

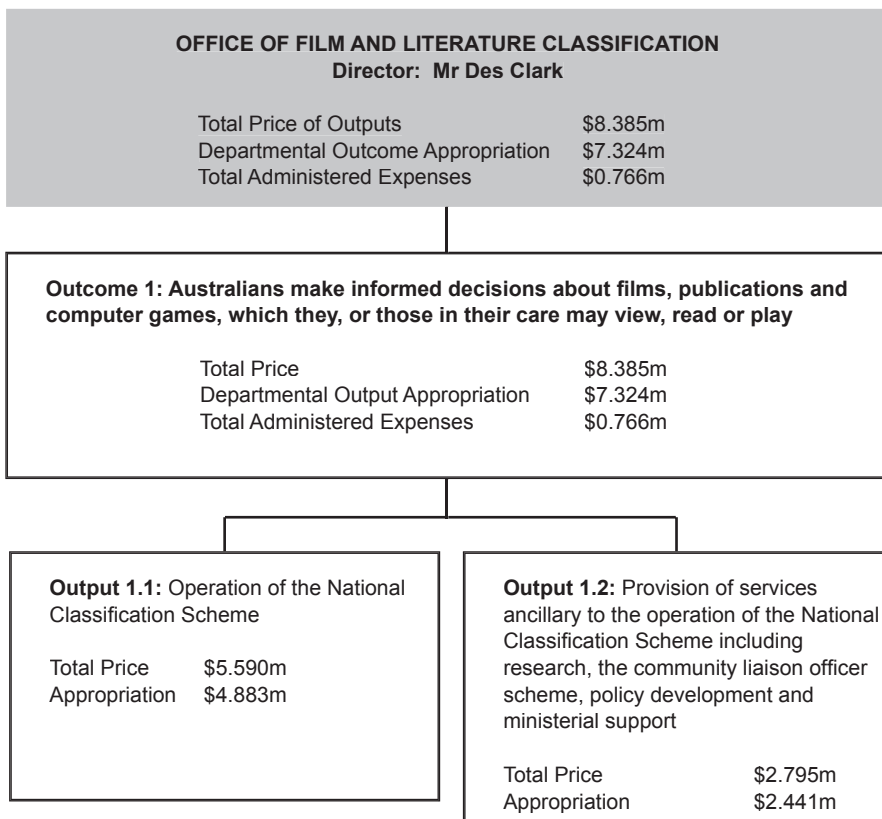
# OFFICE OF FILM AND LITERATURE CLASSIFICATION

## Section 1: Agency overview and resources; variations and measures

### OVERVIEW

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

**Table 1.1: Agency outcomes and output groups**



## 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 \$1.920m as a result of increased workload and the changed nature of the classification task.

New classification fees were introduced on 1 December 2005. All classification fees are administered revenue. The OFLC has an increased appropriation of \$1.417m to reflect an increase in the fee revenue for 2005-2006. This increase also reflects the transfer of receipts for Priority Service Payments, previously retained under the OFLC's Section 31 Agreement, from departmental to administered revenue. An amount of \$0.210m is also provided in recognition of the revenue forgone in the financial year prior to the implementation of the new fees.

Administered revenue has increased by an estimated \$3.826m – due to introduction of new classification fees and increased workload.

### Variations — Measures

**Table 1.2: Additional estimates and variations to outcomes – measures**

	2005-06 \$'000	2006-07 \$'000	2007-08 \$'000	2008-09 \$'000
<b>Outcome 1</b>				
<b>Increase in departmental appropriations</b>				
Estimated new classification fees	1,417	2,612	2,657	2,692
Funding to cover foregone revenue	210	-	-	-
<b>Total changes in Departmental appropriations</b>	<b>1,627</b>	<b>2,612</b>	<b>2,657</b>	<b>2,692</b>

Note: Figures in this table are fiscal balance consistent with MYEFO and Budget Paper No. 2 presentation.

**MEASURES — AGENCY SUMMARY**

**Table 1.4.1: Summary of expense measures since the 2005-06 Budget**

Measure	Outcome	Outputs Affected	Appropriations 2005-06 \$'000			Appropriations 2006-07 \$'000			Appropriations 2007-08 \$'000			Appropriations 2008-09 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
<b>EXPENSE MEASURES</b>														
Estimated new classification fees	1	All	-	1,417	1,417	-	2,612	2,612	-	2,657	2,657	-	2,692	2,692
Funding to cover foregone revenue	1	All	-	210	210	-	-	-	-	-	-	-	-	-
<b>Total Expense Measures</b>			-	<b>1,627</b>	<b>1,627</b>	-	<b>2,612</b>	<b>2,612</b>	-	<b>2,657</b>	<b>2,657</b>	-	<b>2,692</b>	<b>2,692</b>

Note: Figures in this table are fiscal balance consistent with MYEFO and Budget Paper No. 2 presentation.

**Table 1.4.2: Summary of capital measures since the 2005-06 Budget**

Measure	Outcome	Outputs Affected	Appropriations 2005-06 \$'000			Appropriations 2006-07 \$'000			Appropriations 2007-08 \$'000			Appropriations 2008-09 \$'000		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
<b>CAPITAL MEASURES</b>														
Funding for new Workload Management System	1	All	-	1,100	1,100	-	-	-	-	-	-	-	-	-
Funding for office refurbishment	1	All	-	500	500	-	-	-	-	-	-	-	-	-
<b>Total Capital Measures</b>			-	<b>1,600</b>	<b>1,600</b>	-	-	-	-	-	-	-	-	-

## BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL

Table 1.5: Appropriation Bill (No. 3) 2005-06

	2004-05 Available \$'000	2005-06 Budget \$'000	2005-06 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	6,545	5,697	7,324	1,627	-
<b>Total Office of Film and Literature Classification</b>	<b>6,545</b>	<b>5,697</b>	<b>7,324</b>	<b>1,627</b>	<b>-</b>

## SUMMARY OF STAFFING CHANGES

Table 1.7: Average Staffing Level (ASL)

	2005-06 Budget	2005-06 Revised	Variation
<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	51	60	9
<b>Total</b>	<b>51</b>	<b>60</b>	<b>9</b>

## OTHER RECEIPTS AVAILABLE TO BE USED

Table 1.9 provides details of other receipts available to be used and include FMA s.31 receipts, special accounts (non-appropriation receipts) and resources received free of charge.

**Table 1.9: Other receipts available to be used**

<b>Outcome</b>	<b>Budget Estimate 2005-06 \$'000</b>	<b>Revised Estimate 2005-06 \$'000</b>
<b>Departmental other receipts</b>		
Sale of goods and services	740	1032
Interest	1	-
Resources received free of charge	27	29
<b>Total Departmental other receipts available to be used</b>	<b>768</b>	<b>1,061</b>
<b>Administered other receipts</b>		
Classification fees	2,700	6,526
<b>Total Administered other receipts available to be used</b>	<b>2,700</b>	<b>6,526</b>

## Section 2: Revisions to agency outcomes

### OUTCOMES, ADMINISTERED ITEMS AND OUTPUTS

Table 1.1 'Agency outcomes and outputs groups' lists the outcome statements and output groups for the OFLC.

#### Outcome 1

##### Explanation of variations

Total price of outputs has increased by \$1.920m as a result of increased workload.

Departmental outputs appropriation has increased by \$1.627m – for part year additional funding due to introduction of new charges of administered classification fees and increased classification workload, and for funding to cover revenue foregone.

Administered revenue has increased by an estimated \$3.826m – due to introduction of new classification fees and increased workloads.

##### Revised performance information — 2005-06

There has been no change to performance information.

**Table 2.1: Performance information for outputs affected by additional estimates — outcome 1**

<b>Output</b>	<b>Performance Information 2005-06 Budget</b>		<b>Performance Information 2005-06 Revised</b>	
<b>Output 1.1</b> Operation of the National Classification Scheme	Quality:	OFLC maintains capacity to meet all demand for decisions	Quality:	OFLC maintains capacity to meet all demand for decisions
		Classification decisions are made within 20 business days of receiving a valid application		Classification decisions are made within 20 business days of receiving a valid application
	Quantity:	Classification decisions made	Quantity:	Classification decisions made
		Advices to customs		Advices to customs
		Film festival decisions		Film festival decisions
		Fee waiver decisions		Fee waiver decisions
		Classification education activities conducted (including Classification Board, Classification Review Board, and Authorised Assessors)		Classification education activities conducted (including Classification Board, Classification Review Board, and Authorised Assessors)
	Price:	\$4.143m	Price:	\$5.590m
<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	Quality:	Correspondence, briefs, submissions and papers completed within required deadlines	Quality:	Correspondence, briefs, submissions and papers completed within required deadlines
	Quantity:	Number of briefs, submissions and papers prepared	Quantity:	Number of briefs, submissions and papers prepared
		Community Liaison Officer Scheme - number of classification compliance advices		Community Liaison Officer Scheme - number of classification compliance advices
		Number of site visits		Number of site visits
		Classification education activities conducted (including Customs)		Classification education activities conducted (including Customs)
	Price:	\$2.322m	Price:	\$2.795m

## Section 3: Budgeted financial statements

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

#### **Budgeted departmental income statement**

OFLC appropriation revenue is estimated at \$7.324m, an increase of \$1.627m from Budget due to new classification fees and revenue foregone, while other revenue has increased by \$0.293m. The structure of the new classification fees removed one class of receipts previously retained under the OFLC's Section 31 Agreement.

Total expenses have also increased by \$1.920m and there is no impact on operating result.

#### **Budgeted departmental balance sheet**

The OFLC's budgeted net asset position of \$3.703m has increased by \$1.450m from the 2005-06 Budget due to the capital injection for non-current assets (new workload management system, and office refurbishment), offset by the 2004-05 operating deficit and revaluation of non-current assets.

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

Classification fees have increased by an estimated \$3.826m from Budget due to new classification fees and an increase in workload.

**Table 3.1: Budgeted departmental income statement for the period ended 30 June**

	Actual 2004–05 \$'000	Revised Budget 2005–06 \$'000	Forward Estimate 2006–07 \$'000	Forward Estimate 2007–08 \$'000	Forward Estimate 2008–09 \$'000
<b>INCOME</b>					
<b>Revenue</b>					
Revenues from government	6,545	7,324	8,390	8,471	8,558
Goods and services	1,402	1,032	244	253	263
Revenue from sale of assets	6	-	-	-	-
Other	29	29	29	29	29
<b>Total revenue</b>	<b>7,982</b>	<b>8,385</b>	<b>8,663</b>	<b>8,753</b>	<b>8,850</b>
<b>Total gains</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total income</b>	<b>7,982</b>	<b>8,385</b>	<b>8,663</b>	<b>8,753</b>	<b>8,850</b>
<b>EXPENSE</b>					
Employees	4,841	4,963	5,013	5,034	5,203
Suppliers	2,805	2,666	2,655	2,674	2,847
Depreciation and amortisation	424	756	995	1,045	800
Write-down of assets and impairment of assets	60	-	-	-	-
<b>Total expenses</b>	<b>8,130</b>	<b>8,385</b>	<b>8,663</b>	<b>8,753</b>	<b>8,850</b>
<b>Net surplus or (deficit) attributable to the Australian Government</b>	<b>(148)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Table 3.2: Budgeted departmental balance sheet as at 30 June

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>ASSETS</b>					
<b>Financial assets</b>					
Cash	1,712	1,855	2,505	3,292	4,092
Receivables	541	541	541	541	541
<b>Total financial assets</b>	<b>2,253</b>	<b>2,396</b>	<b>3,046</b>	<b>3,833</b>	<b>4,633</b>
<b>Non-financial assets</b>					
Land and buildings	960	1,125	786	445	204
Infrastructure, plant and equipment	303	333	208	155	-
Intangibles	42	1,304	1,118	725	321
Other	84	84	84	84	84
<b>Total non-financial assets</b>	<b>1,389</b>	<b>2,846</b>	<b>2,196</b>	<b>1,409</b>	<b>609</b>
<b>Total assets</b>	<b>3,642</b>	<b>5,242</b>	<b>5,242</b>	<b>5,242</b>	<b>5,242</b>
<b>LIABILITIES</b>					
<b>Provisions</b>					
Employees	1,047	1,047	1,047	1,047	1,047
<b>Total provisions</b>	<b>1,047</b>	<b>1,047</b>	<b>1,047</b>	<b>1,047</b>	<b>1,047</b>
<b>Payables</b>					
Suppliers	483	483	483	483	483
Other	9	9	9	9	9
<b>Total payables</b>	<b>492</b>	<b>492</b>	<b>492</b>	<b>492</b>	<b>492</b>
<b>Total liabilities</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>	<b>1,539</b>
<b>EQUITY*</b>					
<b>Parent entity interest</b>					
Contributed equity	715	2,315	2,315	2,315	2,315
Reserves	188	188	188	188	188
Retained surpluses or accumulated deficits	1,200	1,200	1,200	1,200	1,200
<b>Total parent entity interest</b>	<b>2,103</b>	<b>3,703</b>	<b>3,703</b>	<b>3,703</b>	<b>3,703</b>
<b>Total equity</b>	<b>2,103</b>	<b>3,703</b>	<b>3,703</b>	<b>3,703</b>	<b>3,703</b>
<b>Current assets</b>	<b>2,337</b>	<b>2,480</b>	<b>3,130</b>	<b>3,917</b>	<b>4,717</b>
<b>Non-current assets</b>	<b>1,305</b>	<b>2,762</b>	<b>2,112</b>	<b>1,325</b>	<b>525</b>
<b>Current liabilities</b>	<b>1,078</b>	<b>1,078</b>	<b>1,078</b>	<b>1,078</b>	<b>1,078</b>
<b>Non-current liabilities</b>	<b>461</b>	<b>461</b>	<b>461</b>	<b>461</b>	<b>461</b>

\*Note: 'equity' is the residual interest in assets after deduction of liabilities

**Table 3.3: Budgeted departmental statement of cash flows for the period ended 30 June**

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	6,545	7,324	8,390	8,471	8,558
Goods and services	1,510	1,032	244	253	263
Other	102	-	-	-	-
<b>Total cash received</b>	<b>8,157</b>	<b>8,356</b>	<b>8,634</b>	<b>8,724</b>	<b>8,821</b>
<b>Cash used</b>					
Employees	4,811	4,963	5,013	5,034	5,203
Suppliers	2,857	2,637	2,626	2,645	2,818
<b>Total cash used</b>	<b>7,668</b>	<b>7,600</b>	<b>7,639</b>	<b>7,679</b>	<b>8,021</b>
<b>Net cash from or (used by) operating activities</b>	<b>489</b>	<b>756</b>	<b>995</b>	<b>1,045</b>	<b>800</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sale of property, plant and equipment	6	-	-	-	-
<b>Total cash received</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchase of property, plant and equipment	372	703	139	240	-
Purchase of intangibles	17	1,510	206	18	-
<b>Total cash used</b>	<b>389</b>	<b>2,213</b>	<b>345</b>	<b>258</b>	<b>-</b>
<b>Net cash from or (used by) investing activities</b>	<b>(383)</b>	<b>(2,213)</b>	<b>(345)</b>	<b>(258)</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Capital injection	400	1,600	-	-	-
<b>Total cash received</b>	<b>400</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from or (used by) financing activities</b>	<b>400</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>506</b>	<b>143</b>	<b>650</b>	<b>787</b>	<b>800</b>
Cash at the beginning of the reporting period	1,206	1,712	1,855	2,505	3,292
<b>Cash at the end of the reporting period</b>	<b>1,712</b>	<b>1,855</b>	<b>2,505</b>	<b>3,292</b>	<b>4,092</b>

**Table 3.4: Departmental statement of changes in equity — summary of movement Budget year 2005-06**

	Accumulated Results \$'000	Asset Revaluation Reserve \$'000	Contributed Equity/ Capital \$'000	Total Equity \$'000
<b>Opening balance as at 1 July 2005</b>				
Balance carried forward from previous period	1,200	188	715	2,103
<b>Adjusted opening balance</b>	<b>1,200</b>	<b>188</b>	<b>715</b>	<b>2,103</b>
<b>Income and expense</b>	-	-	-	-
Net operating result	-	-	-	-
<b>Total income and expenses recognised directly in equity</b>	<b>1,200</b>	<b>188</b>	<b>715</b>	<b>2,103</b>
<b>Transactions with owners</b>				
Appropriation (equity injection)	-	-	1,600	1,600
<b>Sub-total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>1,600</b>	<b>1,600</b>
<b>Closing balance as at 30 June 2006</b>	<b>1,200</b>	<b>188</b>	<b>2,315</b>	<b>3,703</b>

**Table 3.5: Departmental capital budget statement**

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	400	1,600	-	-	-
Total loans	-	-	-	-	-
<b>Total capital appropriations</b>	<b>400</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Represented by:</b>					
Purchase of non-financial assets	-	1,600	-	-	-
Other	400	-	-	-	-
<b>Total represented by</b>	<b>400</b>	<b>1,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-FINANCIAL ASSETS</b>					
Funded by capital appropriation	-	1,600	-	-	-
Funded internally by Departmental resources	389	613	345	258	-
<b>Total</b>	<b>389</b>	<b>2,213</b>	<b>345</b>	<b>258</b>	<b>-</b>

**Table 3.6: Departmental property, plant, equipment and intangibles — summary of movement Budget year 2005-06**

	Buildings	Other Infrastructure Plant and Equipment	Computer Software	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2005</b>				
Gross book value	2,504	321	1,264	4,089
Accumulated depreciation	1,544	18	1,222	2,784
<b>Opening net book value</b>	<b>960</b>	<b>303</b>	<b>42</b>	<b>1,305</b>
Additions:				
by purchase	500	203	1,510	2,213
Depreciation/amortisation expense	335	173	248	756
<b>As at 30 June 2006</b>				
Gross book value	3,004	524	2,774	6,302
Accumulated depreciation	1,879	191	1,470	3,540
<b>Closing net book value</b>	<b>1,125</b>	<b>333</b>	<b>1,304</b>	<b>2,762</b>

**Table 3.7: Schedule of budgeted income and expenses administered on behalf of government for the period ended 30 June**

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward estimate 2006-07 \$'000	Forward estimate 2007-08 \$'000	Forward estimate 2008-09 \$'000
<b>INCOME ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Non-taxation revenue</b>					
Revenues from government	725	766	795	827	860
Classification fees	4,897	6,526	7,817	7,914	8,123
<b>Total non-taxation revenue</b>	<b>5,622</b>	<b>7,292</b>	<b>8,612</b>	<b>8,741</b>	<b>8,983</b>
<b>Total income administered on behalf of the Government</b>	<b>5,622</b>	<b>7,292</b>	<b>8,612</b>	<b>8,741</b>	<b>8,983</b>
<b>EXPENSES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
Grants	725	766	795	827	860
<b>Total expenses administered on behalf of the Government</b>	<b>725</b>	<b>766</b>	<b>795</b>	<b>827</b>	<b>860</b>

**Table 3.8: Schedule of budgeted assets and liabilities administered on behalf of government as at 30 June**

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>LIABILITIES ADMINISTERED ON BEHALF OF GOVERNMENT</b>					
<b>Payables</b>					
Other payables	348	348	348	348	348
<b>Total payables</b>	<b>348</b>	<b>348</b>	<b>348</b>	<b>348</b>	<b>348</b>
<b>Total liabilities administered on behalf of Government</b>	<b>348</b>	<b>348</b>	<b>348</b>	<b>348</b>	<b>348</b>

**Table 3.9: Schedule of budgeted administered cash flows for the period ended 30 June**

	Actual 2004-05 \$'000	Revised Budget 2005-06 \$'000	Forward Estimate 2006-07 \$'000	Forward Estimate 2007-08 \$'000	Forward Estimate 2008-09 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	725	766	795	827	860
Classification fees	4,895	6,526	7,817	7,914	8,123
<b>Total cash received</b>	<b>5,620</b>	<b>7,292</b>	<b>8,612</b>	<b>8,741</b>	<b>8,983</b>
<b>Cash used</b>					
Grant payments	725	766	795	827	860
Cash to Official Public Account	4,895	6,526	7,817	7,914	8,123
<b>Total cash used</b>	<b>5,620</b>	<b>7,292</b>	<b>8,612</b>	<b>8,741</b>	<b>8,983</b>
<b>Net cash from or (used by) operating activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase or (decrease) in cash held</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash at beginning of reporting period	-	-	-	-	-
<b>Cash at end of reporting period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **Basis of accounting**

The OFLC 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 OFLC; and
- Administered expense appropriations – for the estimated Administered expenses relating to Specific Purpose Payments to the States and Territories.