

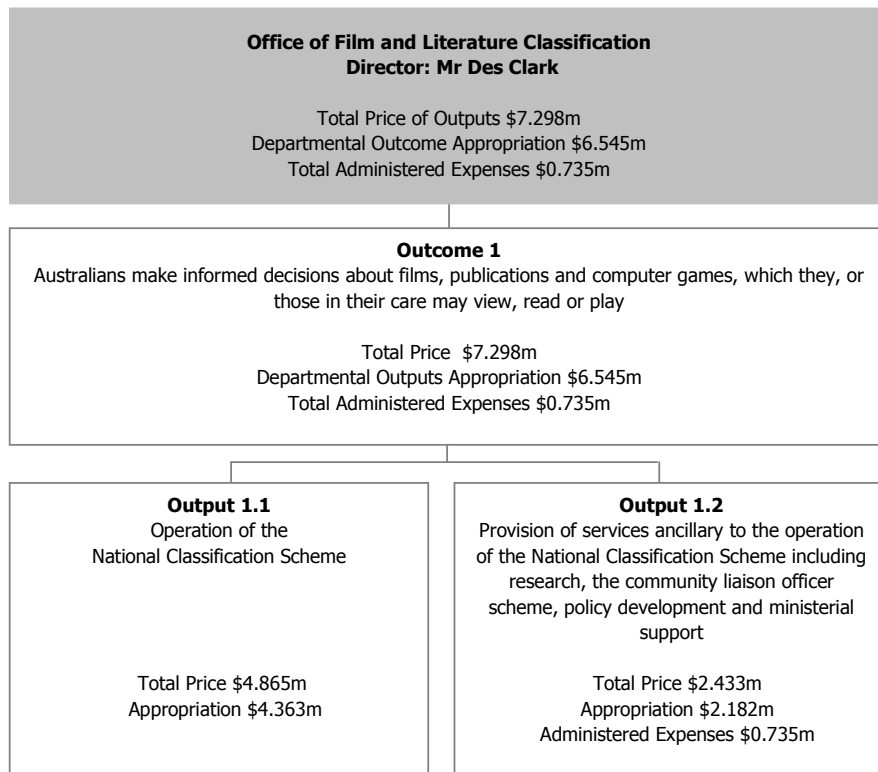
# OFFICE OF FILM AND LITERATURE CLASSIFICATION

## Section 1: Overview, variations and measures

### OVERVIEW

There are no changes to the Office of Film and Literature Classification's role, mission or its outcome and outputs structures as a result of Additional Estimates.

#### Outcome and Outputs Map



## ADDITIONAL ESTIMATES AND VARIATIONS TO OUTCOMES

Additional appropriations have been allocated for estimates variations through Additional Estimates. Details of these additional appropriations and their impact on the achievement of the agency's outcomes and outputs are explained below.

Total price of outputs has increased by \$0.263m as a result of increased workload.

Departmental outputs appropriation has increased by \$0.260m – additional funding of \$0.280m to enable the OFLC to classify materials submitted by AFP as a result of Operation Auxin, offset against a funding reduction of \$0.020m for clawback of Comcover insurance supplementation.

### Variations — Measures

	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000
<b>Outcome 1</b>				
<b>Increase in departmental appropriations</b>				
Operation Auxin – additional funding	280	-	-	-
<b>Total</b>	<b>280</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Other variations to appropriations

	2004-05	2005-06	2006-07	2007-08
	\$'000	\$'000	\$'000	\$'000
<b>Outcome 1</b>				
<b>Variations in departmental appropriations</b>				
Comcover insurance supplementation clawback	(20)	-	-	-
<b>Total</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## MEASURES — AGENCY SUMMARY

### Operation Auxin – additional funding

For a summary of the measures and funding see Table 1.1

**Table 1.1: Summary of Measures since the 2004–05 Budget**

Measure	Outcome	Outputs Affected	Appropriations 2004–05 \$'000			Appropriations 2005–06 \$'000			Appropriations 2006–07 \$'000			Appropriations 2007–08 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
Operation Auxin – additional funding	1	All	-	280	280	-	-	-	-	-	-	-	-	-
<b>Total</b>			-	280	280	-	-	-	-	-	-	-	-	-

**BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL****Table 1.2: Appropriation Bill (No 3) 2004–05**

	2003–04 Available \$'000	2004–05 Budget \$'000	2004–05 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>DEPARTMENTAL OUTPUTS</b>					
<b>Outcome 1</b>					
Australians make informed decisions about films, publications and computer games which they, or those in their care may view, read or play.	5,543	6,285	6,545	260	-
<b>Total</b>	<b>5,543</b>	<b>6,285</b>	<b>6,545</b>	<b>260</b>	<b>-</b>

**VARIATIONS TO REVENUE FROM OTHER SOURCES THROUGH NET ANNOTATED (SECTION 31) RECEIPTS****Table 1.5: Changes to Net Annotated Appropriations (Section 31) Receipts**

	Total Approp 2004–05 Budget \$'000	Total Approp 2004–05 Revised \$'000	Receipts From Independent Sources Budget \$'000	Receipts From Independent Sources Revised \$'000	Variation in Non-Govt Revenue \$'000
<b>Outcome 1</b>					
Australians make informed decisions about films, publications and computer games which they, or those in their care may view, read or play.	6,285	6,545	726	726	-
<b>Total</b>	<b>6,285</b>	<b>6,545</b>	<b>726</b>	<b>726</b>	<b>-</b>

**REVENUE FROM INDEPENDENT SOURCES****Table 1.6: Revenue from independent sources**

	Budget Estimate 2004-05 \$'000	Revised Estimate 2004-05 \$'000
<b>DEPARTMENTAL REVENUE</b>		
Sales of goods and services	725	725
Interest	1	1
Other	24	27
<b>Total non-appropriation departmental revenue</b>	<b>750</b>	<b>753</b>
<b>ADMINISTERED REVENUE</b>		
Classification fees	2,700	2,700
<b>Total non-appropriation administered revenue</b>	<b>2,700</b>	<b>2,700</b>

**Section 2: Revisions to outcomes and outputs****OUTCOMES AND OUTPUT GROUPS****Output cost attribution**

There is no change in the methodology of apportioning costs between outputs.

**Outcome 1****Explanation of variations**

Total price of outputs has increased by \$0.263m as a result of increased workload.

Departmental outputs appropriation has increased by \$0.260m – additional funding of \$0.280m for Operation Auxin offset against a funding reduction of \$0.020m for clawback of Comcover insurance supplementation.

**Revised performance information and level of achievement – 2004-05**

No change to performance information or level of achievement.

**Table 2.1: Performance information for Outputs affected by Additional Estimates  
— Outcome 1**

<b>Output</b>	<b>Performance information 2004–05 Budget</b>		<b>Performance information 2004–05 Revised</b>	
<b>Output 1.1</b> Operation of the National Classification Scheme	<i>Quality:</i>	OFLC maintains capacity to meet all demand for decisions Classification decisions are made within 20 business days of receiving a valid application	<i>Quality:</i>	OFLC maintains capacity to meet all demand for decisions Classification decisions are made within 20 business days of receiving a valid application
	<i>Quantity:</i>	Classifications decisions made Advices to Customs Film festival decisions Fee waiver decisions Classification education activities conducted (including Classification Board, Classification Review Board, and Authorised Assessors)	<i>Quantity:</i>	Classifications decisions made Advices to Customs Film festival decisions Fee waiver decisions Classification education activities conducted (including Classification Board, Classification Review Board, and Authorised Assessors)
	<i>Price:</i>	\$4.690m	<i>Price:</i>	\$4.865m
<b>Output 1.2</b> Provision of services ancillary to the operation of the National Classification Scheme including research, the community liaison officer scheme, policy development and ministerial support	<i>Quality:</i>	Correspondence, briefs, submissions and papers completed within required deadlines	<i>Quality:</i>	Correspondence, briefs, submissions and papers completed within required deadlines
	<i>Quantity:</i>	Number of briefs, submissions and papers prepared Community Liaison Officer Scheme - number of classification compliance advices Number of site visits Classification education activities conducted (including Customs)	<i>Quantity:</i>	Number of briefs, submissions and papers prepared Community Liaison Officer Scheme - number of classification compliance advices Number of site visits Classification education activities conducted (including Customs)
	<i>Price:</i>	\$2.345m	<i>Price:</i>	\$2.433m

## Section 3: Budgeted financial statements

Revisions to the budgeted departmental and administered financial statements for OFLC since the 2004-05 Portfolio Budget Statements are presented in this section.

### **ANALYSIS OF BUDGETED FINANCIAL STATEMENTS**

#### **Budgeted departmental statement of financial performance**

Revenues have increased from 2003-04 due to an increase in appropriation caused by increased workloads net of Comcover insurance clawback and revised priority service income.

Total expenses have increased due to increase in workload and administrative costs.

#### **Budgeted departmental statement of financial position**

OFLC's budgeted net position at the end of 2004-05 shows an increase of equity due to a capital injection of \$0.400m, and an increase in fixed assets offset by a reduction in cash.

#### **Budgeted departmental statement of cash flows**

The movements in cash flows are a result of a capital injection and increased cash received offset by additional expenditure.

#### **Schedule of budgeted revenues and expenses administered on behalf of government**

Appropriation revenue and grant payments have decreased in 2004-05 as retrospective adjustments for the two previous years are reflected in 2003-04.

**Table 3.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June**

	Actual 2003-04	Revised Budget 2004-05	Forward Estimate 2005-06	Forward Estimate 2006-07	Forward Estimate 2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>REVENUES</b>					
<b>Revenues from ordinary activities</b>					
Revenue from Government	5,543	6,545	5,681	5,772	5,818
Goods and Services	1,114	725	737	750	750
Interest	-	1	1	1	1
Other	27	27	27	27	27
<b>Revenues from ordinary activities</b>	<b>6,684</b>	<b>7,298</b>	<b>6,446</b>	<b>6,550</b>	<b>6,596</b>
<b>EXPENSES</b>					
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	4,207	4,700	3,959	3,946	3,949
Suppliers	2,005	2,110	1,843	1,823	1,827
Depreciation and amortisation	625	488	644	781	820
Write-down of assets	40	-	-	-	-
Value of assets sold	1	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>6,878</b>	<b>7,298</b>	<b>6,446</b>	<b>6,550</b>	<b>6,596</b>
Borrowing costs expense	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>(194)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gain or loss from extraordinary items	-	-	-	-	-
<b>Net surplus or deficit</b>	<b>(194)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.2: Budget Departmental Statement of Financial Position as at 30 June

	Actual 2003–04	Revised Budget 2004–05	Forward Estimate 2005–06	Forward Estimate 2006–07	Forward Estimate 2007–08
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,206	1,047	576	755	1,385
Receivables	498	498	498	498	498
<b>Total financial assets</b>	<b>1,704</b>	<b>1,545</b>	<b>1,074</b>	<b>1,253</b>	<b>1,883</b>
<b>Non-financial assets</b>					
Land and buildings	1,046	836	626	416	206
Infrastructure, plant and equipment	244	585	505	464	444
Intangibles	116	544	1,305	1,377	977
Other	79	79	79	79	79
<b>Total non-financial assets</b>	<b>1,485</b>	<b>2,044</b>	<b>2,515</b>	<b>2,336</b>	<b>1,706</b>
<b>Total assets</b>	<b>3,189</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>	<b>3,589</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	1,071	1,071	1,071	1,071	1,071
<b>Total provisions</b>	<b>1,071</b>	<b>1,071</b>	<b>1,071</b>	<b>1,071</b>	<b>1,071</b>
<b>Payables</b>					
Suppliers	251	251	251	251	251
Other	14	14	14	14	14
<b>Total payables</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>	<b>265</b>
<b>Total liabilities</b>	<b>1,336</b>	<b>1,336</b>	<b>1,336</b>	<b>1,336</b>	<b>1,336</b>
<b>EQUITY</b>					
<b>Parent entity interest</b>					
Contributed equity	315	715	715	715	715
Reserves	217	217	217	217	217
Retained surpluses	1,321	1,321	1,321	1,321	1,321
<b>Total parent entity interest</b>	<b>1,853</b>	<b>2,253</b>	<b>2,253</b>	<b>2,253</b>	<b>2,253</b>
<b>Total equity</b>	<b>1,853</b>	<b>2,253</b>	<b>2,253</b>	<b>2,253</b>	<b>2,253</b>
<b>TOTAL ASSETS AND LIABILITIES BY MATURITY</b>					
<b>Current assets</b>	<b>1,783</b>	<b>1,624</b>	<b>1,153</b>	<b>1,332</b>	<b>1,962</b>
<b>Non-current assets</b>	<b>1,406</b>	<b>1,965</b>	<b>2,436</b>	<b>2,257</b>	<b>1,627</b>
<b>Current liabilities</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>	<b>1,002</b>
<b>Non-current liabilities</b>	<b>334</b>	<b>334</b>	<b>334</b>	<b>334</b>	<b>334</b>

**Table 3.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June**

	Actual 2003-04	Revised Budget 2004-05	Forward Estimate 2005-06	Forward Estimate 2006-07	Forward Estimate 2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	5,543	6,545	5,681	5,772	5,818
Goods and services	1,182	725	737	750	750
Interest	-	1	1	1	1
Other	53	-	-	-	-
<b>Total cash received</b>	<b>6,778</b>	<b>7,271</b>	<b>6,419</b>	<b>6,523</b>	<b>6,569</b>
<b>Cash used</b>					
Employees	4,070	4,700	3,959	3,946	3,949
Suppliers	2,010	2,083	1,816	1,796	1,800
<b>Total cash used</b>	<b>6,080</b>	<b>6,783</b>	<b>5,775</b>	<b>5,742</b>	<b>5,749</b>
<b>Net cash from operating activities</b>	<b>698</b>	<b>488</b>	<b>644</b>	<b>781</b>	<b>820</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of property, plant and equipment	22	481	115	170	190
Purchase of intangibles	11	566	1,000	432	-
<b>Total cash used</b>	<b>33</b>	<b>1,047</b>	<b>1,115</b>	<b>602</b>	<b>190</b>
<b>Net cash used by investing activities</b>	<b>(33)</b>	<b>(1,047)</b>	<b>(1,115)</b>	<b>(602)</b>	<b>(190)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital injection	7	400	-	-	-
<b>Total cash received</b>	<b>7</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from financing activities</b>	<b>7</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>672</b>	<b>(159)</b>	<b>(471)</b>	<b>179</b>	<b>630</b>
Cash at the beginning of the reporting period	534	1,206	1,047	576	755
<b>Cash at the end of the reporting period</b>	<b>1,206</b>	<b>1,047</b>	<b>576</b>	<b>755</b>	<b>1,385</b>

**Table 3.4: Departmental Capital Budget Statement for the period ended 30 June**

	Actual 2003-04 \$'000	Revised Budget 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	7	400	-	-	-
Other	-	-	-	-	-
<b>Total</b>	<b>7</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Represented by</b>					
Purchase of non-current assets	7	-	-	-	-
Other	-	400	-	-	-
<b>Total</b>	<b>7</b>	<b>400</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON CURRENT ASSETS</b>					
Funded by capital appropriation	7	-	-	-	-
Funded internally by Departmental resources	26	1,047	1,115	602	190
<b>Total</b>	<b>33</b>	<b>1,047</b>	<b>1,115</b>	<b>602</b>	<b>190</b>

**Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget year 2004-05)**

	Buildings \$'000	Other Infrastructure, Plant and Equipment \$'000	Computer Software \$'000	Total \$'000
Carrying amount at the start of year	1,046	244	116	1,406
Additions	-	481	566	1,047
Depreciation/amortisation expense	(210)	(140)	(138)	(488)
Carrying amount at the end of year	836	585	544	1,965
<b>Total additions</b>				
Self funded	-	481	566	1,047
Appropriations	-	-	-	-
<b>Total</b>	<b>-</b>	<b>481</b>	<b>566</b>	<b>1,047</b>

**Table 3.6: Schedule of Budgeted Revenues and Expenses Administered on behalf of Government for the period ended 30 June**

	Actual 2003–04 \$'000	Revised Budget 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000
<b>REVENUES</b>					
<b>Non-taxation</b>					
Revenue from Government	763	735	766	795	827
Classification fees	3,578	2,700	2,700	2,700	2,700
<b>Total non-taxation</b>	<b>4,341</b>	<b>3,435</b>	<b>3,466</b>	<b>3,495</b>	<b>3,527</b>
<b>Total revenues administered on behalf of Government</b>	<b>4,341</b>	<b>3,435</b>	<b>3,466</b>	<b>3,495</b>	<b>3,527</b>
<b>EXPENSES</b>					
Grants	763	735	766	795	827
<b>Total expenses administered on behalf of the Government</b>	<b>763</b>	<b>735</b>	<b>766</b>	<b>795</b>	<b>827</b>

**Table 3.7: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government as at 30 June**

	Actual 2003–04 \$'000	Revised Budget 2004–05 \$'000	Forward Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000
<b>LIABILITIES</b>					
<b>Payables</b>					
Other	350	350	350	350	350
<b>Total payables</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>
<b>Total liabilities administered on behalf of Government</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>	<b>350</b>
<b>TOTAL ASSETS AND LIABILITIES BY MATURITY</b>					
Current liabilities	350	350	350	350	350
Non-current liabilities	-	-	-	-	-
Current assets	-	-	-	-	-
Non-current assets	-	-	-	-	-

**Table 3.8: Schedule of Budgeted Administered Cash Flows for the period ended 30 June**

	Actual 2003-04 \$'000	Budget Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	763	735	766	795	827
Classification fees	3,620	2,700	2,700	2,700	2,700
<b>Total cash received</b>	<b>4,383</b>	<b>3,435</b>	<b>3,466</b>	<b>3,495</b>	<b>3,527</b>
<b>Cash used</b>					
Grants	763	735	766	795	827
Cash to Official Public Account	3,620	2,700	2,700	2,700	2,700
<b>Total cash used</b>	<b>4,383</b>	<b>3,435</b>	<b>3,466</b>	<b>3,495</b>	<b>3,527</b>
<b>Net cash from operating activities</b>	-	-	-	-	-
<b>Net increase or (decrease) in cash held</b>	-	-	-	-	-
Cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

### Basis of accounting

The agency budget statements are prepared in compliance with Australian Accounting Standards, Accounting Guidance Releases and having regard to Statements of Accounting Concepts.

### Departmental and Administered Items

Transactions that the OFLC controls (departmental transactions) are separately budgeted for and reported on from transactions that the OFLC does not have control over (administered transactions).

## **Appropriations**

Separate annual appropriations are budgeted for:

- Departmental price of outputs appropriations—representing the Government's purchase of outputs from the agency, and
- Administered expense appropriations—for the estimated Administered expenses relating to Specific Purpose Payments to the States and Territories.

## **Property, Plant and Equipment**

From 1 July 2002, the OFLC is required to use either the cost basis or the fair value basis to measure Property, Plant and Equipment. The shift from the deprival method of valuation to fair value should occur gradually over a three-year period. Fair value essentially reflects the current market value of an asset.

Reserves item in the financial statements represents increments resulting from revaluation of property, plant and equipment.

## **Intangibles**

Intangibles comprise purchased software. The asset is carried at cost.