

OFFICE OF FILM AND LITERATURE CLASSIFICATION

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OFFICE OF FILM AND LITERATURE CLASSIFICATION

Section 1: Agency overview

The role of the Office of Film and Literature Classification (OFLC) is to assist Australians to make informed decisions about films, publications and computer games, which they, or those in their care may view, read or play by providing classification advice which is consistent with community standards. The OFLC also enables the film, publishing and computer games industries to produce and market their products in accordance with public classification standards and pre-set conditions of sale and exhibition.

Table 1.1: Agency outcomes and output groups

Office of Film and Literature Classification	
Director: Mr Des Clark	
Total Price of Outputs	\$6.465m
Departmental Outcome Appropriation	\$5.697m
Total Administered Expenses	\$0.766m

Outcome 1: Australians make informed decisions about films, publications and computer games, which they, or those in their care may view, read or play	
Total Price	\$6.465m
Departmental Outputs Appropriation	\$5.697m
Total Administered Expenses	\$0.766m

Output 1.1: Operation of the National Classification Scheme	
Total Price	\$4.143m
Appropriation	\$3.536m

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	
Total Price	\$2.322m
Appropriation	\$2.161m
Administered Expenses	\$0.766m

Section 2: Agency resources for 2005–06

2.1: APPROPRIATIONS AND OTHER RESOURCES

Table 2.1 shows the total resources from all origins for 2005–06, including appropriations. The table summarises how revenue will be applied by outcome, administered and departmental classification.

The total departmental and administered appropriations for the OFLC in the 2005–06 Budget is \$6.463m.

2.2: 2005–06 BUDGET MEASURES

Budget measures relating to the OFLC as explained in Budget Paper No. 2 are summarised in Table 2.2. The table also identifies the relevant outcome and outputs associated with each measure.

Table 2.1: Appropriations and other revenue 2005–06¹ ('000)

Outcome	Appropriations				Revenue from Other Sources ⁵		Total Resources ⁷
	Bill No. 1	Bill No. 2 ²	Special approp ³	Total approp ⁴		% ⁶	
Outcome 1 Australians make informed decisions about films, publications and computer games, which they, or those in their care may view, read or play							
Administered Departmental	-	766	-	766	2,700	78	3,466
	5,697	-	-	5,697	768	12	6,465
Total outcome 1	5,697	766	-	6,463	3,468		9,931
Departmental capital (equity injections)	-	-	-	-	-	-	-
Previous year's outputs	-	-	-	-	-	-	-
Administered assets and liabilities	-	-	-	-	-	-	-
Total resources	5,697	766	-	6,463	3,468		9,931

- 1 This table has been redesigned to correspond with Budget Paper No. 4 'Agency Resourcing'. It now includes (where appropriate) administered revenue from other sources.
 - 2 Under the appropriation structure, Bill No. 2 includes Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered capital and departmental capital via departmental injections and loans.
 - 3 Estimated expenses from individual Special Appropriations are shown at Section 3, Tables 3.1, etc.
 - 4 Total appropriations = Bill No. 1 + Bill No. 2 + Special appropriations.
 - 5 Revenue from other sources includes FMA s.31 revenues, CAC body revenues that are available to be expensed, special accounts (non-appropriation revenues) and resources received free of charge.
 - 6 Percentage figures indicate the percentage contribution of Revenue from Government (departmental appropriations) to the total price of outputs, by outcome, and the percentage contribution of Revenue from other sources (Departmental) to the total price of outputs, by outcome.
 - 7 Total resources = Total appropriations + Revenue from other sources.
- Note: Refer to Budgeted statement of financial performance for application of agency revenue.

Table 2.2: Summary of expense measures disclosed in the 2005–06 Budget (impact on fiscal balance)

Measure	Outcome	Outputs Affected	Appropriations Budget 2005–06 (\$'000)			Appropriations Forward Estimate 2006–07 (\$'000)			Appropriations Forward Estimate 2007–08 (\$'000)			Appropriations Forward Estimate 2008–09 (\$'000)		
			Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total	Admin Expenses	Dept Outputs	Total
Efficiency dividend - increase in the rate from 1 per cent to 1.25 per cent	1	All	-	(14)	(14)	-	(29)	(29)	-	(43)	(43)	-	(43)	(43)
Total			-	(14)	(14)	-	(29)	(29)	-	(43)	(43)	-	(43)	(43)

2.3: OTHER RECEIPTS AVAILABLE TO BE USED

Relevant receipts for OFLC are set out below.

Table 2.3: Other receipts available to be used

	Estimated Receipts 2004–05 \$'000	Budget Estimate 2005–06 \$'000
DEPARTMENTAL OTHER RECEIPTS		
Sales of goods and services	725	740
Interest	1	1
Other	-	-
Total departmental other receipts available to be used	726	741
ADMINISTERED OTHER RECEIPTS		
Classification fees	2,700	2,700
Total administered other receipts available to be used	2,700	2,700

1. This table replaces the former table 'Receipts from independent sources'. It represents own source receipts available for spending on departmental purposes.
2. Departmental Other Receipts are held and used by OFLC while Administered Other Receipts are returned to the Official Public Account.
3. OFLC is presently conducting a Fee Review which will impact these figures.
4. Resources received free of charge of \$27,000 is not included in the above table.

Section 3: Agency outcomes

This section explains how the resources identified in Section 2 will be used to deliver outputs and administered items to contribute to the outcome for the OFLC.

3.1: SUMMARY OF OUTCOMES, OUTPUTS AND ADMINISTERED ITEMS

OFLC allocates departmental expenses direct to output 1.1 and output 1.2 where possible. Common expenses are attributed based on formulae for each expense category. Administered expenses are allocated entirely to output 1.2.

The relationship between activities of the OFLC and the outcome is summarised in Table 1.1.

3.3: OUTCOMES RESOURCING

Outcome 1 resourcing

Table 3.1 shows how the 2005–06 Budget appropriations translate to total resourcing for Outcome 1, including administered expenses, revenue from government (appropriation), revenue from other sources (departmental) and the total price of outputs.

Table 3.1 Total resources for Outcome 1

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000
ADMINISTERED APPROPRIATIONS		
Payments to States and Territories	735	766
Total administered appropriations	735	766
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 - Operation of the National Classification Scheme	4,363	3,536
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	2,182	2,161
Total departmental appropriations	6,545	5,697
Total revenue from Government (appropriations) Contributing to price of departmental outputs	6,545	5,697
REVENUE FROM OTHER SOURCES		
Sales of goods and services	725	740
Interest	1	1
Resources received free of charge	27	27
Total revenue from other sources	753	768
Total price from departmental outputs (Total revenue from government and from other sources)	7,298	6,465
Total estimated resourcing for Outcome 1 (Total price of outputs and administered appropriations)	8,033	7,231
	2004–05	2005–06
Average staffing level (number)	51	51

Performance information for Outcome 1

Table 3.2: Performance information for Outcome 1

Effectiveness - overall achievement of the outcome	
<i>Effectiveness indicator</i>	<i>Measure</i>
Ongoing operation of the National Classification Scheme	Classifications issued for publications, films and computer games submitted
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 departmental outputs	
<i>Output</i>	<i>Performance indicator</i>
Output 1.1: Operation of the National Classification Scheme	<p><i>Quality:</i> OFLC maintains capacity to meet all demand for decisions</p> <p>Classification decisions are made within 20 business days of receiving a valid application</p> <p><i>Quantity:</i> Classification decisions made</p> <p>Advices to Customs</p> <p>Film festival decisions</p> <p>Fee waiver decisions</p> <p>Classification education activities conducted (including Classification Board, Classification Review Board, and Authorised Assessors)</p> <p><i>Price:</i> \$4.143m</p>
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	<p><i>Quality:</i> Correspondence, briefs, submissions and papers completed within required deadlines</p> <p><i>Quantity:</i> Number of briefs, submissions and papers prepared</p> <p>Community Liaison Officer Scheme - number of classification compliance advices</p> <p>Number of site visits</p> <p>Classification education activities conducted (including Customs)</p> <p><i>Price:</i> \$2.322m</p>

Evaluations for Outcome 1

Information on planned evaluation activity for the coming year that relates to this outcome will be reported in the annual report.

Section 4: Other reporting requirements

4.1: PURCHASER-PROVIDER ARRANGEMENTS

The OFLC does not have a purchaser/provider arrangement with another agency.

4.2: COST RECOVERY ARRANGEMENTS

The OFLC has a non-significant cost recovery arrangement and the preparation of a cost recovery impact statement is not required. OFLC is presently conducting a Fee Review.

Section 5: Budgeted financial statements

5.1: ANALYSIS OF BUDGETED FINANCIAL STATEMENTS

Budgeted departmental statement of financial performance

Additional one-off funding, caused by increased workloads, was appropriated in 2004-05. Funding for 2005-06 has decreased pending outcome of a Fee Review.

Total expenses have decreased in 2005-06 in line with appropriation.

Budgeted departmental statement of financial position

An increase in fixed assets of \$0.471m has been offset by a reduction in cash of the same amount.

The OFLC's primary liability continues to be the accrued employee entitlements of \$1.071m.

Budgeted departmental statement of cash flows

The movements in cash flows are a result of reduction in cash received and decreased expenditure in 2005-06.

Schedule of budgeted revenues and expenses administered on behalf of government

Appropriation revenue and grant payments are estimated to be \$0.766m, an increase of \$0.031m or 4.2% from the 2004-05 estimated actual in line with the Government's agreement with the States and Territories.

5.2: BUDGETED FINANCIAL STATEMENTS TABLES

Table 5.1: Budgeted Departmental Statement of Financial Performance for the period ended 30 June

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
REVENUE					
Revenues from ordinary activities					
Revenues from government	6,545	5,697	5,778	5,814	5,866
Goods and services	725	740	753	753	760
Interest	1	1	1	1	1
Other	27	27	27	27	27
Revenues from ordinary activities	7,298	6,465	6,559	6,595	6,654
EXPENSE					
Expenses from ordinary activities(excluding borrowing costs expense)					
Employees	4,700	3,971	3,952	3,949	3,986
Suppliers	2,110	1,850	1,826	1,826	1,848
Depreciation and amortisation	488	644	781	820	820
Expenses from ordinary activities (excluding borrowing costs expense)	7,298	6,465	6,559	6,595	6,654
Borrowing costs expense	-	-	-	-	-
Operating surplus or (deficit) from ordinary activities	-	-	-	-	-

Table 5.2: Budgeted Departmental Statement of Financial Position as at 30 June

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
ASSETS					
Financial assets					
Cash	1,047	576	755	1,385	2,205
Receivables	498	498	498	498	498
Total financial assets	1,545	1,074	1,253	1,883	2,703
Non-financial assets					
Land and buildings	836	626	416	206	-
Infrastructure, plant and equipment	585	505	464	444	234
Intangibles	544	1,305	1,377	977	573
Other	79	79	79	79	79
Total non-financial assets	2,044	2,515	2,336	1,706	886
Total assets	3,589	3,589	3,589	3,589	3,589
LIABILITIES					
Provisions					
Employees	1,071	1,071	1,071	1,071	1,071
Total provisions	1,071	1,071	1,071	1,071	1,071
Payables					
Suppliers	251	251	251	251	251
Other	14	14	14	14	14
Total payables	265	265	265	265	265
Total liabilities	1,336	1,336	1,336	1,336	1,336
EQUITY*					
Parent entity interest					
Contributed equity	715	715	715	715	715
Reserves	217	217	217	217	217
Retained surpluses	1,321	1,321	1,321	1,321	1,321
Total equity	2,253	2,253	2,253	2,253	2,253
TOTAL ASSETS AND LIABILITIES BY MATURITY					
Current assets	1,624	1,153	1,332	1,962	2,782
Non-current assets	1,965	2,436	2,257	1,627	807
Current liabilities	1,002	1,002	1,002	1,002	1,002
Non-current liabilities	334	334	334	334	334

* 'Equity' is the residual interest in assets after deduction of liabilities

Table 5.3: Budgeted Departmental Statement of Cash Flows for the period ended 30 June

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	6,545	5,697	5,778	5,814	5,866
Goods and services	725	740	753	753	760
Interest	1	1	1	1	1
Total cash received	7,271	6,438	6,532	6,568	6,627
Cash used					
Employees	4,700	3,971	3,952	3,949	3,986
Suppliers	2,083	1,823	1,799	1,799	1,821
Total cash used	6,783	5,794	5,751	5,748	5,807
Net cash from or (used by) operating activities	488	644	781	820	820
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	481	115	170	190	-
Purchase of intangibles	566	1,000	432	-	-
Total cash used	1,047	1,115	602	190	-
Net cash from or (used by) investing activities	(1,047)	(1,115)	(602)	(190)	-
FINANCING ACTIVITIES					
Cash received					
Capital injection	400	-	-	-	-
Total cash received	400	-	-	-	-
Net cash from or (used by) financing activities	400	-	-	-	-
Net increase or (decrease) in cash held	(159)	(471)	179	630	820
Cash at the beginning of the reporting period	1,206	1,047	576	755	1,385
Cash at the end of the reporting period	1,047	576	755	1,385	2,205

Table 5.4: Departmental Capital Budget Statement for the period ended 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
CAPITAL APPROPRIATIONS					
Total equity injections	400	-	-	-	-
Total loans	-	-	-	-	-
Total capital appropriations	400	-	-	-	-
Represented by:					
Purchase of non-financial assets	-	-	-	-	-
Other	400	-	-	-	-
Total	400	-	-	-	-
PURCHASE OF NON-FINANCIAL ASSETS					
Funded by capital appropriation	-	-	-	-	-
Funded internally by departmental resources	1,047	1,115	602	190	-
Total	1,047	1,115	602	190	-

Table 5.5: Departmental Property, Plant, Equipment and Intangibles — Summary of Movement (Budget year 2005–06)

	Buildings \$'000	Other Infrastructure Plant and Equipment \$'000	Computer software \$'000	Total \$'000
As at 1 July 2005				
Gross book value	2,079	1,689	1,817	5,585
Accumulated depreciation	1,243	1,104	1,273	3,620
Opening net book value	836	585	544	1,965
Additions:				
by purchase	-	115	1,000	1,115
by finance lease	-	-	-	-
from acquisitions of entities or operations (including restructuring)	-	-	-	-
Net revaluation increment/decrement	-	-	-	-
Reclassifications	-	-	-	-
Depreciation/amortisation expense	210	195	239	644
Disposals:				
from disposal of entities or operations (including restructuring)	-	-	-	-
other disposals	-	-	-	-
As at 30 June 2006				
Gross book value	2,079	1,804	2,817	6,700
Accumulated depreciation	1,453	1,299	1,512	4,264
Closing net book value	626	505	1,305	2,436

Table 5.6: Schedule of Budgeted Revenues and Expenses Administered on behalf of Government for the period ended 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
REVENUES ADMINISTERED ON BEHALF OF GOVERNMENT					
Non-taxation					
Revenues from government	735	766	795	827	860
Classification fees	2,700	2,700	2,700	2,700	2,700
Total non-taxation	3,435	3,466	3,495	3,527	3,560
Total revenues administered on behalf of Government	3,435	3,466	3,495	3,527	3,560
EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT					
Grants	735	766	795	827	860
Total expenses administered on behalf of Government	735	766	795	827	860

Table 5.7: Schedule of Budgeted Assets and Liabilities Administered on behalf of Government as at 30 June

	Estimated Actual 2004–05 \$'000	Budget Estimate 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT					
Payables					
Other payables	350	350	350	350	350
Total payables	350	350	350	350	350
Total liabilities administered on behalf of Government	350	350	350	350	350

Table 5.8: Schedule of Budgeted Administered Cash Flows for the period ended 30 June

	Estimated Actual 2004-05 \$'000	Budget Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	735	766	795	827	860
Classification fees	2,700	2,700	2,700	2,700	2,700
Total cash received	3,435	3,466	3,495	3,527	3,560
Cash used					
Grants	735	766	795	827	860
Cash to Official Public Account	2,700	2,700	2,700	2,700	2,700
Total cash used	3,435	3,466	3,495	3,527	3,560
Net cash from or (used by) operating activities	-	-	-	-	-
Net increase or (decrease) in cash held	-	-	-	-	-
Cash at beginning of reporting period	-	-	-	-	-
Cash at end of reporting period	-	-	-	-	-

5.3: 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

The OFLC uses the fair value basis to measure Property, Plant and Equipment. The shift from the old deprival method of valuation to fair value occurred gradually over a three-year period ending 30 June 2005. 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.

