ classification. The Australian system places more emphasis on parental choice than New Zealand's.
- The United Kingdom's system is the most similar to New Zealand's, but its overall strength score is higher mainly because titles classified M in New Zealand were almost all at least partially restricted in the United Kingdom. The United Kingdom does not have a classification equivalent to New Zealand's unrestricted M 'suitable for mature audiences 16 years and over'.
- United States classifications are generally more liberal than New Zealand's, however, a significant number of M titles in New Zealand are rated 'R' in the United States. This may be because of differences in our levels of concern about depictions of sex, nudity, and offensive language.
- Ontario's system is based on parental consent rather than full age restrictions, even more so than Australia's. Nine out of 10 films in the sample were given a partial 'parental accompaniment' restriction in Ontario. Overall, it is a much less restrictive system than New Zealand's.
- Singapore's film classification system is the most restrictive of those compared. It is the only jurisdiction with an R21 classification (the highest age restriction in other jurisdictions is 18). While many titles received a classification relatively consistent with New Zealand's, there were a significant number of outliers. The Singapore sample also included the most number of titles modified by cuts in order to receive a classification.
- Of the 102 titles classified in all jurisdictions, the most highly restricted was the film *Blue is the Warmest Color*, followed by *Shame*.

The comparisons for games show that:

- Overall, game classifications in New Zealand are less restrictive than those of the United Kingdom and Ontario, and more restrictive than those of Singapore, Australia, and the United States.
- The average strength of game classifications in different jurisdictions (for 2012/13) is similar to our last report (for 2010/11).
- There have been changes since our last analysis however: the United Kingdom is included in the games comparison as it began enforcing the European PEGI system in 2012, and Australia began using an R18+ classification for games in 2013.

- Having adopted the European PEGI system and legally enforced its age ratings, the United Kingdom now has the most restrictive classification system for games of any jurisdiction in our study. Game classifications in the United Kingdom are most consistent with New Zealand's: 89% of titles in our sample received a relatively consistent classification in both jurisdictions.
- Game classifications in the United States are the least consistent with New Zealand's, with just 18% of the sample receiving a relatively consistent classification.
- For games classified in Australia in 2012, only 14% of titles were relatively consistent with New Zealand's, but this rose to 49% in 2013 after the introduction of an Australian R18+ classification for games. In 2013, 37% of games in the sample were classified R18+ in Australia, compared with 22% classified R18 in New Zealand.
- The ESRB system in the United States is the least restrictive system for game classification. However, when fully enforced in Ontario, the system is more restrictive than New Zealand's.
- Singapore's game classification system is considerably less restrictive than its system for films, and is one of the least consistent in this regard when compared with most other jurisdictions.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2014

		Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
INCOME	<i>Notes</i>			
Revenue from the Crown	1	1,960	1,960	1,960
Labelling Body Income		914	1,243	1,113
Other Fee Income		0	0	2
		2,874	3,203	3,075
OTHER INCOME				
Interest Income		53	66	70
Gain On Sale Of Fixed Assets		1	0	0
		54	66	70
Total Income		2,928	3,269	3,145
EXPENDITURE				
Audit Fee		29	29	29
Depreciation & Amortisation Expense	7,8	179	176	167
Insurance Costs		11	10	10
Loss On Sale of Fixed Assets		16	0	0
Lease & Rental Costs		134	397	403
Other Operating Costs		623	640	619
Personnel Costs	14	2,047	2,047	2,008
Total Expenditure		3,039	3,299	3,236
Surplus/(Deficit)		(111)	(30)	(91)
Other Comprehensive Income		0	0	0
TOTAL COMPREHENSIVE INCOME		(111)	(30)	(91)

Note: Explanations of major variances are provided in note 19.

Note: The accompanying accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2014

		Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
	<i>Notes</i>			
BALANCE AT 1 JULY		2,555	2,460	2,646
Surplus/(Deficit)		(111)	(30)	(91)
Comprehensive Income		(111)	(30)	(91)
BALANCE AT 30 JUNE	17	2,444	2,430	2,555

Note: The accompanying accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

		Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
CURRENT ASSETS	<i>Notes</i>			
Cash & Cash Equivalents	2	412	530	333
Debtors & Other Receivables	3	116	152	131
Investments	4	1,100	1,140	1,420
Total Current Assets		1,628	1,822	1,884
CURRENT LIABILITIES				
Creditors & Other Payables	5	244	183	189
Employee Entitlements	6	207	237	228
Total Current Liabilities		451	420	417
NET CURRENT ASSETS		1,177	1,402	1,467
NON-CURRENT ASSETS				
Property, Plant & Equipment	7	443	199	148
Intangible Assets	8	824	829	940
Total Non-Current Assets		1,267	1,028	1,088
NET ASSETS		2,444	2,430	2,555
<i>Represented By:</i>				
EQUITY				
Closing Equity	17	2,444	2,430	2,555
TOTAL EQUITY		2,444	2,430	2,555

Note: The accompanying accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2014

		Actual 2014 \$'000	Budget 2014 \$'000	Actual 2013 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
	<i>Notes</i>			
<i>Cash was provided from:</i>				
Receipts from the Crown		1,960	1,960	1,960
Receipts from Customers		986	1,229	1,137
Interest Received		55	66	61
Net Goods & Services Tax Received		9	478	0
		3,010	3,733	3,158
<i>Cash was disbursed to:</i>				
Net Goods & Services Tax Paid		0	479	5
Payments to Suppliers & Employees		2,892	3,125	3,066
		2,892	3,604	3,071
Net Cash Flow from Operating Activities	16	118	129	87
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash was provided from:</i>				
Sale of Property, Plant & Equipment		0	0	0
Sale of Intangibles		0	0	0
Sale of Investments		320	0	0
		320	0	0
<i>Cash was disbursed to:</i>				
Purchase of Property, Plant & Equipment		359	138	89
Purchase of Intangibles		0	27	35
Acquisition of Investments		0	0	130
		359	165	254
Net Cash Flow from Investing Activities		(39)	(165)	(254)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net Cash Flow from Financing Activities		0	0	0
Net Increase/(Decrease) in Cash & Cash Equivalents		79	(36)	(167)
Cash & Cash Equivalents at Beginning of Year		333	565	500
Cash & Cash Equivalents at the End of the Year	2	412	529	333

Note: The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

Note: The accompanying accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF ACCOUNTING POLICIES

For the Year Ended 30 June 2014

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 that of making a financial return.

Accordingly, the Classification Office has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards.

The Financial Statements for the Classification Office are for the year ended 30 June 2014 and were approved on 31 October 2014.

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.

Critical Accounting Estimates and Assumptions

In preparing these Financial Statements the Classification Office has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, plant & equipment useful lives and residual value

At each balance date the Classification Office reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Classification Office to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Classification Office, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the Statement of Comprehensive Income, and the carrying amount of the asset in the Statement of Financial Position. The Classification Office minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programmes;
- Review of second hand market prices for similar assets; and
- Analysis of prior asset sales.

No significant changes were made to the estimates of the useful life or residual value of property, plant and equipment during the year. The carrying amounts of property, plant and equipment are disclosed in note 7.

Critical Judgements in Applying the Classification Office's Accounting Policies

Management has exercised the following critical judgements in applying the Classification Office's accounting policies for the period ended 30 June 2014:

Lease classifications

Determining whether a lease agreement is a finance lease or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to the Classification Office.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the Statement of Financial Position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

The Classification Office has exercised its judgement on the appropriate classification of equipment leases.

Basis of Preparation

Statement of compliance

The 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.

Measurement base

The Financial Statements have been prepared on the historical cost basis.

Functional and presentation currency

The 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.

Budget figures

The budget figures are derived from the Statement of Intent as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Classification Office for the preparation of the Financial Statements.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these Financial Statements.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

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 meeting its outputs as 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.

Interest

Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Other revenue

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

Expenses

Operating leases

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 Comprehensive Income.

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 Comprehensive Income. When the receivable is uncollectible, it is written off against the allowance account for receivables.

Property, plant and 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 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
Fit Out	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 development and maintenance of the Classification Office's website 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 Comprehensive Income.

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

Software	3 – 4 years
Classification database	12 years

Impairment

Property, plant and equipment 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Value in use is the depreciated replacement costs for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's 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.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. 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 Comprehensive Income.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

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 the 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 Statement of Comprehensive Income as incurred.

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 & services tax

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 output classes. Indirect costs are all other costs that cannot be identified with output classes in an economically feasible manner. These costs include financial and administration costs, property costs, depreciation and computing costs.

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

Indirect costs are allocated to output classes 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

Contingent liabilities are disclosed at the point when the contingency is evident.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy). Under this Accounting Standards Framework, the Office is classified as a Tier 2 reporting entity and it will be required to apply public sector Public Benefit Entity Accounting Standards (PAS) with Reduced Disclosure Requirements (RDR). The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Office is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore the financial reporting requirements for public benefit entities have effectively been frozen until the new Accounting Standards Framework is effective.

Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2014

Note 1: Reconciliation of Crown Revenue Received	2014 \$'000	2013 \$'000
Funds received from Vote: Internal Affairs regarding the Estimates of Appropriations (net GST)	1,960	1,960
Crown Revenue Per Accounts as at 30 June	1,960	1,960

The Classification Office has been provided with funding from the Crown for the specific purposes of the Classification Office as set out in its founding legislation and the scope of the relevant Government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to Government funding (2013: nil).

Note 2: Cash & Cash Equivalents	2014 \$'000	2013 \$'000
Operating Accounts	208	79
Call Deposits < 90 days	204	254
Total Cash & Cash Equivalents	412	333

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

Note 3: Debtors & Other Receivables	2014 \$'000	2013 \$'000
Interest Receivable	13	15
Sundry Debtors	0	1
Prepayments	23	28
Trade Debtors	80	87
	116	131
Less Provision for Doubtful Debts	0	0
Total Debtors & Other Receivables	116	131

As at 30 June 2014 all receivables have been assessed for impairment. The carrying value of receivables approximates their fair value.

Fair Value: the carrying value of receivables approximates their fair value

Impairment: the ageing profile of trade debtors at year end is detailed below:

	2014			2013		
	Gross \$'000	Impairment \$'000	Net \$'000	Gross \$'000	Impairment \$'000	Net \$'000
Not past due	80	0	80	87	0	87
Past due 1-30 days	0	0	0	0	0	0
Past due 31-60 days	0	0	0	0	0	0
Past due 61-90 days	0	0	0	0	0	0
Past due over 90 days	0	0	0	0	0	0
Total	80	0	80	87	0	87

Note 4: Investments	2014 \$'000	2013 \$'000
Term deposits > 90 days	1,100	1,420
Total Investments	1,100	1,420

Note 5: Creditors & Other Payables	2014 \$'000	2013 \$'000
Trade Creditors	72	91
Income in Advance	118	53
Sundry Creditors	25	27
GST	29	18
Total Creditors & Other Payables	244	189

Creditors and other payables are non-interest bearing and are normally settled on 30 days terms, therefore the carrying value of creditors and other payables approximates their fair value.

Note 6: Employee Entitlements	2014 \$'000	2013 \$'000
Accrued Annual Leave	117	143
Provision for Staff Accrued Personnel Costs	88	83
Long Service Leave	2	2
Total Employee Entitlements	207	228

The value of long service leave is calculated on employee's current hourly rate and the number of days employees have available.

Long service leave is available to employees based on their individual employment agreements.

Note 7: Property, Plant and Equipment

Movements for each class of property, plant and equipment are as follows:

Cost or Valuation	Computer Hardware \$'000	Fit Out \$'000	Furniture & Fittings \$'000	Office Equipment \$'000	Other Equipment \$'000	Technical Equipment \$'000	Vehicles \$'000	Total \$'000
Balance at 1 July 2012	586	847	343	119	11	97	39	2,042
Additions	86	0	0	0	2	0	0	88
Revaluation increase	0	0	0	0	0	0	0	0
Disposals	(113)	0	(2)	(42)	0	(5)	0	(162)
Balance at 30 June 2013	559	847	341	77	13	92	39	1,968
Balance at 1 July 2013	559	847	341	77	13	92	39	1,968
Additions	12	301	45	2	3	0	33	396
Revaluation increase	0	0	0	0	0	0	0	0
Disposals	(328)	(847)	(85)	(29)	(2)	(62)	(39)	(1,392)
Balance at 30 June 2014	243	301	301	50	14	30	33	972

Accumulated Depreciation & Impairment Losses	Computer Hardware \$'000	Fit Out \$'000	Furniture & Fittings \$'000	Office Equipment \$'000	Other Equipment \$'000	Technical Equipment \$'000	Vehicles \$'000	Total \$'000
Balance at 1 July 2012	580	811	315	118	7	92	9	1,932
Depreciation Expense	9	21	7	0	2	4	7	50
Eliminate on Disposal	(113)	0	(2)	(42)	0	(5)	0	(162)
Balance at 30 June 2013	476	832	320	76	9	91	16	1,820
Balance at 1 July 2013	476	832	320	76	9	91	16	1,820
Depreciation Expense	31	16	6	1	2	1	6	63
Eliminate on Disposal	(327)	(840)	(76)	(29)	(1)	(62)	(19)	(1,354)
Balance at 30 June 2014	180	8	250	48	10	30	3	529
Carrying Amounts								
At 1 July 2012	6	36	28	1	4	5	30	110
At 30 June & 1 July 2013	83	15	21	1	4	1	23	148
At 30 June 2014	63	293	51	2	4	0	30	443

Note 8: Intangible Assets

Movements for each class of intangible assets are as follows:

Cost or Valuation	Computer Software \$'000	Classification Database \$'000	Work In Progress \$'000	Total \$'000
Balance at 1 July 2012	493	1,728	21	2,242
Additions	2	34	0	36
Net transfer between classes	0	21	(21)	0
Disposals	(163)	0	0	(163)
Balance at 30 June 2013/1 July 2013	332	1,783	0	2,115
Additions	0	0	0	0
Net transfer between classes	0	0	0	0
Disposals	(251)	0	0	(251)
Balance at 30 June 2014	81	1,783	0	1,864

Accumulated Amortisation & Impairment Losses	Computer Software \$'000	Classification Database \$'000	Work In Progress \$'000	Total \$'000
Balance at 1 July 2012	491	730	0	1,221
Amortisation Expense	2	115	0	117
Disposals	(163)	0	0	(163)
Impairment Losses	0	0	0	0
Balance at 30 June 2013/1 July 2013	330	845	0	1,175
Amortisation Expense	0	116	0	116
Disposals	(251)	0	0	(251)
Impairment Losses	0	0	0	0
Balance at 30 June 2014	79	961	0	1,040
Carrying Amounts				
At 1 July 2012	2	998	21	1,021
At 30 June and 1 July 2013	2	938	0	940
At 30 June 2014	2	822	0	824

Note 9: Financial Instruments

The Office of Film and Literature Classification is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable, and trade creditors.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to the Classification Office and cause the Classification Office to incur a loss. In the normal course of its business, the Classification Office incurs credit risk from trade debtors, and transactions with financial institutions.

The Classification Office has no significant concentrations of credit risk. No collateral or security is held or given to support financial instruments. The Classification Office places funds on short-term deposit with New Zealand registered banks which have satisfactory credit ratings.

Fair Value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Currency Risk & Interest Risk Rate

The Classification Office has no significant exposure to either currency risk or interest rate risk.

Note 10: Related Party Information

The Office of Film & Literature Classification is a wholly owned entity of the Crown. All transactions have been entered into at an arm's length basis.

Significant transactions with government-related entities

The major source of revenue for the Classification Office is received from the Crown through Vote: Internal Affairs. The Classification Office has been provided with funding from the Crown of \$1.96 million (2013:\$1.96 million) for specific purposes as set out in its founding legislation and the scope of the relevant government appropriations.

Collectively, but not individually, significant transactions with government-related entities

In conducting its activities, the Classification Office is required to pay various taxes and levies (such as GST, FBT, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The Classification Office is exempt from paying income tax.

The Classification Office enters into numerous transactions with other Government departments and Crown agencies but which is not collectively significant.

Note 11: Repayment of Surplus to the Crown

Under Section 16 of the Public Finance Act 1989, the Minister of Finance may require repayment of any surplus (or any portion of the surplus). At the date of this report, the Classification Office has not been notified of any such request and therefore has not provided for any repayment relating to the years ended 30 June 1997 to 30 June 2014.

Note 12: Capital Commitments and Operating Leases

The Office of Film & Literature Classification has long-term leases on its premises in Wellington. The lease expires 31 January 2020 and is subject to three-yearly reviews.

Operating leases include lease payments for the Office committed to at balance date.

	2014 \$'000	2013 \$'000
Operating Lease Commitments		
Not later than one year	190	397
Later than one year and not later than five years	741	492
Later than five years	106	0
<i>Total Operating Lease Commitments</i>	1,037	889
Capital Commitments	0	0
Total Commitments	1,037	889

Note 13: Contingencies

The Office of Film and Literature Classification has no known contingent liabilities or assets as at 30 June 2014 (2013: \$nil).

Note 14: Personnel Costs	2014 \$'000	2013 \$'000
Salaries & Wages	2,006	1,969
Employer contributions to defined contributions plans	62	47
Increase/(decrease) in employee entitlements (Note 6)	(21)	(9)
Total Personnel Costs	2,047	2,007

Note 15: Key Management & Employee Remuneration

Key Management Personnel Compensation	2014 \$'000	2013 \$'000
Salaries & Other	411	398
Post-employment Benefit	10	23
Total Key Management & Employee Remuneration	421	421

The key management personnel and board members are the Chief Censor and Deputy Chief Censor.

No Board members received any compensation in their capacity as Board Members (2013: \$nil).

No committee members have been appointed by the Board and therefore no payments have been made to committee members (2013: \$nil).

The Classification Office has effected Association Liability insurance cover during the year in respect of the liability of board members

	2014 \$'000	2013 \$'000
Employee Remuneration and Benefits		
110-120	1	1
190-200	1	0
200-210	0	1
210-220	0	1*
220-230	1*	0

* This refers to the Chief Executive's remuneration.

Severance & Cessation Payments

During the year ended 30 June 2014, one employee (2013:0) received compensation of \$15,750.00 in relation to cessation (2013: \$nil). No Board members received compensation or other benefits in relation to cessation (2013:\$nil).

Note 16: Reconciliation of net surplus/(deficit) to net cash flow from operating activities	Actual 2014 \$'000	Actual 2013 \$'000
Net Operating Surplus/(Deficit)	(111)	(91)
Add/(Less) Non-Cash Items		
Depreciation and Amortisation Expense	180	167
(Gain)/Loss on Disposal of Property, Plant & Equipment	0	0
<i>Total Non-Cash Items</i>	180	167
Add/(Less) Movements		
Decrease/(Increase) in Receivables	8	21
Decrease/(Increase) in Prepayments	5	(2)
Decrease/(Increase) in GST	11	(5)
Decrease/(Increase) in Interest Accrued	1	(8)
Decrease/(Increase) in Receipts in Advance	65	(1)
(Decrease)/Increase in Payables	(20)	14
(Decrease)/Increase in Employee Entitlements	(21)	(8)
<i>Net Movements in Working Capital Items</i>	49	11
Net Cash Flow from Operating Activities	118	87

Note 17: Equity	Actual 2014 \$'000	Actual 2013 \$'000
Equity		
Balance at 1 July	2,555	2,646
Transfer from Revaluation Reserve	0	0
Surplus/(Deficit) for the year	(111)	(91)
Balance at 30 June	2,444	2,555
Revaluation Reserve	0	0
Balance at 1 July	0	0
Transfer to Taxpayer's Funds		
Balance at 30 June	0	0
Total Equity	2,444	2,555

Note 18: Subsequent Events

There are no significant events after balance date.

Note 19: Explanation of Key Variances

Statement of Comprehensive Income

Income – Labelling Body

Labelling Body income was 28% less than budget and 18% less than 2012/13 due to dropping numbers of submissions from commercial submitters. One significant Australian distributor of adult material exited the New Zealand market in December 2013, and this gap was not filled.

Other Income - Interest

Interest income was 20% less than budget and 25% less than 2012/13. This drop in interest earnings was due to a deficit which was higher than forecast and unbudgeted capital expenditure for the fitout of the Office's new premises.

Expenditure: Loss on Sale of Fixed Assets

Following the termination of the Office's accommodation lease on BP House, a range of fit out and furniture & fitting assets were disposed, which were not fully depreciated.

Expenditure: Lease & Rental Costs

During 2013/14 the Office's expenditure on Lease & Rental costs was 66% of both budget and 2012/13 Actual expenditure. The Office's premises were damaged during the Seddon earthquakes of July and August 2013 and were untenable. The Office relocated to temporary accommodation in space leased by another government agency. This space was vacant and surplus to requirements and so was made available to Office free of charge. The lease for the Office's new site commenced in February 2014 and the Office now occupies approximately 50% less floor space.

Statement of Financial Position**Non-Current Assets: Property, Plant & Equipment**

The value of the Office's Property, Plant & Equipment increased by 220% (\$295K) due to the costs associated with relocating from BP House to temporary accommodation and then to fit out and relocate to a permanent site. This expenditure had been forecast to occur in the 2014/15 and 2015/16, in line with the expiry of the Office's lease on BP House.

Current Assets: Investments

The value of the Office's Investments decreased 28% (\$320K) to fund the relocation from BP House to temporary accommodation and then to fit out and relocate to a permanent site. This expenditure had been forecast to occur in the 2014/15 and 2015/16, in line with the expiry of the Office's lease on BP House.

MANAGEMENT OF THE OFFICE OF FILM & LITERATURE CLASSIFICATION

Organisational Health and Capability

The Office experienced significant upheaval during 2013/14. Due to damage caused by the Seddon earthquake in July 2013 the Office relocated out of BP House, which had been the Office's home since its establishment in 1994. The Office set up a temporary site within two weeks and continued operations with only slight disruption to the services provided to the public and commercial distributors. The staff of the Office proved themselves flexible and adaptable, while the Office's service providers went above and beyond the call of duty to keep the Office working. The Office subsequently negotiated a lease for a new permanent site and moved again in February 2014.

This period of upheaval has presented excellent opportunities for change at the Office, our technology platform has been upgraded and we are moving from a record-keeping system that is largely paper-based to a system which is primarily electronic.

Historical Records Project

The Office has continued adding the decisions of former classification bodies to the electronic New Zealand Register of Classification Decisions. All the records of the Indecent Publications Tribunal (1963-1994) and the Video Recordings Authority (1987-1994), and around 40,000 decisions of the Chief Censor of Films (1917-1994), are in the Register accessed from the Classification Office website.

The Office As A Good Employer

Under the Crown Entities Act 2004, the Office is required to be a good employer. A good employer values equity and fairness and has policies, programmes and practices that promote these values. The good employer makes maximum use of skills and strengths of all staff but has special regard for those groups often overlooked or marginalised – including women, Māori, other ethnic communities, people with disabilities and other minority groups. The Office is also committed to being an Equal Employment Opportunities (EEO) employer.

In order to monitor the Office's performance as a good employer, the Office creates a 'workplace profile' annually, and consults with staff on a regular basis.

Workplace Profile

A workplace profile survey is conducted at the end of each year. Currently, the Office has 25 employees.

Women make up 62% and men 38% of total employees.

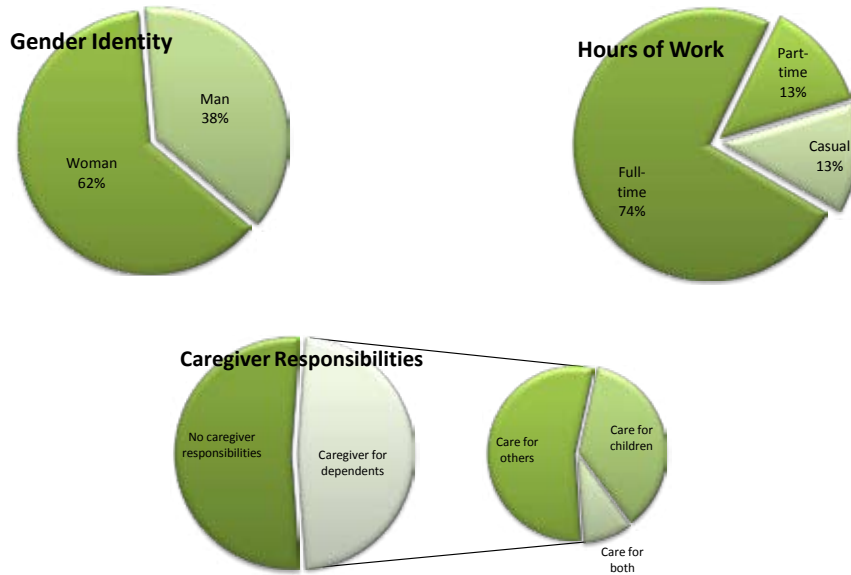
71% of managers are women, and 29% are men.

In the Classification Unit (Classification Officers and Senior Classification Officers), 53% are women and 47% men.

25% of staff work less than full-time hours (either part-time or casual) and slightly more women than men work part time.

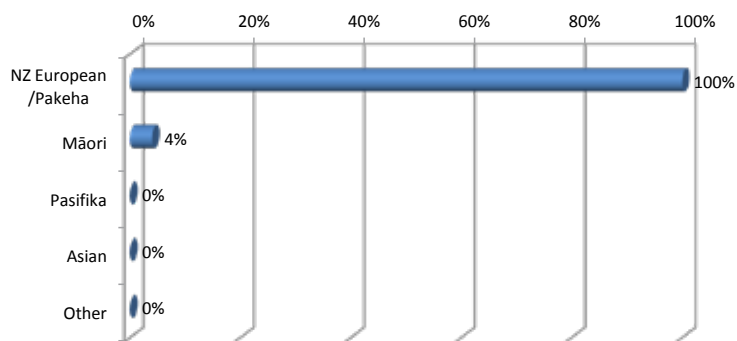
Half of our staff have caregiver responsibilities of some kind, and the Office provides flexible working options to accommodate and support this.

The average length of service is 10.3 years.



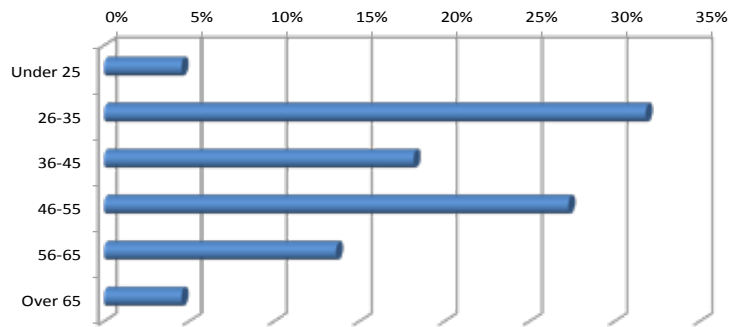
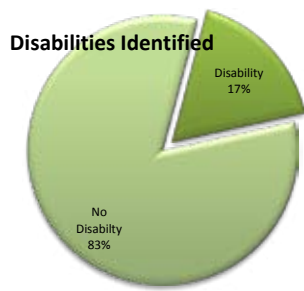
Ethnicity

All of the Office’s employees identify as European/Pakeha, with 4% also identifying as Māori. When the Office recruited new Classification Officers in late 2012, we focused on attracting a diverse range of candidates, and will continue to do so in the future.



Age/Disability

Current employee ages range from 20s to 70s, and the average age is 45. Although the Office has a policy of no discrimination, because of the nature of the material processed within the Office it is not possible to employ staff under the age of 18 years. The Office aims to reduce obstacles for employees with disabilities, and any employee who identifies as having a disability (either permanent or temporary) has their individual needs accommodated as necessary.

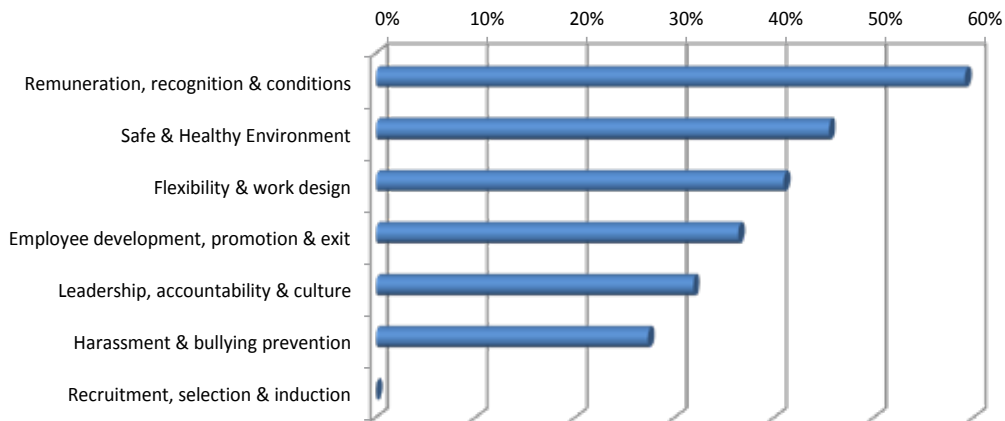


Staff Consultation

During 2013 the EEO Committee disbanded. Until it is reconvened the Office’s HR function and the PSA delegates have taken on the role of the committee including consulting with staff and working on different initiatives such as workplace culture and reviewing policy and practice, with the aim of constant improvement on good employer issues. Feedback is taken into account when planning future initiatives.

The Office’s Employee Assistance Programme is a critical component of staff health and well-being. During the year the Office and the PSA worked together on identifying and reducing obstacles to uptake the services offered under this programme.

Staff have been asked to identify what ‘good employer’ issues they would like the Office to work on improving over the next 12-24 months.



Key Good Employer Elements

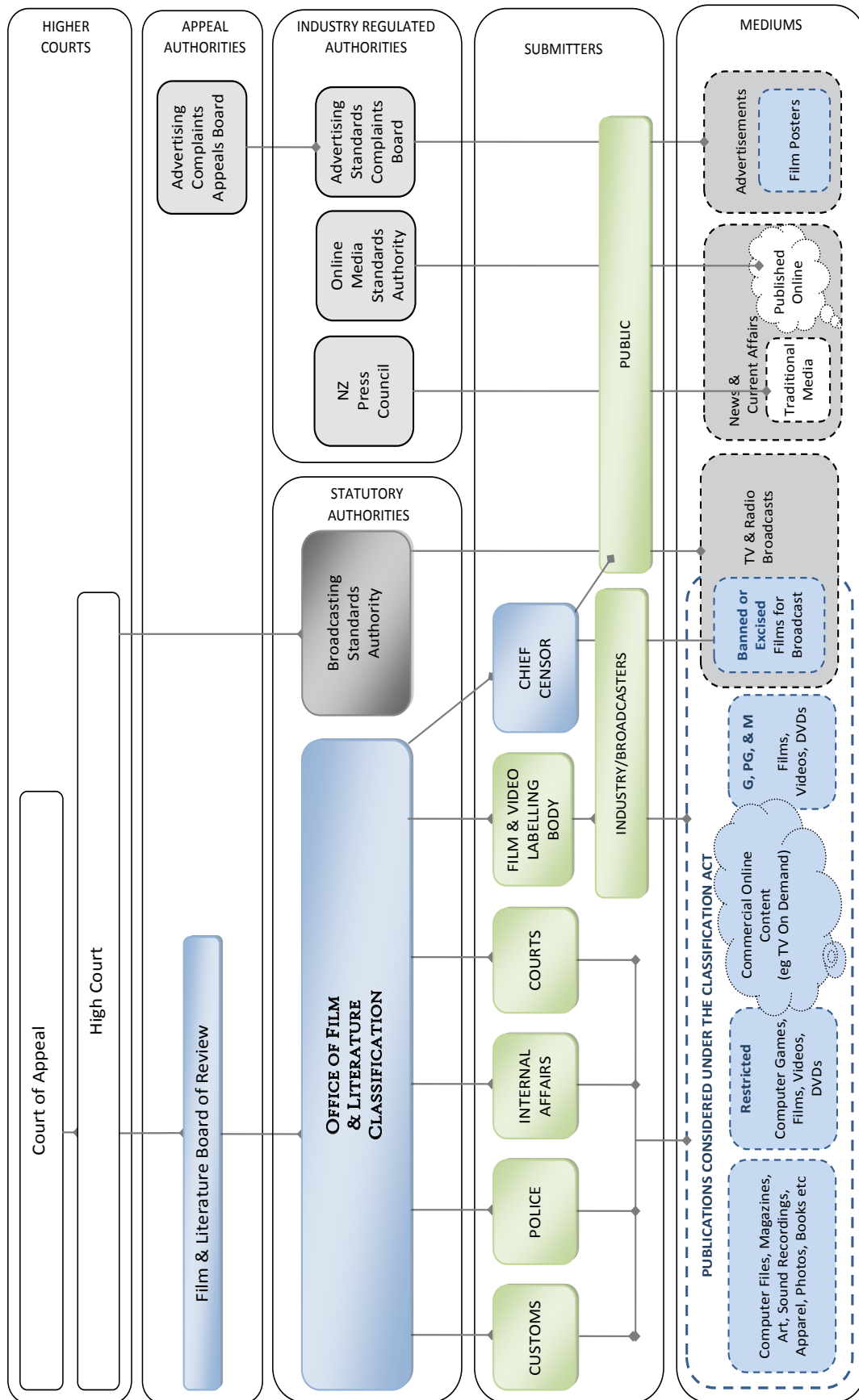
<p>Leadership, Accountability & Culture</p>	<p>The Chief Executive clearly articulates his goals for the Office and expectations of staff. The weekly management meeting minutes are circulated to all staff. The Chief Executive has an 'open door' policy and welcomes staff feedback.</p> <p>Two of the key attributes in the performance development system are 'commitment to open communication through sharing information, ideas and knowledge with others' and 'teamwork and co-operation', which encourage staff to acknowledge the contribution, help or assistance of other team members.</p> <p>Staff participation in activities which set and enhance the culture of the Office is facilitated and encouraged, and this behaviour is modelled by managers. This includes union (PSA) activities, Social Club Committee, Safety Wardens and a social sports team. Participation in these activities is open to all staff irrespective of position, unit, seniority or nature of employment (full or part-time, and casual).</p>
<p>Recruitment, Selection & Induction</p>	<p>The Office has an impartial, transparent employment process, with no biases to employing the best person for the job. Consideration of EEO principles is incorporated into all aspects of the recruitment and selection process. A clear Recruitment and Selection policy, which has recently been reviewed and updated, reduces the risk of inequality.</p> <p>All new employees undergo a thorough induction process that is aimed at making them comfortable and confident in their new position, and at ensuring they are familiar with their rights and responsibilities as an employee of the Office.</p>

<p>Employee Development, Promotion & Exit</p>	<p>The Office has a positive, equitable approach to developing all employees. All staff have access to training and/or study appropriate to their skills, position and level of performance.</p> <p>The reward structure that is integrated with the performance development system includes a significant personal development component. Once employees are proficient in the core skills required in their position, the emphasis of training is on professional and personal development. The training goals at these levels are to enhance morale and job satisfaction, and to develop staff for their continuing career within and beyond the Office.</p> <p>While the small size of the Office and the length of service mean opportunities for internal promotion are limited, vacancies are made available to internal applicants and internal transfers are considered. On occasion, employees have been able to undertake secondments to other agencies.</p>
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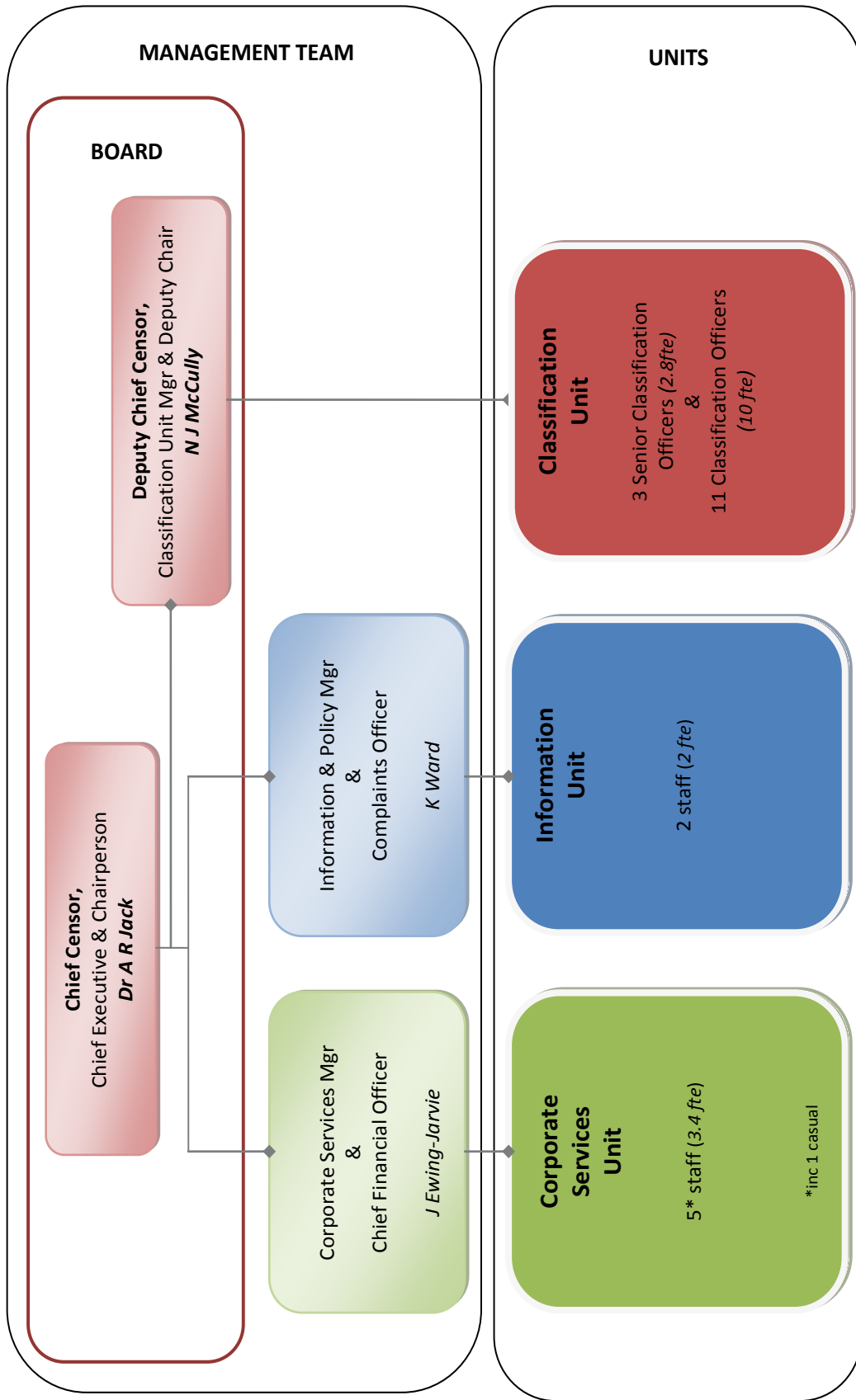
<p>Flexibility & Work Design</p>	<p>The Office provides a flexible work environment that assists employees to balance work with the rest of their lives. The flexible working conditions provided by the Office include but are not limited to the statutory flexible working arrangements provided under the Employment Relations Act 2000.</p> <p>Flexible work options include:</p> <ul style="list-style-type: none"> • flexitime • job share and casual positions • a number of positions able to be worked on a part-time basis if preferred by employees • in certain circumstances, working from home is an option • requests for changes to hours of work (such as reducing hours to part-time) is considered for all employees.
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<p>Remuneration, Recognition & Conditions</p>	<p>The Office has an equitable, transparent and gender neutral remuneration system. Pay ranges for all positions that are covered by the Collective Agreement are set out in the Agreement and are negotiated with the PSA, in consultation with staff. Pay ranges for each position apply to incumbents whether they are covered by the Collective Agreement or Individual Agreements.</p> <p>Via the performance development system, the Office formally recognises employee participation in Office initiatives, teams, and projects, as well as individuals' contribution to increases in productivity and quality of core work.</p> <p>Flexible working conditions are available to, and utilised by, staff throughout the organisation.</p>
<p>Harassment & Bullying Prevention</p>	<p>The Office recognises the right of every employee to enjoy a workplace free of harassment, bullying and unlawful discrimination, and works to promote such an environment. Staff and managers have been trained on their rights and responsibilities, and maintaining awareness of this issue is an ongoing priority. The Office has an up-to-date Harassment and Bullying policy, which includes a complaints procedure.</p>
<p>Safe & Healthy Environment</p>	<p>The Office takes a pro-active approach to employee health, safety and well-being.</p> <p>Obstacles are removed for any staff who experience temporary or long-term disability, and disability is not a barrier for candidates when recruiting (with the exception of specific conditions that would prevent the job being performed).</p> <p>The Office has a Health and Safety policy, informing staff of their rights and responsibilities. Safety wardens are trained and equipped to deal with emergencies and first aid training is made available to them.</p> <p>The Office has a comprehensive well-being programme, which includes subsidised eye and hearing tests (and lenses and hearing aids when required), an Employee Assistance Programme (EAP) that provides all employees with access to clinical psychologists and counsellors, and ergonomic workspace assessments.</p>

Regulatory Environment



Office of Film & Literature Classification Structure as at June 2014



GLOSSARY

New Zealand's unrestricted classification labels

What the unrestricted label means



G - Anyone can be shown or sold this. However, always consider whether the film is made for a family audience.



PG - Anyone can be shown or sold this, but younger children may need some parental support when watching the film. Read the label for any content warnings and consider whether the film is made for a family audience.



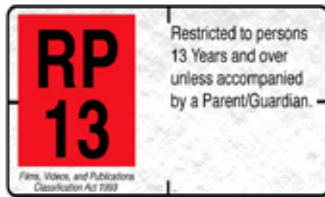
M - Anyone can be shown or sold this but it is more suitable for mature viewers. Read the label for any content warnings and consider whether the film is made for a family audience.

New Zealand's restricted classification labels

What the restricted label means



R (age) - If something has one of these labels it can only be supplied to people of and over the age shown on the label. A parent, shop or cinema is breaking the law if they supply an age-restricted item to someone who is not legally allowed to access it. You will see these labels on films, games, DVDs and a few music recordings, magazines and books.



RP (age) - The RP label means that the film or DVD can only be watched by someone under the age on the label if they are with a parent or guardian (an adult over 18). You will see these labels on films and DVDs. A parent, shop or cinema is breaking the law if they allow unaccompanied children to access these films.



R means that there is a special restriction. Refer to the words on the right of the label for the full conditions

**Office of Film
& Literature Classification**

PO Box 1999
Wellington 6140

www.classificationoffice.govt.nz
info@classificationoffice.govt.nz

Free Call 0508 CENSOR (236 767)

