

Classification Review Board  
Annual Report 2002–2003

---

Literature Classification of  
Office of Film and Literature Classification



## Letter of Transmittal

Literature Classification of  
**Office File**



Locked Bag 3, HAYMARKET NSW 1240  
ABN 16 001 170 433  
Telephone 02 9289 7100 Facsimile 02 9289 7101  
Internet [www.oflc.gov.au](http://www.oflc.gov.au)

The Hon Philip Ruddock MP  
Attorney-General  
Parliament House  
CANBERRA ACT 2600

Dear Attorney-General

In accordance with sub-section 85(1) of the Classification (Publications, Films and Computer Games) Act 1995, I am pleased to submit the report on the management of the administrative affairs of the Classification Review Board for the period 1 July 2002 to 30 June 2003.

A handwritten signature in black ink, appearing to read "Maureen Shelley".

Maureen Shelley  
Convenor  
10 October 2003

# Contents

---

Introduction	81
Convenor's Overview	82
Classification Review Board Member Profiles	86
Legislative Base	90
Legislative Changes in the Reporting Period	90
Decisions of the Classification Review Board	90
Attendance at meetings of the Classification Review Board in 2002-2003	91

## Introduction

---

This report includes an overview of the Classification Review Board's activities during 2002-2003, profiles of Review Board members, a table of Review Board decisions made during the reporting period and a table of Review Board member attendance at Review Board meetings during the reporting period.

The Review Board has no control over, nor input into, the funding of itself or of the secretariat that provides its registry function. The Classification Act provides that the Director must provide financial statements for the Board and the Review Board. Accordingly, reference should be made to the report of the Classification Board for Review Board financial matters.

## Convenor's Overview

---



▲ *Maureen Shelley, Convenor, Classification Review Board.*

### **Summary of activity**

The year started quietly with only one application for review lodged between July 2002 and December 2002. The remaining six applications were lodged January to June 2003. This year a summary of the decisions, and the members attending each panel, is provided later in this report in table form.

In addition, the Review Board participated in the continuing development of the Council of Australasian Tribunals, the organising committee for the International Ratings conference to be hosted by the OFLC in September and participated in training in the new Guidelines.

As stated in the 2001-2002 report, the sections relating to 'persons aggrieved' in the Classification Act were amended to expand the definition of 'standing'. These provisions remain untested.

### **Issues raised by the *Ken Park* review**

The Review Board's decision to refuse classification to the film *Ken Park* stimulated significant controversy. Media commentary regarding the film commenced in May 2003 and continued until late September. Media Monitors Australia reported that *Ken Park* was the fourth most mentioned item in the media across Australia for the period June 30 to July 6. A public meeting was held regarding the film's classification in Sydney. Unfortunately, some of the media commentary was inaccurate. The

Review Board also received correspondence about the film from members of the public. Some of the correspondence reflected the inaccurate media coverage of the issue.

In comparison to the controversy stimulated by the refusal of classification of *Baise-Moi*, the public debate concerning the classification of *Ken Park* was longer in duration, more intense in coverage through press, radio and television and questioned the workings of the Review Board more closely. The media coverage moved, from primary reporting of the refusal of classification, to secondary opinion and analysis of censorship and the classification system quite quickly. The tertiary stage of the coverage was also reached with the issue being satirised on a number of television programs, through cartoon and the development of jokes. The sophisticated media treatment of the issue, regardless of its factual basis, demonstrates the importance that the public gives to classification matters.

The *Ken Park* application for review was complex and raised some issues that were unusual or had not previously been considered by the Review Board.

Firstly, the application for review was from the Sydney Film Festival (SFF) a not-for-profit organisation that provides a film festival each year and has done so for 50 years. However, the original applicant for classification of the film was MRA Entertainment an organisation from Queensland. MRA had applied for classification for sale or hire for a video release. It is usual that an application for review will come from the original applicant or an organisation involved in the making or distribution of the film, or less frequently from the Attorney-General. The Review Board determined that SFF had a clear commercial interest in the film and as such had 'standing' as a person aggrieved. This determination of standing did not test the 2002 amendments to the Classification Act.

Secondly, in addition to lodging a review application on the Classification Board's for sale or hire *Ken Park* decision, SFF asked the Review Board to review the Director of the Classification Board's decision to refuse the film festival exemption application. The Review Board, after taking advice from the Australian Government Solicitor, determined it did not have jurisdiction to review such decisions of the Director of the Classification Board. A request for review of a film festival exemption had not been received by the Review Board before.

Thirdly, as SFF was not from the original applicant, MRA Entertainment had the right to participate in the review process. In order to determine threshold matters such as the validity of SFF's application, whether it had standing and whether the Review Board had jurisdiction over the festival exemption application a directions conference was held. At this conference, Independent Films sought leave to participate as an interested party. Independent Films was a joint-venture partner with MRA Entertainment in the video release of *Ken Park*. As Independent Films had a clear commercial interest in the outcome of the decision, leave was granted for it to participate as an interested party. The directions conference was attended by SFF as the person aggrieved, MRA Entertainment as the original applicant and Independent Films as an interested party. The determinations made are contained within the reasons for decision for *Ken Park*, which is published on the OFLC website.

Leave for interested parties to participate in an application for review had been given previously and was granted to the Australian Family Association, which made a written submission to the *Baise-Moi* review in 2002.

The Review Board met for a second time to consider the application for review. MRA Entertainment and Independent Films chose not to participate in this meeting. The Review Board decided in the majority that *Ken Park* should be refused classification.

### **Significant issues**

Some of the issues discussed in the media, relating to *Ken Park*, concern the perceived independence of the Review Board. These issues were also raised during the debate surrounding the *Baise-Moi* decision. Whilst these controversies arise infrequently, and consumer research by the OFLC states that 95 per cent of Australians are satisfied with the classification system, they highlight concerns of the public. It is important that the Review Board is completely independent and is seen to be independent.

As the OFLC has an educative role, and works closely with industry, it is the body that is known by the media and the film industry. Some media commentators don't seem to be able to make the distinction between the work of the Classification Board, the Review Board and the OFLC. Accordingly, some of the reporting confuses the boards and their roles. Further, some media commentators seem unable to understand the difference between classification and censorship.

In the 2000-2001 Annual Report the Convenor Ms Barbara Biggins OAM stated: 'The independent Review Board is provided with administrative, including financial, support by the OFLC. It has been argued for a number of years (but unsuccessfully) that the provision of a separate allocation to the Review Board, for basic travel and legal advice, would enhance this independence.' I concur with Ms Biggins' view of the importance of independence and the need for separate financial accounting for Review Board expenditure. For example, because there is no separate financial structure, the Review Board obtains the approval of the Director of the OFLC before seeking written legal advice.

Some of the concerns regarding independence can be traced to the administrative framework supporting the Review Board. While the Review Board is an independent decision making body, the Review Board is not administratively independent from the OFLC, which provides support to both the Classification Board and the Classification Review Board. This dual role does not assist the public in appreciating the independent nature of the workings of the Review Board.

In an attempt to better inform the public of its role as an independent decision-maker, the Review Board will in 2003-2004 continue to work with the OFLC to implement measures to bring greater transparency to its processes.

### **Conclusion**

The role of the Review Board as an independent body in the national classification system remains vital. Greater transparency in the work of the Review Board can only assist in a better understanding by the public of this independence.

The work of the Review Board continues to be challenging and rewarding. I would like to thank the members of the Review Board for their contributions this year, in particular that of the Deputy Convenor Mr Jonathan O'Dea, and look forward to working with them in future. Great assistance is provided to the Review Board by the Australian Government Solicitor's Sydney office. The advice provided is highly valued. I would also like to thank the members of the Review Board secretariat who have supported the Review Board during the year. Thanks also go to Mr Joel Greenberg for his many years of dedicated service to the Review Board.

**Maureen Shelley**

**Convenor**

# Classification Review Board Member Profiles

---

Literature Classification of  
Office Employees




---

**MAUREEN SHELLEY** *Convenor*

**APPOINTED** 11 October 2001  
**APPOINTMENT EXPIRES** 10 October 2005

Maureen Shelley, 47, is married with adult and school-aged children. She holds a Bachelor of Arts majoring in English from Curtin University, a Graduate Diploma and a Masters in Equity and Social Administration from the University of New South Wales and is studying for a Graduate Diploma in Law (Tribunal Procedures) at Monash University. She has authored and published many government reports, seminar papers and articles including for the United Nations and the Australian and New South Wales governments. She has addressed forums in Australia, Canada, the US and the UK.

Employed as the National Editorial Development Manager for News Limited, Maureen has a distinguished record of professional and community service. She was a member of the NSW International Year of the Family advisory committee, the NSW Disability Council and a member of the National Small Business Forum. She served on the board of the Institute for Family Advocacy and Leadership Development, on committees for the Family Support Services Association, was the convenor of the NSW Disability Discrimination Legal Centre and is a former chief executive officer of the Australian Council of Businesswomen. Maureen has been a patron of Museums Australia (NSW) since 1997. Having spent most of her life in Western Australia, Maureen now lives in Sydney.




---

**JONATHON O'DEA** *Deputy Convenor*

**APPOINTED** 20 February 2000  
**APPOINTMENT EXPIRED** 30 September 2003

Jonathan O'Dea, 37, is married with three young children. He has completed Bachelor Degrees in Arts and Law, a Masters Degree in Law and an MBA, and is the author of a number of seminar papers and articles. He lives in Sydney.

In recent years, Jonathan has been a senior manager in financial services. Prior to moving into management, he worked as a lawyer, including at one of Australia's leading law firms.

Jonathan has been a director on the board of HCF (a major NSW health insurer) since 1995. He also has past experience as an office-holder of various community-based organisations, including as a former local government councillor.



**DAWN GRASSICK** *Review Board member*

**APPOINTED** 18 June 2001  
**APPOINTMENT EXPIRES** 17 June 2004

Dawn Grassick, 41, works as a scientist in the pharmaceutical industry. She holds a Bachelor of Science majoring in Microbiology from the University of Queensland and has postgraduate qualifications in Sciences Communication and Management from the University of Central Queensland.

Dawn is interested in how complex technical and scientific ideas are communicated to members of the general public. She has written occupational training courses on the health and safety risks that are due to infectious substances and chemical hazards. She has also designed and delivered adult education classes in public speaking.

Dawn is currently a member of the Chiropractors' Board of Queensland and has served as an office holder in community-based organisations, including Australian Junior Chamber. She lives in Brisbane.



**ROBIN HARVEY** *Review Board member*

**APPOINTED** 18 December 1997  
**APPOINTMENT EXPIRES** 17 December 2004

Robin Harvey, 43, a registered psychologist, has two children who both attend school in Western Australia. She has worked extensively with young children encountering learning problems and displaying emotional and behavioural difficulties. She is currently appointed as a lecturer and clinician at the Child Study Centre Clinic which is part of the Department of Psychology at the University of Western Australia. This clinic aims to provide expert psychological services to children and families, and directly link current research with best practice. Her current area of research and clinical interest is the development of effective early intervention strategies for pre-school children displaying behavioural problems and the link between language and behavioural disorders. She is currently engaged in writing a parenting guide for parents of children with specific language disorders. Robin is involved in the training of both clinical and educational and developmental psychologists, and plays an active role in ensuring that students become good practitioners after graduation.



**KATHRYN SMITH** *Review Board member*

**APPOINTED** 18 June 2001  
**APPOINTMENT EXPIRES** 17 June 2004

Kathryn Smith, 47, a Sydney mother of three and former member of the Classification Board, has lived in Tasmania for most of her life. She has had wide community contact, having worked as a social worker, TAFE teacher and Employee Assistance Counsellor. She has also been involved in volunteer and community activities as a telephone counsellor for the Samaritans Inc and as a committee member of the Launceston Family Day Care and Launceston Creche Inc. Kathryn is currently at home caring for her family and studies part time for a Graduate Diploma of Counselling. Kathryn now lives in Sydney.



**JAN TAYLOR** *Review Board member*

**APPOINTED** 18 June 2001  
**APPOINTMENT EXPIRES** 17 June 2004

Jan Taylor, 53, has extensive experience in the public and private sectors, both in Australia and overseas. Formerly Queensland's Commissioner for Consumer Affairs, Jan is now the Principal of corporate consultancies which provide services in community consultation and training, development and executive coaching.

She is a Director of the Royal Automobile Club of Queensland, a member of the Red Tape Reduction Task Force, National Ombudsman for Financial Cooperatives, President of Epilepsy Queensland Inc, and Australian representative on the Commonwealth Businesswomen's Network.

Jan is a Trustee of the Committee for Economic Development of Australia (CEDA), a Fellow of the Australian Institute of Management, and a member of the Queensland Advisory Committee of CEDA. She is an Arts Graduate of the University of Queensland (Economics and Government) and a Law Graduate of the Queensland University of Technology. She lives in Brisbane.

**Legislative Base**

The Review Board is established under the Classification Act, which commenced operation on 1 January 1996.

The Classification Act provides that the Review Board is to consist of a Convenor, a Deputy Convenor and at least three, but not more than eight, other members.

The Governor-General appoints members to the Review Board on the recommendation of the Attorney-General who is required by the Classification Act to have consulted with State and Territory Censorship Ministers. The Classification Act also requires that the Governor-General must have regard to the desirability of ensuring that membership of the Review Board is broadly representative of the Australian community.

**Legislative changes in the reporting period**

No changes affecting the procedures of the Review Board were made to the Classification Act during the reporting period.

The Combined Guidelines came into effect on 30 March 2003. During the reporting period, the Review Board made two decisions using the Combined Guidelines.

**Decisions of the Classification Review Board in 2002-2003**

Of the seven reviews undertaken during the reporting period, the Review Board lowered the classification of that reached by the Classification Board on three occasions. On four occasions the Review Board made the same classification decision as the Classification Board. On two of those occasions, the Review Board determined different consumer advice to the Classification Board.

The Review Board met twice in relation to the film *Ken Park*. It determined issues of standing and jurisdiction concerning an application from the Sydney Film Festival before dealing with an application for review of the Classification Board's *Ken Park* sale or hire decision.

<b>Title</b>	<b>Media</b>	<b>Original classification</b>	<b>Classification changed</b>	<b>Review classification</b>
<i>Great Moments in Science - Arrow Up Yours/Manhole Cover First in Space/Murphys Law/Falling Cat</i>	Film	PG 'Low level violence'	Yes	G
<i>Legacy of the Silver Shadow (said to be Episode 1 Tomorrow the World/ Episode 2 The Feral Element/Episode 3 Round One/ Episode 4 Ticket To Ride/ Episode 5 Man of Steel)</i>	Film	PG 'Medium level violence'	No	PG 'Medium level violence'
<i>Phone Booth</i>	Film	MA15+ 'Medium level coarse language'	Yes	M15+ 'Frequent coarse language, medium Level violence'
<i>City of God</i>	Film	R18+ 'Medium level violence, adult themes'	No	R18+ 'Adult themes, violence'
<i>Ned Kelly</i>	Film	MA15+ 'Medium level violence, adult themes'	Yes	M15+ 'Medium level violence, adult themes'
<i>Basic</i>	Film	MA15+ 'Medium level violence'	No	MA15+ 'Violence, strong coarse language'
<i>Ken Park</i>	Film	Refused classification	No	Refused classification

Full reports of Review Board decisions for which reasons have been requested are available on the OFLC website.

### **Attendance at meetings of the Classification Review Board in 2002-2003**

The Review Board met to consider applications for review on eight occasions during the reporting period. The attendance records of members follow:

#### **Attendance at meetings**

<b>Review Board member</b>	<b>2002-2003</b>	<b>2001-2002</b>
(MS) Maureen Shelley, Convenor NSW	6	7
(JOD) Jonathan O'Dea, Deputy Convenor, NSW	5	4
(DG) Dawn Grassick, member, Queensland	2	5
(RH) Robin Harvey, member, WA	3	5
(KS) Kathryn Smith, member, NSW	6	5
(JT) Jan Taylor, member, Queensland	5	2

**Composition of panels 2002-2003**

<b>Title</b>	<b>Panel members</b>
<i>Great Moments in Science</i>	JOD, KS, JT
<i>Legacy of the Silver Shadow (Episodes 1-5)</i>	MS, KS, JT
<i>Phone Booth</i>	JOD, RH, JT
<i>City of God</i>	MS, DG, KS
<i>Ned Kelly</i>	MS, JOD, KS, RH, JT
<i>Basic</i>	MS, RH, DG
<i>Ken Park - directions</i>	MS, JOD, KS, JT
<i>Ken Park*</i>	MS, JOD,KS

**Composition of panels 2001-2002**

<b>Title</b>	<b>Panel members</b>
<i>Joy Ride</i>	MS, JOD, DG, RH, KS, JT
<i>Grand Theft Auto III</i>	MS, DG, KS
<i>Black Hawk Down</i>	MS, JOD, RH
<i>Three Ballerinas*</i>	MS, DG, JT
<i>ET – The Extra Terrestrial (the 20th Anniversary)</i>	MS, RH, KS
<i>Australian Rules</i>	JOD, RH, DG
<i>Baise-Moi</i>	MS, JOD, RH, KS
<i>Spirit: Stallion of the Cimarron</i>	MS, DG, KS

\*Denotes majority decision

## Appendices

---

One	Outcomes and outputs performance	94
Two	Summary resource table by outcome	95
Three	Classification Board workload statistics	96
Four	Classification use and attitude study	100
Five	Consumer advice research	102
Six	External scrutiny	104
Seven	Staffing matters	107
Eight	Commonwealth Disability Strategy	111
Nine	Other information	113
Ten	Financial statements	115

## Appendix One — Outcomes and Outputs Performance

### Outcome 1

The OFLC has one outcome:

Australians make informed decisions about films, publications and computer games which they, or those in their care, may view, read or play.

#### Effectiveness – overall achievement of the outcome

Effectiveness Indicator	Performance Measure	Total
Ongoing operation of the national classification scheme	Classifications issued for publications, films and computer games submitted	5,779 <sup>1</sup>

#### Performance information for administered items

There are no specific performance requirements associated with the administered payments made to the States and Territories for their part in the national classification scheme.

#### Performance information for Outputs 1.1 and 1.2

Output 1.1	Performance Measure	Total
<b>Operation of the national classification scheme</b>	OFLC maintains capacity to meet all demand for decisions	6,294 <sup>2</sup>
	Classification decisions are made within 20 business days of receiving a valid application	99.65%
	Classification decisions made	5,779 <sup>3</sup>
	Advices to Australian Customs Service	29 <sup>4</sup>
	Film festivals	188
	Fee waiver decisions	26
	Classification education activities conducted (including Classification Board, Classification Review Board, and Authorised Assessors)	20 <sup>5</sup>

Output 1.2	Performance Measure	Total
<b>Provision of services ancillary to the operation of the national classification scheme including research, the Community Liaison Scheme, policy development and ministerial support</b>	Correspondence, briefs, submissions and papers completed within required deadlines	Deadlines met in most cases
	Number of briefs, submissions and papers prepared	45
	Community Liaison Scheme – number of classification compliance advices	1,760
	Number of site visits	1,189
	Classification education activities conducted (including Australian Customs Service)	21

<sup>1</sup> The sum of all classification decisions for publications (1,705), public exhibition films (439), sale or hire films (2,727), computer games (661) and enforcement (247).

<sup>2</sup> Includes all decisions for publications (1,705), public exhibition films (443), sale or hire films (2,745), computer games (666), certificates of exemption (115), certificates of approval for advertisements (97), Internet content (33), enforcement decisions (247), advice to Australian Customs Service (29), approvals for film festivals (188) and fee waiver decisions (26).

<sup>3</sup> The sum of all classification decisions for publications (1,705), public exhibition films (439), sale or hire films (2,727), computer games (661) and enforcement (247).

<sup>4</sup> See page 99.

<sup>5</sup> One of these activities included 12 days of training sessions for the Classification Board.

## Appendix Two — Summary Resource Table By Outcome

	<b>(1) Budget 2002-2003 \$'000</b>	<b>(2) Actual expenses 2002-2003 \$'000</b>	<b>Variation (column 2 minus column 1) \$'000</b>	<b>Budget 2003-2004 \$'000</b>
Administered expenses (including third party outputs)	662	633	29	683
<b>Total Administered Expenses</b>	<b>662</b>	<b>633</b>	<b>29</b>	<b>683</b>
<b>Price of Departmental Outputs</b>				
Output 1.1 – Operation of the National Classification Scheme	<b>3,710</b>	<b>3,710</b>	-	<b>3,631</b>
Output 1.2 – Provision of services ancillary to the operation of the National Classification Scheme including research, the community liaison officer scheme, policy development and ministerial support.	<b>1,860</b>	<b>1,860</b>	-	<b>1,815</b>
Revenue from Government (Appropriation) for Departmental Outputs	<b>5,570</b>	<b>5,570</b>	-	<b>5,446</b>
Revenue from other Sources	<b>520</b>	<b>790</b>	<b>270</b>	<b>550</b>
<b>Total Price of Outputs</b>	<b>6,090</b>	<b>6,360</b>	<b>270</b>	<b>5,996</b>
<b>TOTAL FOR OUTCOME 1</b> (Total Price of Outputs and Administered Expenses)	<b>6,752</b>	<b>6,993</b>	<b>241</b>	<b>6,679</b>
		<b>2002-2003</b>	<b>2003-2004</b>	
<b>Average Staffing Level</b>		<b>48</b>	<b>50</b>	

## Appendix Three — Classification Board Workload Statistics

**Summary of Board workload***Commercial and other applications finalised by format/source*

<b>Format/Source</b>	<b>Applications finalised</b>	<b>Decisions<sup>1</sup></b>
Commercial film (public exhibition)	449	443
Commercial film (sale/hire)	2,809	2,745
Commercial computer games	676	666
Commercial publications	1,709	1,705
Certificates of exemption for advertising eligible films	117	115
Certificates of approval for advertisements	114	97
Internet content	33	33
Enforcement	249	247
Advice to Australian Customs Service	40	29
Approvals to exempt classification of films for festivals/events	188	188
Fee waiver applications	28	26
<b>Total</b>	<b>6,412</b>	<b>6,294<sup>2</sup></b>

*Classification decisions by format/source*

<b>Format/source</b>	<b>Classification decisions</b>
Commercial film (public exhibition)	439
Commercial film (sale/hire)	2,727
Commercial computer games	661
Commercial publications	1,705
Enforcement	247
<b>Total</b>	<b>5,779</b>

*Timeliness of decisions on commercial applications by application type*

<b>Application Type</b>	<b>No. under 20 business days</b>	<b>No. over 20 business days</b>
Commercial film (public exhibition)	441	2
Commercial film (sale/hire)	2,742	3
Commercial computer games	664	2
Commercial publications	1,692	13
Commercial approval of advertisements	97	0
<b>Total</b>	<b>5,636</b>	<b>20</b>
<b>Percentage of total</b>	<b>99.65%</b>	<b>0.35%</b>

*Overdue applications by reason for delay*

<b>Reason</b>	<b>No.</b>
Consideration by full Classification Board	1
Legal advice required by Classification Board	0
Workflow delay	19
<b>Total</b>	<b>20</b>

<sup>1</sup> This includes all applications except for withdrawn applications<sup>2</sup> Finalised applications minus 118 withdrawals

### Films – public exhibition

*Commercial films (public exhibition) applications finalised by classification*

Classification	No.	Classification decisions
G	43	43
PG	76	76
M15+	202	202
MA15+	106	106
R18+	12	12
Refused classification	0	0
Withdrawn	6	not applicable
Decline to deal	4	not applicable
<b>Total</b>	<b>449</b>	<b>439</b>

### Advertising exemptions

In accordance with Section 33 of the Classification Act and the Classification (Eligible Films) Determination 2001, certificates of exemption were granted in relation to 80 eligible films during the 2002 calendar year.

In the reporting period of 2002-2003, a total of 115 certificates of exemption were granted in relation to 94 eligible films. This is in accordance with the Classification (Eligible Films) Determination 2002, which allows for certificates of exemption to be granted to 100 eligible films.

### Advertisements

In accordance with section 29 of the Classification Act, 97 certificates of approval for advertisements were granted.

### Films – sale/hire

*Commercial films (sale/hire) applications finalised by classification*

Classification	No.	Classification decisions
G	531	531
PG	456	456
M15+	899	899
MA15+	327	327
R18+	168	168
X18+	336	336
Refused classification	10	10
Withdrawn	64	not applicable
Decline to deal	18	not applicable
<b>Total</b>	<b>2,809</b>	<b>2,727</b>

*Commercial films (sale/hire) applications refused classification by reason*

Reason	No.
Actual sex	1
Offensive fantasy	2
Offensive fantasy; non-consent	1
Offensive fetish	2
Violence	4
<b>Total</b>	<b>10</b>

### Computer Games

*Commercial computer games applications finalised by classification*

Classification	No.	Classification decisions
G	262	262
G8+	194	194
M15+	125	125
MA15+	78	78
Refused classification	2	2
Withdrawn	10	not applicable
Decline to deal	5	not applicable
<b>Total</b>	<b>676</b>	<b>661</b>

*Commercial computer games, applications  
refused classification by reason*

<b>Reason</b>	<b>No.</b>
Nudity	1
Excessive violence	1
<b>Total</b>	<b>2</b>

## **Publications**

*Commercial publications applications finalised by  
classification*

<b>Classification</b>	<b>No.</b>	<b>Classification decisions</b>
Unrestricted	261	261
Category 1	1,147	1,147
Category 2	267	267
Refused classification	30	30
Withdrawn	4	not applicable
<b>Total</b>	<b>1,709</b>	<b>1,705</b>

*Commercial publications applications refused  
classification by reason*

<b>Reason</b>	<b>No.</b>
Bestiality	1
Child pornography	1
Incest fantasy	1
Minors	9
Minors & offensive fantasy	1
Non-consent	1
Offensive fantasy	7
Offensive fantasy & non-consent	1
Offensive fetish	1
Offensive paedophile references & sexual violence	1
Sexual violence	3
Sexual violence & offensive fantasy	1
Sexualised violence	2
<b>Total</b>	<b>30</b>

## **Fee waivers**

*Fee waiver applications finalised*

<b>Type</b>	<b>No.</b>
Full fee waiver approved, public exhibition film	13
50% fee payable, public exhibition film	0
75% fee payable, public exhibition film	0
Fee waiver application refused, public exhibition film	0
Full fee waiver approved, sale/hire film	11
50% fee payable, sale/hire film	2
75% fee payable, sale/hire film	0
Fee waiver application refused, sale/hire film	0
Applications withdrawn	2
<b>Total</b>	<b>28</b>

## **Internet content**

*Internet content finalised by classification*

<b>Classification</b>	<b>No.</b>
G	1
PG	5
M15+	4
MA15+	2
R18+	8
X18+	8
Refused classification	5
Withdrawn	0
<b>Total</b>	<b>33</b>

*Internet content refused classification by reason*

<b>Reason</b>	<b>No.</b>
Offensive fetish	1
Child pornography	2
Offensive paedophile references	1
Instructs in matters of crime & violence / promote matters of crime	1
<b>Total</b>	<b>5</b>

## Australian Customs Service

*Advice to Australian Customs Service by format*

<b>Format</b>	<b>No.</b>
Films	13
Publications	16
Computer games	0
Withdrawn	11
<b>Total</b>	<b>40</b>

## Enforcement

*Enforcement applications finalised by agency*

<b>Enforcement agency</b>	<b>Publications</b>	<b>Films sale/hire</b>	<b>Films public exhibition</b>	<b>Computer games</b>	<b>Section 87<sup>1</sup> certificates</b>	<b>Total</b>
Australian Defence Forces	0	1	0	0	0	1
Australian Federal Police	2	6	1	0	9	18
ACT Office of Fair Trading <sup>2</sup>	0	0	0	0	0	0
NSW Police Service	9	50	0	0	60	119
NT Police Service	3	8	0	0	5	16
Qld Office of Fair Trading <sup>2</sup>	0	12	0	0	7	19
SA Police Service	1	26	0	0	22	49
Vic. Police Service	1	10	0	0	1	12
WA Police Service	0	11	0	0	2	13
Withdrawn	2	0	0	0	0	2
<b>Total</b>	<b>18</b>	<b>124</b>	<b>1</b>	<b>0</b>	<b>106</b>	<b>249</b>

## Film Festivals

During 2002-2003, the Director approved 188 film festivals for exemption from State and Territory classification enforcement provisions. South Australia and Queensland have their own arrangements for granting exemptions to films festivals.

<sup>1</sup> Section 87 of the Classification Act provides that a person may apply, for evidentiary purposes, to the Director for a certificate about action taken, or not taken, under the Classification Act.

<sup>2</sup> On behalf of enforcement agencies in this jurisdiction

## Appendix Four — Classification use and attitude study

In September 2002, the OFLC engaged a market researcher to conduct quantitative market research into reasons for choosing films for entertainment, and attitudes towards the OFLC and classification. The research involved a national telephone study using Newspoll's adult omnibus service. A total of 1,200 people aged 18 years and over across metropolitan and rural areas of all Australian States and Territories, and 398 teenagers aged 13 to 17 years in Sydney and Melbourne participated in the study. The research methodology allows the generalisation of results to the Australian population.

### **Sources of influence for film selection**

Survey responses were grouped under three categories: marketing influences, informal influences and independent influences. Marketing influences include trailers on television and cinema, billboards/posters and session time and place. Informal influences include word of mouth and child requests. Independent influences include film reviews and classification ratings.

The results were:

- marketing influences have the strongest impact on the youth segment but television trailers have the strongest influence with younger audiences. Marketing also influences the general adult population's entertainment choices but has less influence on parents
- informal influences are strong for parents and requests from children make up the majority of that figure
- independent influences affect the general adult population and parents for different reasons, for example film reviews influence the general adult population and classifications are a stronger influence for parents.

Key findings were:

- marketing influences have the strongest impact on the youth segment (72 per cent)
- informal influences are strong for parents (44 per cent) and requests from children make up the majority of that figure (31 per cent)
- independent influences affect the general adult population (17 per cent) and parents (21 per cent) for different reasons.

### Comparison of most influential source by key segments

<b>Base: WEIGHTED SAMPLE ('000s)</b>	<b>Adults N=14,601 %</b>	<b>Parents making decisions for children<sup>1</sup> N=1,894 %</b>	<b>Youth N=2847 %</b>
<b>Marketing influences</b>	<b>36</b>	<b>14</b>	<b>72</b>
Trailers/advertising on TV	16	10	42
Trailers at the cinema	9	4	17
Billboards/posters	1	-	4
Convenient time/place	10	>1	9
<b>Informal influences</b>	<b>25</b>	<b>44</b>	<b>23</b>
Word of mouth/friends/relatives	26	13	23
Children ask to see the film	N/A	31	N/A
<b>Independent influences</b>	<b>17</b>	<b>21</b>	<b>6</b>
Film reviews	15	3	4
Classification rating	2	18	2

### Attitudes towards the OFLC and classification

In general, there was almost universal recognition of the benefits of classification advice and support for the OFLC's role in providing and deciding appropriate film/computer game classifications. Youth also believed there were systems in place to limit access to unsuitable content for children and the classification symbols were one way to decide on the suitability of movies or games. This indicated youth believed the classification system was beneficial.

Parents expressed more positive attitudes towards the OFLC and the classification system than the general adult population and youth segments. In particular, parents used classification symbols to determine the suitability of movies or games.

### Attitudes towards the OFLC and classification – agree ratings youth vs adults

<b>Base: WEIGHTED SAMPLE ('000s)</b>	<b>Adults N=16,401 %</b>	<b>Parents<sup>1</sup> N=1,894 %</b>	<b>Youth N=485 %</b>
It's useful to have classification symbols for movies and computer games	94	98	93
The OFLC plays an important role in providing classification advice on movies and computer games	85	90	85
The OFLC has a good perspective on what kinds of movies/computer games are suitable for people of different ages	72	77	80
Classification symbols are one way to decide on the suitability of movies and computer games for yourself	71	88	58
There are appropriate systems in place to limit children's access to unsuitable movies and computer games	62	63	82

<sup>1</sup>Parents are a subgroup of all adults in the survey group

## Appendix Five — Consumer Advice Research

The OFLC, in partnership with the Australian Broadcasting Authority (ABA), engaged a market researcher to conduct qualitative research using focus group discussions to better understand how Australians feel about classification ratings and consumer advice for films/videos/DVDs, TV and computer games. The aim of a qualitative study of this nature was to provide insights on issues rather than definitive responses.

A wide cross section of Australians participated in the study with coverage of the following key consumer segments: parents of both younger children (3 to 9 years) and older children (10 to 15 years), teenagers (14 to 15 years), young working adults (20 to 29 years), and seniors (55 years and over).

Ten focus groups was conducted across three geographic locations – Sydney, Bundaberg and Hobart. Each session consisted of around eight respondents, ran for two hours and followed an agreed discussion guide. A recruitment agency was used to recruit participants to required specifications. All groups were observed by either an OFLC or ABA representative.

The following summary outlines key findings across the four demographic groups that participated in the study.

### **OFLC film classification scheme**

- High awareness among all segments of the OFLC's rating symbols for films and videos/DVDs. At a macro level there were very few negative comments about the current scheme
- Parents, more than any other segment, claimed to use the ratings to decide on films for their children. Word of mouth was also an important factor, particularly with films for younger children
- Film ratings appeared to hold less relevance for segments other than parents and younger children. When questioned on the film last seen, most young adults had no idea of the classification
- The youth segment were waiting to turn 15 so they could gain entry to films rated MA15+ while seniors' experience was primarily limited to G and PG films.

### **Classification symbols**

- G, PG, R18+ and X18+ were well understood, however, there was general confusion with M15+ and MA15+ across all segments
- Many respondents believed, incorrectly, that M15+ was restricted to people 15 years and over, while MA15+ was commonly interpreted, incorrectly, as 'mature audience'
- There was widespread confusion between the M15+ and MA15+ categories primarily due to their similarity with both containing 'M' and '15+'. There was a desire for simplification.

**Consumer advice**

- Among parents in particular there was a strong desire to have this information made more readily available, as well as included in film reviews
- There was a high level of awareness of the consumer advice messages used by television. The voice-over is a strong contributor to awareness.
- Some felt television consumer advice descriptions were easier to understand and avoided duplication across categories while others seemed more comfortable with OFLC descriptions. It was recognised that there was some room for improvement in both systems
- After exposure to the three different classification systems – film/video/DVD, television and computer games – the most common request was to make all three the same – symbols and advice when possible – and to keep it simple to make it easy to understand for everyone. This request was strongest among parent groups
- Very few consumers were aware that consumer advice was available for films at the cinema. Across all groups there were only one or two mentions of noticing consumer advice in newspaper advertisements or posters for films. As a result, exposure of consumer advice examples during the groups was, for many, their first experience with this kind of information
- Awareness of consumer advice on video/DVD boxes was stronger (after prompting) although not universal. Parents of younger children seemed to be more familiar with this advice, however, there were few people in all groups who had really noticed this information was included
- There was also wide acceptance among parents that choosing a film for their child was ultimately their choice and in doing so they took into account many factors, including the maturity of their child which was not always based on age
- There was, in regard to computer games, little familiarity with consumer advice and exposure to examples was generally met with some bewilderment, particularly among parents.

## Appendix Six — External Scrutiny

### **Freedom of information**

In accordance with section 8 of the *Freedom of Information Act 1982* (FOI Act), this section of the report contains information about FOI procedures and access to documents.

#### *FOI procedures and initial contact points for enquiries*

Applicants seeking access to documents under the FOI Act should forward a \$30 application fee and apply in writing to:

The FOI Coordinator  
Office of Film and Literature Classification  
Locked Bag 3  
HAYMARKET NSW 1240

The FOI Coordinator is available during business hours and can be contacted by telephone on (02) 9289 7100 or by fax on (02) 9289 7101.

The FOI Coordinator can assist applicants to identify the particular documents they seek. If a request is to be refused on grounds appearing in subsection 15(2) or subsection 24(1) of the FOI Act (insufficient information or unreasonable diversion of resources), applicants are notified and given an opportunity for consultation.

If applicants are dissatisfied with a decision made under the FOI Act, they may apply for an internal review, which is subject to a \$40 application fee. Once the fee is received, an officer who is at least one level above that of the initial decision maker will conduct the review.

#### *Facilities for access*

The OFLC, if it approves access, will provide copies of documents after receiving payment of any charges that apply.

Alternatively, applicants may arrange to inspect documents at the OFLC, if the documents lend themselves to this form of access. Information about the facilities available to assist people with disabilities to obtain access to documents can be obtained from the FOI Coordinator. If necessary, special arrangements can be made to overcome any difficulties in physical access. If an applicant resides some distance from any point at which access is normally provided, consideration will be given to alternative arrangements with a view to reducing inconvenience to the applicant. See page 111 for details on the OFLC's disability strategy.

#### *Categories of documents that are maintained by the OFLC*

The OFLC maintains the following categories of documents:

- applications under the Classification Act
- documents relating to decisions of the Board

- documents relating to OFLC policy
- documents relating to OFLC administration.

The Review Board maintains the following categories of documents:

- applications for review
- copies of decisions on review
- correspondence with applicants on review of Board decisions
- policy documents.

Since September 2000, full reports of Review Board decisions, for which reasons have been requested, have been available on the OFLC website.

The following categories of documents are available (other than under the FOI Act) free of charge upon request, and are also on the OFLC website:

- Guidelines for the Classification of Publications, Guidelines for the Classification of Films and Computer Games
- publications, including the results of research projects
- annual reports (some years are out of print)
- application forms for classification and review
- information on how to apply and classification fee schedules.

#### *FOI requests during 2002-2003*

Two requests received under the FOI Act were finalised. Of these, one request was received in the previous reporting period.

#### **Privacy**

As required by the Commonwealth *Privacy Act 1988*, the OFLC maintains a written record of the classes of personal information that it holds and submits a copy of that record to the Office of the Federal Privacy Commissioner for publication in the annual *Personal Information Digest*. The digest is available from the Office of the Federal Privacy Commissioner. Information about records held by the OFLC can be obtained by writing to:

The Privacy Contact Officer  
Office of Film and Literature Classification  
Locked Bag 3  
HAYMARKET NSW 1240

#### **Judicial decisions**

In April 2003, an application was made to the Federal Court by a member of the public against the Director of the Classification Board and the Commonwealth Attorney-General. The applicant sought

a stay of implementation of the Combined Guidelines and a review of the decision to implement the Combined Guidelines. The applicant discontinued the proceedings in May 2003.

No other matters were dealt with in the Federal or High Court in connection with the OFLC, the Board or the Review Board.

#### **Decisions by administrative tribunals**

During the reporting period, an application was made to the Administrative Appeals Tribunal (AAT) for a review of the Director's decision to refuse permission to import objectionable goods under Regulation 4A of the Customs Prohibited Imports Regulations. This matter was heard in August 2003.

A case from the previous reporting period continued into 2002-2003. This case also involved an application to the AAT for review of the Director's decision to refuse importation of a prohibited import under Regulation 4A of the Customs Prohibited Imports Regulations.

#### **Reports by the Auditor-General**

There were no reports on the operations of the OFLC, the Board or the Review Board by the Auditor-General in the reporting period.

#### **Reports by parliamentary committees**

The Director, Deputy Director and Business Manager appeared before the Senate Legal and Constitutional Legislation Committee on 20-21 November 2002 for a Supplementary Budget Estimates hearing. These officers also appeared before the committee on 10 February 2003 for an Additional Estimates hearing and on 27 May 2003 for a Budget Estimates Hearing. At each hearing, the officers answered questions by members of the committee. Responses to some questions were deferred to be dealt with on notice.

#### **Commonwealth Ombudsman**

No matters involving the OFLC, the Board or the Review Board were dealt with by the Commonwealth Ombudsman during 2002-2003.

## Appendix Seven — Staffing Matters

### Overview

The OFLC employed 52.6 individuals (full-time equivalent basis) at 30 June 2003. This includes 12 Board members and 40.6 employees engaged under the *Public Service Act 1999*. Tables showing a detailed breakdown of these numbers by broad-banded classification and gender are presented. The tables also show staffing details at 30 June 2002 for comparison.

In relation to the method of recording:

- the tables include persons employed under the *Public Service Act 1999* and appointed to the Board under the Classification Act (Board members). Review Board members are not included in the figures. Review Board members are identified on page 87
- Australian Public Service (APS) staff include ongoing and non-ongoing staff (including APS staff on temporary movement from other agencies), casual and part-time staff
- Board members include those appointed under section 48 of the Classification Act (who are recorded as ongoing staff), and temporary and acting appointments under sections 50 and 66
- part-time APS staff and Board members are shown as full-time equivalents other than in the part-time staff and non-ongoing staff rows, and in the equal employment opportunity table, which reflect actual numbers.

### Staff Numbers at 30 June 2002 and 30 June 2003 (includes APS Staff and Board members)

	As at 30 June 2002									As at 30 June 2003								
	Classification									Classification								
	Board members		SES		EL 1-2		APS 1-6		Total	Board members		SES		EL 1-2		APS 1-6		Total
	M	F	M	F	M	F	M	F		M	F	M	F	M	F	M	F	
<b>Operative and paid inoperative staff</b>	3.6	6.2	0	1	4	7	12	13	46.8	5.8	5.6	0	1	5	6	13	14	50.4
<b>Unpaid inoperative staff</b>	1	0	0	0	0	0	0	1	2	0	.6	0	0	0	.6	0	1	2.2
<b>Part-time staff</b>	1	2	0	0	0	2	0	0	5	1	2	0	0	0	3	0	0	6
<b>Non-ongoing staff</b>	0	0	0	0	0	1	1	3	5	1	0	0	0	1	1	1	1	5

### Operative and paid inoperative staff

This row in the above table shows all staff, including Board members on duty or on paid leave at 30 June 2003. The row reports actual occupancy, so if an employee was on paid leave as at 30 June and

another temporarily assigned that employee's normal duties, then two employees are recorded against the one set of duties.

### **Unpaid inoperative staff**

This row shows all staff, including Board members, on long term leave without pay at 30 June 2003.

### **Part-time staff**

This row is a breakdown of part-time staff at 30 June 2003. It includes paid inoperatives and those temporarily assigned to higher duties.

### **Non-ongoing staff**

This row is a breakdown of non-ongoing staff as at 30 June 2003. It includes paid inoperatives and those temporarily assigned to higher duties. It also includes ongoing APS staff on temporary movement from other APS agencies.

### **Board membership**

Appointments to the Board are made by the Governor-General on the recommendation of the Attorney-General. Terms are generally for three years although members may be appointed for further terms. Under the Classification Act, appointments to the Board may not exceed seven years. These appointments are subject to prior consultation with State and Territory Ministers responsible for censorship, in accordance with subsection 48(3) of the Classification Act.

Under section 66 of the Classification Act, the Attorney-General may appoint a person to act as a member of the Board during a vacancy in the office and, under section 50, temporary members may be appointed to ensure the efficient dispatch of the Board's business. These powers of the Attorney-General have been delegated to the Director.

### **Board movements**

The terms of nine Board members, Wendy Banfield, Yiah Chan, David Griffiths, Robert Sanderson, Lynn Townsend, Rachel Williams, Margaret Clancy, Bronwyn Healy and Graham Shirley expired on 10 October 2002. From 11 October 2002, a number of acting Board member appointments were made pending the appointment of new Board members.

On 28 May 2003, the appointment of four new Board members, Alexandra Greene, Tracy Carthew, Jeremy Fenton and Rodney Smith took effect. On the same date, the appointment for a further term of three previous Board members, Wendy Banfield, Lynn Townsend and Robert Sanderson, took effect. On 28 May 2003, Paul Hunt also commenced his appointment as Deputy Director. Mr Hunt was previously a Senior Classifier on the Classification Board. The term of Senior Classifier, Paulyne Williams, expired on 31 May 2003.

### **Remuneration of senior executives**

The OFLC has only one Senior Executive Service (SES) employee, the Marketing and Development Manager, SES Band 1. Remuneration and other conditions of employment are established by an

Australian Workplace Agreement (AWA) for this employee, within the range of remuneration offered at that level within the Australian Public Service.

As this was the only employee at any level to be covered by an AWA, including details of the remuneration package is not possible without revealing the specific terms of the AWA.

The Director and Deputy Director are statutory appointees equivalent to Senior Executive Service (SES) Band 3 and 2 respectively. Remuneration for these offices is established by the Remuneration Tribunal.

### Performance pay

An aggregate amount of \$27,985 was paid to APS staff as performance pay during 2003-2003 . A total of seven APS staff members received performance pay. Given the small size of the APS staff in the OFLC, a greater disaggregation of performance pay is not possible without identifying payments to individuals.

### Salary ranges for APS employees under OFLC agency agreements

Classification	OFLC agency agreement 2001-03 Salary from 16.5.02	OFLC agency agreement 2003-06 Salary from 10.6.03
Executive Level 2	84,826	88,389
	82,075	85,522
	76,357	79,564
	72,367	75,406
Executive Level 1	67,814	70,662
	62,790	68,045
APS Level 6	56,399	58,768
	54,297	56,577
	51,698	53,869
	50,329	-
	49,098	51,160
APS Level 5	48,204	50,229
	46,883	48,852
	45,459	47,368
APS Level 4	44,253	46,112
	43,147	44,959
	42,052	43,818
	40,756	42,468
OFLC Broadband		
APS Level 2/3		
APS Level 3	39,468	41,126
	38,472	40,088
	37,518	39,094
	36,568	38,104
OFLC Broadband		
APS Level 2/3		
APS Level 2	35,602	37,097
	34,734	36,193
	33,856	-
	32,989	34,375
	32,105	33,453

### Representation of equal employment opportunity groups within salary levels at 30 June 2003

These figures relate to ongoing and specified term employees of the APS and all Board members, include all inoperatives, and are based on actual classifications.

Percentages are shown as whole numbers. Percentages for women and staff with equal employment opportunity (EEO) data are based on total staff. Percentages for other groups are based on staff for whom EEO data was available.

Salary Range \$	Total No. of staff	Women	People of non English speaking background (1st generation)	People of non English speaking background (2nd generation)	Aboriginal and Torres Strait Islander people	People with disabilities	Staff with EEO data
33,453-41,126	5	3 60%	1 25%	1 25%			4 80%
42,468-46,112	8	4 50%	2 25%		1 13%		8 100%
47,368-50,229	4	3 75%					4 100%
51,160-58,768	11	5 45%		1 10%		1 10%	10 91%
65,427-70,662	8	6 75%	1 13%				8 100%
71,300	9	5 56%	1 11%				9 100%
75,406-88,389	5	2 40%					5 100%
90,400	2	2 100%					2 100%
95,000-105,000	1	1 100%					1 100%
122,600	1						1 100%
149,500	1						1 100%
<b>Total</b>	<b>55<sup>1</sup></b>	<b>31 59%</b>	<b>5 9%</b>	<b>2 4%</b>	<b>1 2%</b>	<b>1 2%</b>	<b>53 96%</b>

<sup>1</sup>This figure reflects actual numbers and is different from the full-time equivalent figure.

## Appendix Eight — Commonwealth Disability Strategy

The OFLC recognises its obligations to support the right of people with disabilities to participate in all aspects of the community. To meet this obligation, in the conduct of its activities the OFLC takes an inclusive approach towards people with disabilities.

The OFLC, although a small agency, may be seen within the framework of the Commonwealth Disability Strategy to have four roles – policy adviser, regulator, service provider and employer.

### **Policy adviser**

The OFLC has a policy advisory role in relation to the national classification scheme. This activity has very limited direct effect on people with disabilities. However, there is a need to ensure equal access for people with disabilities in relation to consultation on policy, legislation and guidelines changes. It is important that the Board reflects broad Australian community standards and, in this context, it is particularly important that all Australians are able to have input into the review of classification guidelines which inform classification decisions.

Public consultation on classification matters is undertaken primarily through written submissions.

In December 2002, an improved and expanded OFLC website was launched (page 63). The improved website allows for the clearer presentation to the community of information, including that on consultation, in accessible electronic formats and plays an important role in the OFLC's interaction with clients and the community.

### **Regulator**

The Board has a regulatory role in that it classifies material. Compliance under the national classification scheme is regulated by State and Territory classification enforcement legislation. Classification services are provided substantially to commercial producers, distributors or retailers. Information on regulations and compliance reporting is available on the OFLC's website in accessible electronic formats.

### **Service provider**

The OFLC has a service provider role through, primarily, provision of classification services to commercial applicants for a fee. While provision of these services does not appear to have any greater impact on people with a disability than on the community generally, the OFLC website provides people with disabilities with improved access to information through accessible electronic formats.

The OFLC has a complaints handling procedure that includes access to the Commonwealth Ombudsman.

### **Employer**

As a relatively small employer, the OFLC is able to sustain a flexible and responsive approach to its obligations under the *Disability Discrimination Act 1982*.

During 2002-2003, an improved and expanded OFLC website was launched which included an updated employment page providing recruitment information in accessible electronic formats, in accordance with National Office for the Information Economy guidelines. Additionally, enquiries continue to be able to be made, and applications lodged, electronically.

Provision continues to be made for any applicant with a disability to indicate the need for, and to discuss, any particular requirements for interview. The size of the OFLC allows all recruitment to be managed by the Human Resources section which is conversant with, and has information on, the principle of reasonable adjustment.

The OFLC's harassment policy provides support for employees with disabilities through guidance on what may constitute inappropriate behaviour towards employees with disabilities and procedures to address such behaviour.

The OFLC's performance and development review scheme provides opportunities for all employees, including those with disabilities, to agree on development strategies to support their changing needs and ability to pursue a career path.

The individual needs of all staff are considered when providing them with training or referring them to external training providers. Most training and development is provided externally and, as appropriate, the content of external training is checked for information on disability issues when relevant to the program.

The handling of applications for review of employment actions within the OFLC includes provision for reference to external mechanisms.

## Appendix Nine — Other Information

### **Competitive tendering and contracting**

Competitive tendering and contracting provides the OFLC with the ability to source alternative service delivery options while adhering to the objectives of value for money, effective competition, accountability and competitiveness, and support for other Australian Government policies.

Contracts for the firewall and related information technology security services were completed during 2002-2003 as well as a new contract for computer hardware. The OFLC also signed a two-year competitive tender for the maintenance of its national classification database and website.

### **Discretionary grants**

The OFLC made no discretionary grants in 2002-2003.

### **Environmental performance**

The OFLC supports the Australian Government's commitment to ecologically sustainable development, and attempts as far as possible to minimise environmental impact.

When possible, the OFLC uses recycled paper and recycles waste paper. Information is disseminated and decisions stored electronically throughout the office. With the introduction of Business Online (see page 69), the OFLC and its clients reduce the paper required for classification applications.

The OFLC occupies modern premises incorporating a range of energy efficient technologies.

### **Purchasing**

The OFLC's procurement procedures are in accordance with the policies and principles set out in the Commonwealth Procurement Guidelines.

### **Advertising and market research**

The OFLC engaged two media advertising organisations, Starcom Worldwide (Australia) Pty Ltd and HMA Blaze Pty Ltd to coordinate press advertising for recruitment exercises. Payments relating to the year ending 30 June 2003 to Starcom totalled \$9,625 and to HMA Blaze \$17,632. In addition, the OFLC paid If Magazine Pty Ltd \$80 for one web advertisement.

The OFLC engaged Newspoll and J & S Research Services for market research to gauge consumer familiarity with the OFLC and classification information. This research will be used to inform future education and other initiatives. Payments to Newspoll totalled \$21,710 and payments to J & S Research Services totalled \$5,520. See Appendices Four and Five for information on the findings of the market research.

### Consultancies

In 2002-2003 the OFLC entered into four contracts for consultancy services. Total expenditure on consultants for 2002-2003 was \$33,363.

The main purpose for which consultants were engaged was to assist with independent market research. Consultancy contracts in excess of \$10,000 let during the year are detailed below:

<b>Name of consultant</b>	<b>Purpose of the consultancy</b>	<b>Contract amount</b>	<b>Selection process used</b>	<b>Reasons for engagement</b>
Newspoll	Survey of classification usage and youth attitude study	\$21,710	Select tender	Independent analysis

The OFLC applies the principles and policies of the Commonwealth Procurement Guidelines when engaging consultants. The OFLC engages consultants using a tender process except when particular skills are required.

### Corrections to 2001-2002 Annual Report

On page 91 of the 2001-2002 Annual Report it was erroneously reported that the Classification Board classified 15 Internet content items X18+ and 50 Internet content items refused classification. This should have been reported as 14 X18+ items and 51 refused classification items.

On page 92 of the 2001-2002 Annual Report it was erroneously reported that the Classification Board classified five items of Internet content refused classification due to offensive fetish. This should have been reported as six items. Accordingly, the correct total number of Internet content items refused classification should be 51, not 50 as reported.

On page 101 of the 2001-2002 Annual Report it was erroneously reported that there were 10 male and 16 female APS 1-6 staff at 30 June 2002. This should have been reported as 12 male and 13 female APS 1-6 staff at 30 June 2002. Totals are unaffected.

## Appendix Ten — Financial Statements

**INDEPENDENT AUDIT REPORT****To the Attorney-General****Matters relating to the Electronic Presentation of the Audited Financial Report**

This audit report relates to the financial report of the Office of Film and Literature Classification for the year ended 30 June 2003 included on the Office of Film and Literature Classification's web site. The Director of the Office of Film and Literature Classification is responsible for the integrity of the Office of Film and Literature Classification's web site.

The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from the audited financial report.

If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

**Scope**

I have audited the financial statements of the Office of Film and Literature Classification for the year ended 30 June 2003. The financial statements comprise:

- Statement by the Director and Chief Finance Officer;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Contingencies and Commitments;
- Schedule of Administered Items; and
- Notes to and forming part of the Financial Statements.

The Office of Film and Literature Classification's Director is responsible for the preparation and presentation of the financial statements and the information they contain. I have conducted an independent audit of the financial statements in order to express an opinion on them to you.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation

of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Office of Film and Literature Classification's financial position, its financial performance and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion the financial statements:

- (i) have been prepared in accordance with Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*; and
- (ii) give a true and fair view, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Finance Minister's Orders, of the financial position of the Office of Film and Literature Classification as at 30 June 2003, and its financial performance and cash flows for the year then ended.

Australian National Audit Office



P Hinchey  
Senior Director

Delegate of the Auditor-General

Sydney  
3 September 2003

**OFFICE OF FILM AND LITERATURE CLASSIFICATION****STATEMENT BY THE DIRECTOR AND CHIEF FINANCE OFFICER**

In our opinion, the attached financial statements for the year ended 30 June 2003 give a true and fair view of the matters required by the Finance Minister's Orders made under the *Financial Management and Accountability Act 1997*.



Des Clark  
Director

2 September 2003



John Robinson  
Chief Finance Officer

2 September 2003

**OFFICE OF FILM AND LITERATURE CLASSIFICATION  
STATEMENT OF FINANCIAL PERFORMANCE**

for the year ended 30 June 2003

	Notes	2003 \$	2002 \$
<b>Revenues from ordinary activities</b>			
Revenues from government	4A	<b>5,594,000</b>	5,525,000
Sales of services	4B	<b>759,608</b>	653,508
Interest	4C	<b>4,583</b>	18,529
Revenue from sale of assets	5E	<b>1,500</b>	6,860
Forgiveness of liability	4D	-	120,000
Other		-	22,667
		<b>6,359,691</b>	6,346,564
<b>Revenues from ordinary activities</b>			
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>			
Employees	5A	<b>3,845,956</b>	3,715,042
Suppliers	5B	<b>1,760,835</b>	1,612,550
Depreciation and amortisation	5C	<b>642,763</b>	542,707
Write-down of assets	5D	<b>24,219</b>	92,881
Value of assets sold	5E	<b>3,793</b>	22,994
		<b>6,277,566</b>	5,986,174
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>			
<b>Borrowing costs expense</b>	6	-	34,000
<b>Net surplus</b>		<b>82,125</b>	326,390
Net credit to asset revaluation reserve		-	56,882
<b>Total revenues, expenses and valuation adjustments attributable to the Commonwealth Government and recognised directly in equity</b>		<b>-</b>	56,882
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<b>82,125</b>	383,272

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

**OFFICE OF FILM AND LITERATURE CLASSIFICATION  
STATEMENT OF FINANCIAL POSITION**

as at 30 June 2003

	Notes	2003 \$	2002 \$
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash		<b>534,579</b>	577,703
Receivables	7A	<b>501,960</b>	51,705
<b>Total financial assets</b>		<b>1,036,539</b>	629,408
<b>Non-financial assets</b>			
Land and buildings	8A	<b>1,262,161</b>	1,472,419
Infrastructure, plant and equipment	8B	<b>398,467</b>	494,416
Intangibles	8C	<b>374,028</b>	635,218
Other	8E	<b>74,609</b>	72,565
<b>Total non-financial assets</b>		<b>2,109,265</b>	2,674,618
<b>TOTAL ASSETS</b>		<b>3,145,804</b>	3,304,026
<b>LIABILITIES</b>			
<b>Provisions</b>			
Capital use charge	9A	-	11,000
Employees	9B	<b>927,410</b>	906,805
<b>Total provisions</b>		<b>927,410</b>	917,805
<b>Payables</b>			
Suppliers	10A	<b>149,579</b>	199,129
Other	10B	<b>28,798</b>	7,200
<b>Total payables</b>		<b>178,377</b>	206,329
<b>TOTAL LIABILITIES</b>		<b>1,105,787</b>	1,124,134
<b>NET ASSETS</b>		<b>2,040,017</b>	2,179,892
<b>EQUITY</b>			
Contributed equity		<b>308,000</b>	308,000
Reserves		<b>239,112</b>	241,744
Retained surpluses		<b>1,492,905</b>	1,630,148
<b>TOTAL EQUITY</b>	11A	<b>2,040,017</b>	2,179,892
<b>Current assets</b>		<b>1,111,148</b>	701,973
<b>Non-current assets</b>		<b>2,034,656</b>	2,602,053
<b>Current liabilities</b>		<b>779,387</b>	741,281
<b>Non-current liabilities</b>		<b>326,400</b>	382,853

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

**OFFICE OF FILM AND LITERATURE CLASSIFICATION  
STATEMENT OF CASH FLOWS**
*for the year ended 30 June 2003*

	Notes	2003 \$	2002 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Appropriations		5,570,000	5,501,000
Sales of services		840,962	664,453
Interest		9,528	20,867
GST refunds		59,240	106,710
Other		25,326	70,090
<b>Total cash received</b>		<b>6,505,056</b>	6,363,120
<b>Cash used</b>			
Employees		(3,809,042)	(3,592,729)
Suppliers		(1,862,170)	(1,716,991)
Cash transferred to the OPA		(472,000)	-
Borrowing costs		-	(34,000)
Other		(70,090)	(28,686)
<b>Total cash used</b>		<b>(6,213,302)</b>	(5,372,406)
<b>Net cash from operating activities</b>	12	<b>291,754</b>	990,714
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of property, plant and equipment		1,500	6,860
<b>Total cash received</b>		<b>1,500</b>	6,860
<b>Cash used</b>			
Purchase of property, plant and equipment		(80,283)	(188,625)
Purchase of intangibles		(23,095)	(175,513)
<b>Total cash used</b>		<b>(103,378)</b>	(364,138)
<b>Net cash used by investing activities</b>		<b>(101,878)</b>	(357,278)
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Repayment of debt		-	(561,000)
Capital use charge paid		(233,000)	(225,000)
<b>Total cash used</b>		<b>(233,000)</b>	(786,000)
<b>Net cash used by financing activities</b>		<b>(233,000)</b>	(786,000)
<b>Net increase (decrease) in cash held</b>			
Cash at the beginning of the reporting period		577,703	730,267
<b>Cash at the end of the reporting period</b>		<b>534,579</b>	577,703

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

## OFFICE OF FILM AND LITERATURE CLASSIFICATION SCHEDULE OF COMMITMENTS

as at 30 June 2003

	<b>2003</b>	2002
	\$	\$
<b>BY TYPE</b>		
Other Commitments		
Operating leases	<b>3,888,156</b>	4,525,125
<b>Total other commitments</b>	<b>3,888,156</b>	4,525,125
<b>Commitments receivable</b>	<b>(508)</b>	(1,882)
<b>Net commitments</b>	<b>3,887,648</b>	4,523,243

### BY MATURITY

#### Operating lease commitments

One year or less	<b>639,381</b>	635,595
From one to five years	<b>2,666,610</b>	2,619,408
Over five years	<b>581,657</b>	1,268,240
<b>Net commitments by maturity</b>	<b>3,887,648</b>	4,523,243

Commitments are GST inclusive where relevant

Operating leases are effectively non-cancellable and compris:

lease for office accommodation

- lease payments are subject to predetermined annual increase.
- the initial period of lease is still current and may be renewed for five years at the OFLC's option, following a one-off rent adjustment to current market level.

agreements for the provision of motor vehicles to senior executives

- no contingent rentals exist, and no renewal or purchase option available.

### SCHEDULE OF CONTINGENCIES

as at 30 June 2003

	<b>2003</b>	<b>2002</b>
	\$	\$
Expected costs not covered by revenue for conference to be held	<b>109,224</b>	-

The OFLC has underwritten costs of an inaugural international conference in September 2003. The contingent liability for costs not covered by registrations will reduce as additional registrations are received.

The above schedules should be read in conjunction with the accompanying notes.

**OFFICE OF FILM AND LITERATURE CLASSIFICATION  
SCHEDULE OF ADMINISTERED ITEMS**

	Notes	2003 \$	2002 \$
<b>Revenues Administered on Behalf of Government</b>			
<i>for the year ended 30 June 2003</i>			
<b>Non-taxation revenue</b>			
Services	18	<u>2,869,822</u>	<u>2,644,998</u>
<b>Total Revenues Administered on Behalf of Government</b>		<u><u>2,869,822</u></u>	<u><u>2,644,998</u></u>
<b>Expenses Administered on Behalf of Government</b>			
<i>for the year ended 30 June 2003</i>			
Grants	19	<u>633,314</u>	<u>669,686</u>
<b>Total Expenses Administered on Behalf of Government</b>		<u><u>633,314</u></u>	<u><u>669,686</u></u>
<b>Assets Administered on Behalf of Government</b>			
<i>as at 30 June 2003</i>			
<b>Financial Assets</b>			
Receivables	20	<u>-</u>	<u>70,090</u>
<b>Total Assets Administered on Behalf of Government</b>		<u><u>-</u></u>	<u><u>70,090</u></u>
<b>Liabilities Administered on Behalf of Government</b>			
<i>as at 30 June 2003</i>			
<b>Payables</b>			
Other payables	21	<u>307,503</u>	<u>299,039</u>
<b>Total Liabilities Administered on Behalf of Government</b>		<u><u>307,503</u></u>	<u><u>299,039</u></u>
<b>Net Assets Administered on Behalf of Government</b>		<u><u>(307,503)</u></u>	<u><u>(228,949)</u></u>
<b>Current liabilities</b>		<b>307,503</b>	299,039
<b>Non-current liabilities</b>		-	-
<b>Current assets</b>		-	70,090
<b>Non-current assets</b>		-	-

This schedule should be read in conjunction with the accompanying notes.

**OFFICE OF FILM AND LITERATURE CLASSIFICATION  
SCHEDULE OF ADMINISTERED ITEMS (continued)**

	2003	2002
	\$	\$
<b>Administered Cash Flows</b>		
<i>for the year ended 30 June 2003</i>		
<b>Operating Activities</b>		
<b>Cash received</b>		
Cash from Official Public Account	662,000	641,000
Other non-taxation revenues	2,977,062	2,747,857
<b>Total cash received</b>	<b>3,639,062</b>	3,388,857
<b>Cash used</b>		
Grants	(662,000)	(641,000)
Cash to Official Public Account	(2,977,062)	(2,747,857)
<b>Total cash used</b>	<b>(3,639,062)</b>	(3,388,857)
<b>Net cash from (used by) operating activities</b>	<b>-</b>	-
<b>Net increase (decrease) in cash held</b>	<b>-</b>	-
Cash at the beginning of the reporting period	-	-
<b>Cash at the end of the reporting period</b>	<b>-</b>	-

**Statement of Activities Administered on Behalf of Government**

The major administered activities of the OFLC are directed towards achieving the outcome described in Note 25 to the Financial Statements. The major financial activities are the collection of classification fees and the administration of grants to the States and Territories. Details of planned activities for the year can be found in the Agency Portfolio Budget Statements for the 2002-03 which have been tabled in the Parliament.

This schedule should be read in conjunction with the accompanying notes.

**OFFICE OF FILM AND LITERATURE CLASSIFICATION  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***for the year ended 30 June 2003*

---

<b>Note</b>	<b>Description</b>
1	Agency Objectives
2	Classification Board and Classification Review Board
3	Summary of Significant Accounting Policies
4	Operating Revenues
5	Operating Expenses
6	Borrowing Costs Expense
7	Financial Assets
8	Non-Financial Assets
9	Provisions
10	Payables
11	Equity
12	Cash Flow Reconciliation
13	Executive Remuneration
14	Remuneration of Auditors
15	Average Staffing Level
16	Act of Grace Payments and Waivers
17	Financial Instruments
18	Revenues Administered on Behalf of Government
19	Expenses Administered on Behalf of Government
20	Assets Administered on Behalf of Government
21	Liabilities Administered on Behalf of Government
22	Administered Reconciliation Table
23	Administered Financial Instruments
24	Appropriations
25	Reporting of Outcomes
26	Events Occurring after Balance Date

### **Note 1 Agency Objectives**

The Classification Board and the Classification Review Board are established by sections 45 and 72 of the *Classification (Publications, Films and Computer Games) Act 1995* (the Act) respectively.

Section 54 of the Act establishes the Office of Film and Literature Classification (OFLC) and the *Financial Management and Accountability Act 1997* defines the OFLC as a Prescribed Agency.

The objectives of the Office of Film and Literature Classification are:

- To manage the classification system to time, cost and quality standards.
- To enhance confidence in, and utilisation of, OFLC classification systems among existing and potential clients.
- To enhance community understanding of, and confidence in, classification systems and outcomes.
- To provide access to information that clearly sets out roles and responsibilities, work processes, bases for classification decisions, and emerging issues.
- To provide OFLC people with the skills and support to maximise their contribution to the agency.

### **Note 2 Classification Board and Classification Review Board**

For financial reporting purposes, the financial activities of the Classification Board and the Classification Review Board for the year ended 30 June 2003 are included in the financial statements of the Office of Film and Literature Classification.

Administrative support for the two boards is provided by the OFLC, and the running costs are met by appropriations made direct to OFLC.

### **Note 3 Summary of Significant Accounting Policies**

#### **3.1 Basis of Accounting**

The financial statements are required by section 49 of the *Financial Management and Accountability Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Financial Management and Accountability (Financial Statements for reporting periods ending on or after 30 June 2003) Orders*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Consensus Views of the Urgent Issues Group.

The Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Statement of Financial Position when, and only when, it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets which are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies.

Revenues and expenses are recognised in the Statement of Financial Performance when, and only when, the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

The continued existence of the Agency in its present form, and with its present programs, is dependent on Government policy and on continuing appropriations by Parliament for the Agency's administration and programs.

Administered revenues, expenses, assets and liabilities and cash flows reported in the Schedule of Administered Items and related notes are accounted for on the same basis and using the same policies as for Agency items, except where otherwise stated at Note 3.16.

### 3.2 Changes in Accounting Policy

The accounting policies used in the preparation of these financial statements are consistent with those used in 2001-02, except in respect of :

- the accounting for output appropriations (refer to Note 3.3)
- measurement of certain employee benefits at nominal amounts (refer to Note 3.5).
- the imposition of an impairment test for non-current assets carried at cost (refer to Note 3.11).

Accounting Standard AASB 1041 *Revaluation of Non-Current Assets* requires valuation at fair value which will commence at the end of the present revaluation cycle (refer to Note 3.11).

### 3.3 Revenue

#### (a) Revenues from Government

Departmental outputs appropriations for the year (less any savings offered up in Portfolio Additional Estimates Statements) are recognised as revenue.

#### (b) Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

#### (c) Other Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers, while revenue from the rendering of a service is recognised by reference to the stage of completion of contracts or other agreements to provide services.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

### 3.4 Transactions with the Government as Owner

A capital use charge of 11% (2002: 11%) is imposed by the Government on the departmental net assets of the Agency at year end. The net assets figure is adjusted to account of asset gifts and revaluation increments during the financial year. The charge is accounted for as a dividend to Government.

In accordance with the recommendations of a review of Budget Estimates and Framework, the Government has decided that the charge will not operate after 30 June 2003.

### 3.5 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

#### (a) Salaries and Wages

Liabilities for wages and salaries (including non-monetary benefits) and annual leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. This is a change in accounting policy from last year required by the initial application of a new Accounting Standard AASB 1028 from 1 July 2002. As the OFLC's certified agreement raises pay rates on 10 June each year, the financial effect of this change is not material.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

#### *(b) Leave*

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the OFLC is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the OFLC's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The non-current portion of the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at 30 June 2003. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### *(c) Superannuation*

Staff of the OFLC are members of the Commonwealth Superannuation Scheme, the Public Sector Superannuation Scheme, and the Australian Government Employees Superannuation Trust. The liability for their superannuation benefits is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course.

The OFLC makes employer contributions to the Commonwealth at rates determined by an actuary to be sufficient to meet the cost to the Commonwealth of the superannuation entitlements of the OFLC's employees.

The liability for superannuation recognised as at 30 June represent outstanding contributions not paid at the end of the year.

### **3.6 Leases**

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets. The OFLC has no finance leases.

### **3.7 Borrowing costs**

All borrowing costs are expensed as incurred.

### **3.8 Cash**

Cash means notes and coins held and any deposits held at call with a bank.

### **3.9 Financial instruments**

Accounting policies for financial instruments are stated in Note 17.

### **3.10 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor agency's accounts immediately prior to the restructuring.

### 3.11 Property, Plant and Equipment

#### (a) Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

#### (b) Revaluations

##### (i) Basis

Leasehold improvements, plant and equipment are carried at valuation. Revaluations at 30 June 2002 were done on a deprival basis. In accordance with the deprival methodology, leasehold improvements, plant and equipment are measured at their depreciated replacement cost. At the end of the present revaluation cycle, future valuations will be at fair value.

Assets which are surplus to requirements are measured at their net realisable value. At 30 June 2003, the OFLC had no assets in this situation.

##### (ii) Frequency

Leasehold improvements, plant and equipment are revalued progressively in successive three-year cycles. The last cycle finished on 30 June 2002.

Assets in each class acquired after the commencement of a progressive revaluation cycle are not captured by the progressive revaluation in progress until the end of the cycle.

##### (iii) Conduct

All valuations are conducted by an independent qualified valuer.

#### (c) Depreciation and Amortisation

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the OFLC, using, in all cases, the straight line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2003</b>	2002
Leasehold improvements	<b>Lease term</b>	Lease term
Plant and equipment	<b>3 to 40 years</b>	5 to 50 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 5C.

#### (d) Recoverable Amount Test

From 1 July 2002, Schedule 1 no longer requires the application of the recoverable amount test in Australian Accounting Standard AAS10 *Recoverable Amount of Non-Current Assets* to the assets of agencies when the primary purpose of the asset is not the generation of the net cash inflows.

No property, plant and equipment assets have been written down to recoverable amount per AAS10. Accordingly, the change in policy has had no financial effect.

### 3.12 Intangibles

Intangibles comprise purchased software. These assets are carried at cost.

From 1 July 2002, Schedule 1 no longer requires the application of the recoverable amount test in Australian Accounting Standard AAS10 *Recoverable Amount of Non-Current Assets* to the assets of agencies when the primary purpose of the asset is not the generation of the net cash inflows.

However, Schedule 1 now requires such assets, if carried on the cost basis, to be assessed for indications of impairment. The carrying amount of impaired assets must be written down to the higher of its net market selling price or depreciated replacement cost.

All software assets were assessed for impairment as at 30 June 2003. None were found to be impaired.

Software is amortised on a straight-line basis over its anticipated useful life.

The useful lives of the OFLC's software are **3 to 5 years** (2002: 5 years).

### 3.13 Taxation

The OFLC is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

### 3.14 Insurance

The OFLC has insured for risks through the Government's insurable risk managed fund, 'Comcover'. Workers compensation is insured through the Government's Comcare Australia.

### 3.15 Comparative Figures

Comparative figures have been adjusted to conform to changes in presentation in these financial statements where required.

### 3.16 Reporting of Administered Activities

Administered revenues, expenses, assets, liabilities and cash flows are disclosed in the Schedule of Administered Items and related Notes.

Except where otherwise stated below, administered items are accounted for on the same basis and using the same policies as for Agency items, including the application to the greatest extent possible of Accounting Standards, Accounting Interpretations and UIG Consensus Views.

Administered appropriations received or receivable from the Official Public Account (OPA) are not reported as administered revenues or assets respectively. Similarly, administered receipts transferred or transferable to the OPA are not reported as administered expenses or payables. These transactions or balances are internal to the Administered entity.

The transfers of cash are reported as administered (operating) cash flows and in the administered reconciliation table in Note 22.

Accounting policies which are relevant to administered activities only of the OFLC are disclosed below.

#### *Revenue*

All administered revenues are revenues relating to the core operating activities performed by the OFLC on behalf of the Commonwealth.

Fees are charged for the provision of classification services. Administered fee revenue is recognised when application fees are received.

	<b>2003</b>	2002
	<b>\$</b>	\$
<b>Note 4 - Operating Revenues</b>		
<u>Note 4A – Revenues from Government</u>		
Appropriations for outputs	<b>5,570,000</b>	5,501,000
Resources received free of charge	<b>24,000</b>	24,000
<b>Total revenues from government</b>	<b>5,594,000</b>	5,525,000
<u>Note 4B - Sales of services</u>		
Services	<b>759,608</b>	653,508
Rendering of services to:		
Related entities	<b>31,830</b>	42,330
External entities	<b>727,778</b>	611,178
<b>Total rendering of services</b>	<b>759,608</b>	653,508
<u>Note 4C - Interest</u>		
Interest from bank	<b>4,583</b>	18,529
<u>Note 4D – Forgiveness of liability</u>		
An amount due to Attorney-General's Department was waived	<b>-</b>	120,000
<b>Note 5 - Operating Expenses</b>		
<u>Note 5A - Employee Expenses</u>		
Salaries and wages	<b>3,095,299</b>	2,982,149
Superannuation	<b>448,669</b>	458,597
Leave and other benefits	<b>265,127</b>	223,350
Other employee expenses	<b>17,728</b>	20,194
<b>Total employee benefits expense</b>	<b>3,826,823</b>	3,684,290
Worker compensation premiums	<b>19,133</b>	30,752
<b>Total employee expenses</b>	<b>3,845,956</b>	3,715,042
<u>Note 5B - Suppliers Expenses</u>		
Services from related entities	<b>283,780</b>	237,755
Services from external entities	<b>854,151</b>	750,577
Operating lease rentals	<b>622,904</b>	624,218
<b>Total suppliers expenses</b>	<b>1,760,835</b>	1,612,550

	<b>2003</b>	2002
	<b>\$</b>	\$
<u>Note 5C - Depreciation and Amortisation</u>		
<i>Depreciation</i>		
Leasehold improvements	<b>210,258</b>	201,830
Plant and equipment	<b>160,439</b>	114,683
<i>Total depreciation</i>	<b>370,697</b>	316,513
<i>Amortisation</i>		
Intangibles – computer software	<b>272,066</b>	226,194
<b>Total depreciation and amortisation</b>	<b>642,763</b>	542,707

No depreciation or amortisation was allocated to the carrying amounts of other assets.

Note 5D – Write-down of Assets

Plant and equipment - revaluation decrement	-	38,550
Plant and equipment – write-off on disposal	<b>24,219</b>	54,331
<b>Total write-down of assets</b>	<b>24,219</b>	92,881

Note 5E – Net losses from sale of assets

Infrastructure, plant and equipment:

Proceeds from sale	<b>(1,500)</b>	(6,860)
Net book value at sale	<b>3,793</b>	22,994
<b>Total net losses from sale of assets</b>	<b>2,293</b>	16,134

**Note 6 - Borrowing Costs Expense**

Loan	-	34,000
------	---	--------

**Note 7 - Financial Assets**

Note 7A - Receivables

Department of Finance and Administration	<b>472,000</b>	-
GST receivable	<b>22,038</b>	15,811
Other	<b>7,922</b>	35,894
<b>Total receivables</b>	<b>501,960</b>	51,705

All receivables are current assets.

Receivables are aged as follows:

Not overdue	<b>501,960</b>	51,705
-------------	----------------	--------

	<b>2003</b>	2002
	<b>\$</b>	<b>\$</b>
<b>Note 8 - Non-Financial Assets</b>		
<u>Note 8A - Land and Buildings</u>		
<b>Leasehold improvements</b>		
- at valuation (deprival) 30 June 2002	<b>2,078,612</b>	2,078,612
- Accumulated amortisation	<b>(816,451)</b>	(606,193)
<b>Total leasehold improvements</b>	<b>1,262,161</b>	1,472,419
<b>Total land and buildings (non-current)</b>	<b>1,262,161</b>	1,472,419
<u>Note 8B - Infrastructure, Plant and Equipment</u>		
<b>Plant and equipment</b>		
- at cost	<b>80,283</b>	-
- Accumulated depreciation	<b>(12,587)</b>	-
	<b>67,696</b>	-
- at valuation (deprival) 30 June 2002	<b>1,180,287</b>	1,241,437
- Accumulated depreciation	<b>(849,516)</b>	(747,021)
<b>Total plant and equipment</b>	<b>330,771</b>	494,416
<b>Total Infrastructure, Plant and Equipment (non-current)</b>	<b>398,467</b>	494,416
<u>Note 8C - Intangibles</u>		
Purchased computer software - at cost	<b>1,249,215</b>	1,147,426
Accumulated amortisation	<b>(875,187)</b>	(623,457)
	<b>374,028</b>	523,969
Internally developed computer software – in progress	-	111,249
	-	111,249
<b>Total Intangibles</b>	<b>374,028</b>	635,218

Note 8D - Analysis of Property, Plant and Equipment and Intangibles

**TABLE A – Reconciliation of total opening and closing balances of property, plant and equipment and intangibles**

Item	Land and buildings	Plant and equipment	Computer software	TOTAL
	\$	\$	\$	\$
As at 1 July 2002				
Gross book value	2,078,612	1,241,437	1,258,675	<b>4,578,724</b>
Accumulated depreciation / amortisation	(606,193)	(747,021)	(623,457)	<b>(1,976,671)</b>
Net book value	1,472,419	494,416	635,218	<b>2,602,053</b>
Additions by purchase	-	80,283	23,095	<b>103,378</b>
Depreciation/amortisation expense	(210,258)	(160,439)	(272,066)	<b>(642,763)</b>
Disposals	-	(15,793)	(12,219)	<b>(28,012)</b>
<b>As at 30 June 2003</b>				
Gross book value	2,078,612	1,260,570	1,249,215	<b>4,588,397</b>
Accumulated depreciation / amortisation	(816,451)	(862,103)	(875,187)	<b>(2,553,741)</b>
<b>Net book value</b>	<b>1,262,161</b>	<b>398,467</b>	<b>374,028</b>	<b>2,034,656</b>

**TABLE B – Assets at valuation**

Item	Land and buildings	Plant and equipment	TOTAL
	\$	\$	\$
<b>As at 30 June 2003</b>			
Gross value	2,078,612	1,180,287	<b>3,258,899</b>
Accumulated depreciation/amortisation	(816,451)	(849,516)	<b>(1,665,967)</b>
<b>Net book value</b>	<b>1,262,161</b>	<b>330,771</b>	<b>1,592,932</b>
As at 30 June 2002			
Gross value	2,078,612	1,241,437	3,320,049
Accumulated depreciation	(606,193)	(747,021)	(1,353,214)
Net book value	1,472,419	494,416	1,966,835

**TABLE C – Assets under construction**

Item	Computer software
	\$
<b>As at 30 June 2003</b>	
Gross value	-
Accumulated amortisation	-
<b>Net book value</b>	-
<b>As at 30 June 2002</b>	
Gross value	111,249
Accumulated amortisation	-
Net book value	111,249

	<b>2003</b>	2002
	\$	\$
<u>Note 8E – Other Non-Financial Assets</u>		
Prepayments for:		
Rent	<b>52,683</b>	51,649
Other	<b>21,926</b>	20,916
<b>Total prepayments</b>	<b>74,609</b>	72,565

All other non-financial assets are current assets.

### Note 9 - Provisions

#### Note 9A – Capital Use Charge Provision

Capital Use Charge	-	11,000
Balance owing 1 July	<b>11,000</b>	16,000
Capital use charge provided for during the period	<b>222,000</b>	220,000
Capital use charge paid	<b>(233,000)</b>	(225,000)
Balance owing 30 June	-	11,000

#### Note 9B - Employee Provisions

Salaries and Wages	<b>113,719</b>	90,586
Leave	<b>796,768</b>	803,487
Superannuation	<b>16,923</b>	12,732
<b>Aggregate employee benefit liability</b>	<b>927,410</b>	906,805
Current	<b>601,010</b>	523,952
Non-current	<b>326,400</b>	382,853



<b>2003</b>	2002
<b>\$</b>	\$

**Note 12 - Cash Flow Reconciliation****Reconciliation of net surplus to net cash from operating activities:**

Net surplus	<b>82,125</b>	326,390
Depreciation/Amortisation	<b>642,763</b>	542,707
Write down of assets	<b>24,219</b>	92,881
Loss on sale of non-current assets	<b>2,293</b>	16,134
Initial recognition of assets	<b>-</b>	(21,248)
Decrease/(increase) in prepayments paid	<b>(2,044)</b>	1,452
Increase in receivables	<b>(450,255)</b>	(7,113)
Increase in employee provisions	<b>20,605</b>	112,088
Increase/(decrease) in supplier payables	<b>(49,550)</b>	29,336
Increase/(decrease) in other payables	<b>21,598</b>	(155,330)
Capital accrual	<b>-</b>	53,417
<b>Net cash from operating activities</b>	<b>291,754</b>	990,714

<b>2003</b>	2002
-------------	------

**Note 13 - Executive Remuneration**

The number of executives who received or were due to receive total remuneration of \$100,000 or more:

\$140,000 to \$149,999	<b>-</b>	2
\$160,000 to \$169,999	<b>1</b>	-
\$180,000 to \$189,999	<b>1</b>	-
\$190,000 to \$199,999	<b>-</b>	1
\$210,000 to \$219,999	<b>1</b>	-

The aggregate amount of total remuneration of executives shown above.

<b>\$560,997</b>	\$487,843
------------------	-----------

**Note 14 - Remuneration of Auditors**

Financial statement audit services are provided free of charge to the OFLC. The fair value of the services provided was:

<b>\$24,000</b>	\$24,000
-----------------	----------

No other services were provided by the Auditor-General.

**Note 15 - Average Staffing Level**

The average staffing levels for the OFLC during the year were:

<b>48</b>	48
-----------	----

2003  
\$2002  
\$**Note 16 - Act of Grace Payments and Waivers**

No Act of Grace payments were made during the reporting period, and there are no amounts owing as at year end.

No waivers of amounts owing to the Commonwealth were made pursuant to subsection 34(1) of the *Financial Management and Accountability Act 1997*.

26 waivers of amounts (2002: 91) owing to the Commonwealth were made pursuant to subsection 91(1) of the *Classification (Publications, Films and Computer Games) Act 1995*.

21,22069,773**Note 17 - Financial Instruments**

Note 17A – Terms, Conditions and Accounting Policies

<b>Financial Instrument</b>	<b>Notes</b>	<b>Accounting Policies and Methods (including recognition criteria and measurement basis)</b>	<b>Nature of underlying instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
<b>FINANCIAL ASSETS</b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	3.8	Cash is recognised at its nominal amount. Interest is credited to revenue as it accrues.	Interest is earned on the Agency's bank accounts until the discontinuation of the Agency Banking Incentive Scheme.
Receivables	7A	Receivables are recognised at the nominal amounts due.	Receivables are with entities that are both internal and external to the Commonwealth.
<b>FINANCIAL LIABILITIES</b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Capital Use Charge Provision	9A	This provision is recognised as the amount outstanding on the estimated amount to be paid in accordance with the calculations outlined by the Department of Finance and Administration (DOFA).	The final amount payable for the year will be 11% (2002: 11%) of the closing balance of Equity less movements in the Asset Revaluation Reserve, less any amount settled before 30 June.
Suppliers	10A	Suppliers and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Supplier creditors are entities that are both internal and external to the Commonwealth. Settlement is usually made net 30 days (2002: 30 days).
Other Payables	10B	As for Suppliers.	As for Suppliers

## Note 17B – Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Non-Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$	2003 %	2002 %
<b>Financial Assets</b>									
Cash	3.8	<b>534,579</b>	577,703	-	-	<b>534,579</b>	577,703	<b>2.0</b>	2.0
Receivables	7A	-	-	<b>501,960</b>	51,705	<b>501,960</b>	51,705	<b>n/a</b>	n/a
<b>Total</b>		<b>534,579</b>	577,703	<b>501,960</b>	51,705	<b>1,036,539</b>	629,408		
<b>Total Assets</b>						<b>3,145,804</b>	3,304,026		

Financial Liabilities									
Capital Use Charge Provision	9A	-	-	-	11,000	-	11,000	<b>n/a</b>	n/a
Suppliers	10A	-	-	<b>149,579</b>	199,129	<b>149,579</b>	199,129	<b>n/a</b>	n/a
Other Payables	10B	-	-	<b>28,798</b>	7,200	<b>28,798</b>	7,200	<b>n/a</b>	n/a
<b>Total</b>		-	-	<b>178,377</b>	217,329	<b>178,377</b>	217,329		
<b>Total Liabilities</b>						<b>1,105,787</b>	1,124,134		

## Note 17C – Net Fair Values of Financial Assets and Liabilities

## (i) Financial assets

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

## (ii) Financial liabilities

The net fair values of capital use charge provision, suppliers and other payables are approximated by their carrying amounts.

## Note 17D – Credit Risk Exposures

OFLC's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

OFLC has no significant exposures to any concentration of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

**2003**  
\$

2002  
\$

**Note 18 – Revenues Administered on Behalf of Government****Services**

Fees for Classification Board services	<b>2,851,312</b>	2,624,238
Fees for Classification Review Board services	<b>18,510</b>	20,760

**Total Revenues Administered on Behalf of Government**

<b>2,869,822</b>	<b>2,644,998</b>
------------------	------------------

	2003 \$	2002 \$
<b>Note 19 – Expenses Administered on Behalf of Government</b>		
<b>Grants</b>		
State and territory governments	633,314	669,686
<b>Total Expenses Administered on Behalf of Government</b>	<u>633,314</u>	<u>669,686</u>

<b>Note 20 – Assets Administered on Behalf of Government</b>		
<b>Receivables</b>		
Other	-	70,090
Receivables are aged as follows:		
Not overdue		
<b>Total Assets Administered on Behalf of Government</b>	<u>-</u>	<u>70,090</u>

<b>Note 21 – Liabilities Administered on Behalf of Government</b>		
<b>Other payables</b>		
Prepayments received	304,143	270,353
Other	3,360	28,686
<b>Total Other payables</b>	<u>307,503</u>	<u>299,039</u>
All liabilities are expected to be settled within 12 months of balance date.		
<b>Total Liabilities Administered on Behalf of Government</b>	<u>307,503</u>	<u>299,039</u>

<b>Note 22 – Administered Reconciliation Table</b>		
<b>Administered assets</b>		
<b>less administered liabilities as at 1 July</b>	<b>(228,949)</b>	(97,404)
Plus Administered revenues	2,869,822	2,644,998
Less Administered expenses	<b>(633,314)</b>	(669,686)
Administered transfers to/from Government		
Appropriation transfers from OPA	662,000	641,000
Transfers to OPA	<b>(2,977,062)</b>	(2,747,857)
<b>Administered assets</b>		
<b>less administered liabilities as at 30 June</b>	<u><b>(307,503)</b></u>	<u>(228,949)</u>

**Note 23 – Administered Financial Instruments**Note 23A Terms, Conditions and Accounting Policies

<b>Financial Instrument</b>	<b>Notes</b>	<b>Accounting Policies and Methods (including recognition criteria and measurement basis)</b>	<b>Nature of underlying instrument (including significant terms &amp; conditions affecting the amount, timing and certainty of cash flows)</b>
<b>FINANCIAL ASSETS</b>		Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.	
Cash	3.8	Cash is recognised at its nominal amount.	The balance of administered cash account is non interest bearing.
<b>FINANCIAL LIABILITIES</b>		Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.	
Payables	21	Payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).	Settlement is usually made net 30 days (2002: 30 days).

Note 23B Interest Rate Risk

<b>Financial Instrument</b>	<b>Notes</b>	<b>Floating Interest Rate</b>		<b>Non-Interest Bearing</b>		<b>Total</b>		<b>Weighted Average Effective Interest Rate</b>	
		<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>%</b>
<b>Financial Assets</b>									
Cash	3.8	-	-	-	-	-	-	n/a	n/a
Receivables	20	-	-	-	70,090	-	70,090	n/a	n/a
<b>Total</b>		-	-	-	70,090	-	70,090		
<b>Total Assets</b>						-	70,090		

<b>Financial Liabilities</b>	<b>Notes</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>	<b>2003</b>	<b>2002</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	<b>%</b>
Payables	21	-	-	<b>307,503</b>	299,039	<b>307,503</b>	299,039	n/a	n/a
<b>Total</b>		-	-	<b>307,503</b>	299,039	<b>307,503</b>	299,039		
<b>Total Liabilities</b>				<b>307,503</b>	299,039	<b>307,503</b>	299,039		

Note 23C Net Fair Values of Administered Financial Assets and Liabilities*(i) Financial assets*

The net fair values of cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

*(ii) Financial liabilities*

The net fair values of payables are approximated by their carrying amounts.

**Note 24 – Appropriations**

Note 24A – Cash Basis Acquittal of Appropriations from Acts 1 and 3

<b>Particulars</b>	<b>Departmental Outputs</b>	<b>Total</b>
<b>Year ended 30 June 2</b>	<b>\$</b>	<b>\$</b>
Balance carried from previous year	507,613	507,613
Appropriation for reporting period (Act 1)	5,570,000	5,570,000
GST credits (FMA s30A)	117,260	117,260
Annotations to 'net appropriations' (FMA s31)	819,296	819,296
Available for payments	7,014,169	7,014,169
Payments made	(6,007,590)	(6,007,590)
<b>Balance carried to next year</b>	<b>1,006,579</b>	<b>1,006,579</b>
<i>Represented by:</i>		
Cash	534,579	534,579
Add: Receivables – Department of Finance and Administration portion	472,000	472,000
<b>Total</b>	1,006,579	1,006,579
<b>Year ended 30 June 2002</b>		
Balance carried from previous year	730,267	730,267
Total annual appropriation	5,501,000	5,501,000
Adjustments and annotations to appropriations	798,890	798,890
Available for payments	7,030,157	7,030,157
Payments made during the year	(6,522,544)	(6,522,544)
Balance carried to next year	507,613	507,613
<i>Represented by:</i>		
Cash	577,703	577,703
Less: Supplier Payables – cash pending transfer portion	(70,090)	(70,090)
<b>Total</b>	507,613	507,613

Note 24B – Cash Basis Acquittal of Appropriations from Acts 2 and 4

<b>Particulars</b>	<b>Administered Expenses Outcome 1</b>	<b>Total</b>
<b>Year ended 30 June 2003</b>	<b>\$</b>	<b>\$</b>
Balance carried from previous year	-	-
Appropriation for reporting period (Act 2)	662,000	662,000
Available for payments	662,000	662,000
Payments made	(662,000)	(662,000)
<b>Balance carried to next year</b>	<b>-</b>	<b>-</b>
<b>Year ended 30 June 2002</b>		
Balance carried from previous year	-	-
Total annual appropriation	641,000	641,000
Available for payments	641,000	641,000
Payments made during the year	(641,000)	(641,000)
Balance carried to next year	-	-

Note 24C – Special Accounts

The OFLC, the Classification Board and the Classification Review Board each has

- *Other Trust Moneys Account*, the purpose of which is for expenditure of moneys temporarily held on trust or otherwise for the benefit of a person other than the Commonwealth.
- *Services for Other Governments and Non-Agency Bodies Account*, the purpose of which is for expenditure in connection with services performed on behalf of other Governments and bodies that are not Agencies under the *Financial Management and Accountability Act 1997*.

For the years ended 30 June 2003 and 30 June 2002, both special accounts had nil balances and there were no transactions debited or credited to them.

**Note 25 – Reporting of Outcomes**

The OFLC has one outcome:

*Outcome 1*                      *Australians make informed decisions about films, publications and computer games, which they, or those in their care may view, read or play.*

There are two outputs for the OFLC's outcome:

*Output 1.1*                      *Operation of the National Classification Scheme*

*Output 1.2*                      *Provision of services ancillary to the operation of the National Classification Scheme including research, the community liaison officer scheme, policy development and ministerial support.*

The OFLC allocates revenues and expenses where possible direct to outputs. Other shared items are allocated on the same manner as the basis used in the 2002-03 Budget.

## Note 25A – Net Cost of Outcome Delivery

	Outcome 1	
	2003 \$	2002 \$
Administered expenses	633,314	669,686
Departmental expenses	6,277,566	6,020,174
<b>Total expenses</b>	<b>6,910,880</b>	6,689,860
<i>Costs recovered from provision of goods and services to the non-government sector</i>		
Administered	2,869,822	2,644,998
Departmental	727,778	611,178
<b>Total costs recovered</b>	<b>3,597,600</b>	3,256,176
<i>Other external revenues</i>		
Administered	-	-
<i>Total Administered</i>	-	-
Departmental		
Interest	4,583	18,529
Forgiveness of liability	-	120,000
Other	1,500	29,527
Goods and services revenue from related entities	31,830	42,330
<i>Total Departmental</i>	<b>37,913</b>	210,386
<b>Total other external revenues</b>	<b>37,913</b>	210,386
<b>Net cost of outcome</b>	<b>3,275,367</b>	3,223,298

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The capital use charge is not included in any of the outcomes as it is not an operating expense in end-of-year financial reports.

## Note 25B – Major Classes of Departmental Revenues and Expenses by Outputs

Outcome 1	Output 1.1		Output 1.2		Outcome 1 Total	
	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$
<b>Departmental expenses</b>						
Employees	2,563,971	2,476,695	1,281,985	1,238,347	3,845,956	3,715,042
Suppliers	1,173,890	1,075,033	586,945	537,517	1,760,835	1,612,550
Depreciation and amortisation	486,176	407,255	156,587	135,452	642,763	542,707
Other	22,409	115,367	5,603	34,508	28,012	149,875
<b>Total departmental expenses</b>	<b>4,246,446</b>	4,074,350	<b>2,031,120</b>	1,945,824	<b>6,277,566</b>	6,020,174
<b>Funded by:</b>						
Revenues from government	3,729,333	3,683,333	1,864,667	1,841,667	5,594,000	5,525,000
Sale of services	552,845	467,485	206,763	186,023	759,608	653,508
Other non-taxation revenues	4,255	115,975	1,828	52,081	6,083	168,056
<b>Total departmental revenues</b>	<b>4,286,433</b>	4,266,793	<b>2,073,258</b>	2,079,771	<b>6,359,691</b>	6,346,564

Net costs shown include intra-government costs that are eliminated in calculating the actual Budget outcome. The capital use charge is not included in any of the outcomes as it is not an operating expense in end-of-year financial reports.

Note 25C – Major Classes of Administered Revenues and Expenses by Outcome

All administered revenues and expenses as shown in the Schedule of Administered Items and Notes 18 and 19 belong to Outcome 1, which is the only Outcome of the OFLC.

**Note 26 – Events Occurring after Balance Date**

The OFLC is not aware of any significant events that have occurred since balance date which warrant disclosure in these financial statements.

## Glossary

<b>Term/ abbreviation</b>	<b>Explanation</b>
ABA	Australian Broadcasting Authority
ACS	Australian Customs Service
Advertising Exemption Scheme	A scheme that allows for the advertising, under strict conditions, of certain cinema films in advance of their classification.
AMRA	Australian Music Retailers Association
ANAO	Australian National Audit Office
Approved organisation	An organisation approved for the purpose of screening unclassified films at film festivals
APS	Australian Public Service
ARIA	Australian Record Industry Association
ARIA Code	ARIA/AMRA code of practice for recorded music product containing potentially offensive lyrics and/or themes, referred to as the <i>Recorded Music Labelling Code of Practice</i>
Attorney-General	Commonwealth Attorney-General, who is also the Commonwealth Minister responsible for censorship matters
Authorised assessor	A person authorised by the Director to make recommendations to the Board on the classification of computer games that are likely to be classified G, G8+ or M15+
Board, the	Classification Board
Board member	A full-time, part-time, acting or temporary member of the Classification Board
Business Online	An online applications system which allows business clients to track their applications for classification of films, computer games or publications
CD	Compact disc (audio)
CD-ROM	Compact disc – read-only memory
Censorship Ministers	Commonwealth, State and Territory Ministers responsible for censorship matters; meetings are held under the auspices of SCAG (see also SCAG, page 147)
Classification Act	<i>Classification (Publications, Films and Computer Games) Act 1995</i> (Commonwealth)
Classification Board (the Board)	Statutory body created by the Classification Act. The Classification Board classifies computer games, films (including videos and DVDs) and certain 'submittable' publications
Classification guidelines	Guidelines on the application of the National Classification Code, approved by Censorship Ministers. Separate guidelines exist for the classification of publications, and for films and computer games
Classification markings	Classification symbols, descriptions and consumer advice lines as determined by the Director

Classification Review Board (the Review Board)	Statutory body created by the Classification Act. The Classification Review Board is a part-time body convened, as required, to review decisions made by the Classification Board
Code, the	The National Classification Code
Combined Guidelines, the	The <i>Guidelines for Classification of Films and Computer Games</i>
Community Liaison Scheme (CLS)	Formerly known as the Community Liaison Officer (CLO) scheme. A scheme that assists retailers and distributors of publications, films and computer games to comply with their legal obligations under the national classification scheme
Computer games classifications	
G	General
G8+	Suitable for children 8 years and over
M15+	Recommended for mature audiences 15 years and over
MA15+	Restrictions apply to persons under the age of 15
RC	Refused classification
Consumer advice	The Classification Board and Classification Review Board determine consumer advice for films, computer games and certain publications. Consumer advice gives the principal elements that contributed to the classification of the product and indicates the intensity and/or frequency of those elements. Films classified PG, M15+, MA15+, R18+ and X18+, and computer games classified G8+, M15+ and MA15+ must carry a consumer advice line, in addition to the classification symbol. The Board and the Review Board may also apply consumer advice to films and computer games classified G, and publications classified Unrestricted
Customs (Prohibited Imports) Regulations 1956	Customs (Prohibited Imports) Regulations made under section 50 of the <i>Customs Act 1901</i> (Commonwealth); Regulation 4A relates to the importation of 'publications' (including films, computer games and other goods)
Deputy Director	Full-time member of the Board who may exercise some of the Director's powers in the Director's absence
Director	Full-time member of the Board who is responsible for the management of the Board's administrative affairs and those of the OFLC
DVD	Digital versatile disc
EEO	Equal Employment Opportunity
EAP	Employee Assistance Program. A confidential counselling facility made available to Board members and APS staff at the OFLC, designed to assist in overcoming work and personal difficulties and enhance general wellbeing
Film (including video and DVD) classifications	
G	General
PG	Parental guidance recommended for persons under 15 years
M15+	Recommended for mature audiences 15 years and over
MA15+	Restrictions apply to persons under the age of 15
R18+	Restricted to adults 18 years and over
X18+	Restricted to adults 18 years and over
RC	Refused classification
FMA Act	<i>Financial Management and Accountability Act 1997</i>
FOI	Freedom of information
HR	Human resources
IT	Information technology
Media convergence	The combining of 'traditional' media using 'new technology' such as DVDs, CDs, computer games and the Internet

National classification scheme	A cooperative Commonwealth, State and Territory regulatory scheme for the classification of publications, films and computer games
National Classification Code	A code that sets out the principles for classification decisions as well as the classification categories and their content
Office of Film and Literature Classification	The OFLC, an Australian Government agency in the Attorney-General's portfolio that provides administrative support to the Board and the Review Board
OFLC	Office of Film and Literature Classification
OH&S	Occupational Health and Safety
Publications classifications	
Unrestricted	No restrictions on sale
Category 1 – Restricted	Not available to persons under 18 years
Category 2 – Restricted	Not available to persons under 18 years and for sale only in restricted premises
RC	Refused classification — not to be sold
<i>Recorded Music Labelling Code of Practice</i>	ARIA/AMRA code of practice for labelling music product containing explicit and potentially offensive lyrics and/or themes
Review Board	Classification Review Board
SCAG	Standing Committee of Attorneys-General
SCAG (Censorship)	Committee comprising Commonwealth, State and Territory Ministers responsible for censorship. In most jurisdictions this is the Attorney-General, except in WA (Minister for Police, Emergency Services and Justice) and QLD (Minister for Tourism, Racism and Fair Trading)
Senior Classifier	Full-time senior member of the Classification Board
SES	Senior Executive Service
Staff development assistance program	Financial and leave assistance provided by the OFLC to staff undertaking formal study
Standing Committee of Attorneys-General (SCAG)	Committee comprising the Attorneys-General of the Commonwealth, States and Territories
Submittable publication	An unclassified publication that is unsuitable for a minor to see or read, and likely to cause offence to a reasonable adult to the extent that the publication should not be sold or displayed as an unrestricted publication. Under the Classification Act submittable publications must be classified

## Index

**A**

Administrative Appeals Tribunal, 106

*Administrative Decisions (Judicial Review) Act 1977*, 29

advertisements

- before classification, 4, 63
- certificates of approval, 47
- cinema (in newspapers), 32
- cinema trailers, 51, 59, 63, 64, 66
- expenditure on, 113
- influence of, 66
- see also Advertising Exemption Scheme

advertising and market research, 113

Advertising Exemption Scheme, 4, 9, 47, 63, 64, 66

- launch of new message, 4, 9, 64
- statistics, 97

Agency Agreement

- see *OFLC Agency Agreement 2003-2006*

ancillary services (Output 1.1), 39-51, 69-76, 95

Annual Plan, 71

Annual Report 2001-2002, corrections, 114

ARIA labelling code of practice for recorded music product containing potentially offensive lyrics and/or themes, 55

Attorney-General, 3, 4, 27, 53, 54, 55, 57, 90, 105, 108

- see also Williams, the Hon Daryl

Attorney-General's Department, 5, 25

audio material, 4, 51, 53

- review of ARIA code, 4, 53, 55-6

audit statement, 115-17

Audit Committee, 28

Auditor-General reports, 106

Australian Broadcasting Authority, 10-11, 23, 48, 59

- administrative agreement, 56
- joint market research, 66, 102-3

Australian Customs Service, 9-10, 23, 49

- administrative agreement, review, 56
- number of advices, 4, 49, 99

- Australian Family Association, 84
- Australian Government Solicitor, 83, 85
- Australian International Movie Convention, 61
- Australian Music Retailers Association, 59

  - review of ARIA code, 4, 53, 55-6

- Australian National Audit Office, 28, 29
- Australian Public Service, 27, 50
- Australian Record Industry Association Code (ARIA), 55

  - review of ARIA code, 4, 53, 55-6

- Australian Visual Software Distributors Association, 59
- Australian Workplace Agreement, 109
- Austria, 59
- authorised assessors, 9, 57

**B**

*Baise-Moi*, 57, 83, 84

Banfield, Wendy, 27, 60, 61

- profile, 14

*Black Hawk Down*, 44

*Blade 2*, 44

*BMX XXX*, 45, 46

BOSS, 70, 74

*Broadcasting Services Act 1992*, 10, 48, 56

Business Online, 4, 63, 69

- launch, 69

Butt, Professor Peter, 8, 54, 55

**C**

Canada, 53, 59, 60

Carthew, Tracy

- profile, 14

Censorship Ministers

- Advertising Exemption Scheme, 64-5
- ARIA code review, 55-6
- Classification Review Board, 90
- Community Liaison Scheme, 32
- Film Festival Exemption guidelines, 4, 47
- guidelines for films and computer games, 55
- policy advice, 5
- Standing Committee of Attorneys-General (Censorship) (SCAG), 25, 53

Censorship officials meetings, 53

- Chan, Yiah  
 profile, 18
- China, 53
- China News Publication Authority, 60
- cinema  
 advertising (in newspapers), 33  
 film trailers, 51, 59, 63, 64, 66
- Cinema Advertising Working Group, 59, 65
- Clancy, Margaret  
 profile, 18
- Clark, Des, 8, 27, 60, 61  
 Director's Overview, 3-5  
 profile, 13
- Classification (Eligible Films) Determination  
 2002, 9, 32, 47, 59, 97
- Classification (Publications, Films and Computer Games) Act 1995* (Cwlth), 3, 7, 8, 9, 23, 27, 39, 47, 48, 57, 82, 90, 97, 99, 107  
 Director's functions, 23-4  
 functions, 7
- Classification (Publications, Films and Computer Games) Enforcement Act 1995* (NSW), 46
- Classification Board  
 appointments, 3, 49, 73, 108  
 Deputy Director, 3, 13, 49, 59, 106  
 Director, 3-5, 8, 13, 59, 106  
 statutory functions, 23-4  
 functions, 7-11, 23  
 governance structure, 23-4  
 inductions, 49, 58  
 legislative base, 90  
 profiles, 13-20  
 regular changes to, 3  
 retirements, 3  
 workload statistics, 40, 96-9
- classification fees, 41  
 fee waivers, 47-8, 98
- classification guidelines  
*see Guidelines for the Classification of Films and Computer Games*
- Classification in a Convergent World*, 5, 53, 59, 82
- Classification Review Board, 81-92  
 applications for review, 41  
 appointments, 90  
*Baise-Moi*, 57, 83, 84  
 Convenor's Overview, 82-5  
 decisions, 2002-2003, 90-1  
 finance, 81, 84  
 independence of, 84  
 issues raised by *Ken Park* review, 82-4  
 legislative governance structure, 23  
 media service, 65  
 meeting attendance, 91  
 member profiles, 87-9  
 panel composition, 92  
 role, 24  
 training, 58  
*see also Ken Park*
- classification standards, 3
- classification symbols, 5, 43  
 support for, 101  
 understanding, 5, 51, 56, 67, 102
- Commonwealth Disability Strategy, 111-12
- Commonwealth Ombudsman, 106
- Commonwealth Procurement Guidelines, 113, 114
- Community Liaison Scheme (CLS), 3-4, 25, 32, 53, 58-9  
 functions, 58-9  
 site visits, 59
- competitive tendering and contracting, 113
- complaints, 50-1  
 audio, 51  
 computer games, 46, 51  
 film festivals, 47  
 films, public exhibition, 43, 51  
 films, sale or hire, 44, 51  
 publications, 42, 51  
 statistics, 50-1, 51  
 turnaround, 31-2
- computer games, 40, 45-6, 56, 66  
 adult, 54  
 applications finalised, 40, 45, 97  
 applications refused, 98  
 authorised assessors, 9  
 complaints, 46, 51  
 Electronic Arts, 61  
 Microsoft, 61  
 retailers, 32, 59

conferences/conventions  
 Australian International Movie Convention, 61  
*Classification in a Convergent World*, 5, 53, 59, 82  
*European Conference on Film Classification*, 60  
 Consultative Committee, 70, 76  
 consultancies, 114  
 consumer advice, 66-7  
 corporate governance, 27-9  
 corporate management team, 27-8  
 Corporate Plan, 35-7, 71  
   Objectives and Strategies, descriptions, 37  
   reporting framework, 36  
   vision, 35  
 corrections, Annual Report 2001-2002, 114  
 Council of Australasian Tribunals, 82  
*Crimes Act 1914*, 28  
*Customer Service Charter Principles*, 50  
 customer service charter, 50  
 Customs (Prohibited Exports) Regulations 1958, 9-10, 49, 56  
 Customs (Prohibited Imports) Regulations 1956, 9-10, 49, 56, 58, 106

**D**

Department of Finance and Administration,  
   Budget Estimates Framework Review, 33  
 Director's Overview, 3-5  
*Disability Discrimination Act 1982*, 111  
 discretionary grants, 113

**E**

education, community, 63, 67, 113  
 Electronic Arts, 61  
 Employee Assistance Program, 75  
 enforcement agencies, classifications for, 4, 48, 99  
 enquiries  
   complaints, 50-1  
   emails, 50  
   ministerial correspondence, 56-7  
   telephone, 50, 58, 63, 71  
   written mail, 63, 71  
 environmental performance, 113

equal employment opportunity, 110  
 ethical standards, 28-9  
 exemptions  
   advertising message, 4, 64  
   film festivals, 4, 9, 25, 45, 99  
 external scrutiny, 104-6

**F**

fee waivers, 47-8, 98  
 Fenton, Jeremy  
   profile, 15  
 film festivals, 9, 46-7  
   complaints, 47  
   exemption scheme, 4, 9, 25, 45, 99  
   regulation, 8  
   Sydney Film Festival, 46-7, 51, 83, 90  
 films  
   complaints, 43, 44, 51, 43  
   number permitted exemption, 4  
   public exhibition, 43, 97  
   sale or hire, 44, 97  
*Financial Management and Accountability Act 1997*, 23, 24, 25, 27, 28  
 financial performance, 33  
 financial statements, 115-44  
 France, 59  
 Fraud Control Plan, 27  
 freedom of information, 104-5  
   categories of documents, 104-5  
   contact points, 104  
   facilities for access, 104  
   requests, 105  
*Freedom of Information Act 1982*, 29, 104

*The Getaway*, 45

**G**

glossary, 145-7  
 Governor-General, 90, 108  
*Grand Theft Auto III*, 46  
*Grand Theft Auto Vice City*, 46  
 Grassick, Dawn  
   profile, 88  
 Greene, Alexandra  
   profile, 16

Griffiths, David  
 profile, 19

Guidelines for the Classification of Computer Games, 7

*Guidelines for the Classification of Films and Computer Games*, 3, 7-8, 11, 51, 57, 59, 106

Classification Board training, 58

Classification Review Board training, 58

launch, 3, 7, 54, 55

review, 7, 53, 54

review, combined guidelines operation, 54-5

Guidelines for the Classification of Films and Videotapes, 7, 54, 57

Guidelines for the Classification of Publications, 7

**H**

harassment policy, 29, 76, 112

Harvey, Robin  
 profile, 88

Healy, Bronwyn  
 profile, 19

Hunt, Paul, 3, 27, 49, 60, 61  
 profile, 13

**I**

Independent Films, 83, 84

industry  
 events, 61  
 liaison, 59

information management, 69  
 electronic, 70

information technology, 33, 69, 113

Interactive Entertainment Association of Australia, 59

international liaison, 53, 59, 60

International Ratings conference  
*see Classification in a Convergent World*

Internet, regulation, 10-11, 23  
 classifications, 49, 98  
 refused classification, 49, 98

**J**

judicial decisions, 105-6

**K**

*Ken Park*, 46, 47, 51, 56, 65, 90  
 issues raised by Classification Review Board's decision, 82-4

**L**

legislative governance structures, 23-4

**M**

market research, 4-5, 63, 66-7, 113  
 classification usage and attitudes, 32, 66, 100-1  
 consumer advice, 66-7, 102-3

marketing, 25

media coverage, *Ken Park*, 82-3, 84

media liaison, 65

Media Monitors Australia, 82

Microsoft, 61

ministerial correspondence, 51, 56-7

MRA Entertainment, 83, 84

*My Big Fat Greek Wedding*, 44

**N**

National Classification Code, 7-8, 58

National Classification Database, 69

national classification scheme, 39-51  
 costs, 41  
 fee waivers, 47-8  
 operation (Output 1.1), 39-51, 69-76, 95  
 overview, 7-11  
 performance, 31-2  
 statistics, 39-40, 42-5  
 technology, 41

*National Office for the Information Economy*, 112

Netherlands, 59

New South Wales Police Legacy, 67

New Zealand, 59

newspapers (cinema advertising), 33

Norway, 53, 59, 60

**O**

O'Dea, Jonathon  
 profile, 87

Objective Five, 35, 36, 37, 73-6

Objective Four, 35, 36, 37, 69-71

Objective One, 35, 36, 37, 39-51  
 Objective Three, 35, 36, 37, 63-7  
 Objective Two, 35, 36, 37, 53-61  
*Occupational Health and Safety (Commonwealth Employment) Act 1991*, 75  
 occupational health and safety, 75  
 Office of Film and Literature Classification, 25  
   functions, 25  
   governance structure, 23-4  
   organisational structure, 24  
 OFLC *Agency Agreement 2003-2006*, 28  
   Certification, 73, 74  
   features, 74, 75  
*Ombudsman Act 1976*, 29  
 outcomes and outputs  
   description, 31  
   performance, 31-2, 94  
   reporting framework, 36  
   summary resources, 95  
 overseas classification bodies, 53  
 overviews  
   Classification Review Board Convenor's, 82-5  
   Corporate, 23-5  
   Director's, 3-5  
   national classification scheme, 7-11

## P

parliamentary committees, reports, 106  
 performance, 31-3  
   client satisfaction, 31-2  
   financial, 33  
   Objective Five, key achievements, 73  
   Objective Four, key achievements, 69  
   Objective One, key achievements, 39  
   Objective Three, key achievements, 63  
   Objective Two, key achievements, 53  
   outcomes and outputs, 31-2, 94  
   total classifications, 4  
   timeliness, 4  
*see also* statistics  
*Personal Information Digest*, 105  
*Privacy Act 1988*, 29, 105  
 privacy, contact officer, 105  
 procurement, 113  
   competitive tendering and contracting, 113

Protective Behaviours Consultancy Group, 67  
*Public Service Act 1999*, 25, 27, 28, 29, 107  
 publications, 40  
   complaints, 42, 51  
   applications finalised, 42, 98  
   applications refused, 42, 98  
 purchasing, 113

## R

radio, regulation, 10-11  
*Recorded Music Labelling Code of Practice*, 4, 55  
*Report of the Committee of Inquiry concerning Public Duty and Private Interest* (the Bowen Report), 28  
 risk management, 27

## S

Sanderson, Robert  
   profile, 16  
 Senate Legal and Constitutional Legislation Committee, 106  
 Sexpo, 61  
 Shelley, Maureen  
   Convenor's Overview, Classification Review Board, 82-5  
   profile, 87  
 Shirley, Graham  
   profile, 20  
*ShowCanada*, 60  
 Singapore, 59  
   visiting delegates, 60  
 Singapore Censorship Review Committee, 61  
 Smith, Kathryn  
   profile, 89  
 Smith, Rodney  
   profile, 17  
 South Africa, 59  
 speaking engagements, 65  
 staff  
   consultation, 70, 76  
   duty statements, 71  
   equal employment opportunity, 110  
   induction, 50, 73  
   numbers, 107

OFLC Employee Assistance Program, 75  
 overview, 107  
 performance development and review  
   scheme, 73  
 performance pay, 109  
 recruitment, 73  
 regular briefings, 39, 41, 70  
 salary ranges, 109  
 senior executive remuneration, 108-9  
 training and development, 73-4, 75, 112

Standing Committee of Attorneys-General  
 (Censorship) (SCAG), 25, 53  
*see also* Censorship Ministers

State and Territories, 25, 41, 48  
 legislation, 7, 8  
*see also* Censorship Ministers

statistics, Classification Board  
 advertisements, 47  
 advertising exemptions, 47, 97  
 ancillary services, 32  
 applications, 31, 39  
   finalised, 40, 96  
   overdue, 40, 96  
 Australian Customs Service advice, 49, 99  
 classification decisions, 40, 96  
 complaints, 50-1, 51  
 computer games, 45, 97  
 decisions, 40, 96  
 enforcement applications by agency, 48, 99  
 equal employment opportunity, 110  
 fee waivers, 48, 98  
 film exemptions, 46  
 films, public exhibition, 43, 97  
 films, sale or hire, 44, 97  
 Internet content, 49, 98  
 media enquiries, 65  
 performance pay, 109  
 publications, 42, 98  
 site visits, 32  
 staff numbers, 107  
 staff training and development, 73  
 timeliness, 4, 31, 39, 96  
 total classifications, 4

surveys  
*see* market research

Sweden, 59  
 Sydney Film Festival, 46-7, 51, 83, 90

**T**

Taylor, Jan  
 profile, 89

television, 10-11, 51, 59, 66, 67, 103

*Tension* 3, 44

Townsend, Lynn  
 profile, 17

training programs, 53, 57-8  
 Classification Board, 58, 94  
 computer games industry, 57, 94  
 Customs training, 58, 94  
 tailored general industry training, 57  
 telephone enquiries, 58  
*see also* staff: induction; training and  
 development

Training Records and Classification Education  
 database, 39, 41

**U**

United Kingdom, 59  
 USA, 59

**V**

vision statement, 35

**W**

'Watch Safely, Play Safely', 67

website, 1, 3, 51, 63, 83  
 launch of improved, 3, 63, 69, 111, 112  
 search engine, 3, 63, 69

Williams, Paulyne, 28  
 profile, 14

Williams, Rachel  
 profile, 20

Williams AM QC MP, the Hon Daryl, iv, 3, 4, 5,  
 8, 54

workplace diversity, 75-6

*Workplace Relations Act 1996*, 74

workplace relations, 70, 76