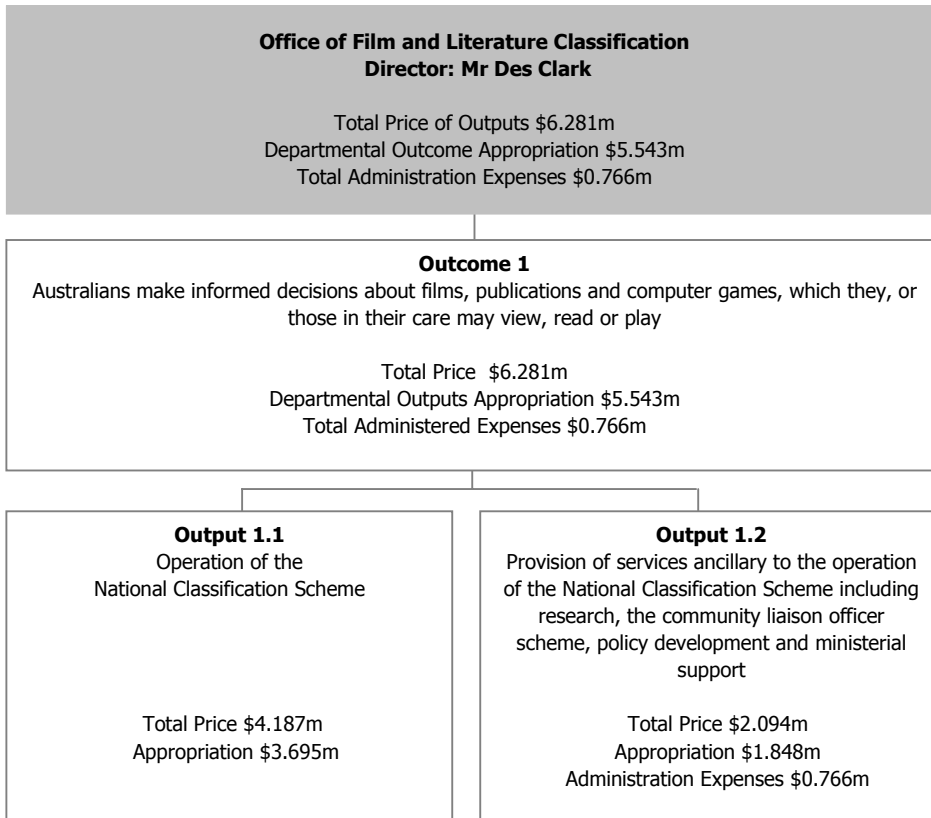


# OFFICE OF FILM AND LITERATURE CLASSIFICATION

## Outcomes and Outputs



## Section 1: Overview, variations and measures

### OVERVIEW

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

### 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.

Administered items have increased by \$0.083m as a result of moving the appropriation based on wage cost index to consumer price index per agreement with the States and Territories.

Total price of outputs has increased by \$0.285m as a result of increasing number of clients using the priority service.

Departmental outputs appropriation has increased by \$0.097m – \$0.061m for Budget Estimates Framework Review and \$0.036m for Comcover insurance supplementation.

### Measures

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)
<b>Outcome 1</b>				
<b>Increase in departmental appropriations</b>				
Budget estimates – enhanced quality and timeliness	61	62	63	63

### Other variations to appropriations

	2003-04 (\$'000)	2004-05 (\$'000)	2005-06 (\$'000)	2006-07 (\$'000)
<b>Outcome 1</b>				
<b>Variations in administered appropriations</b>				
Wage cost index	83	24	25	31
<b>Variations in departmental appropriations</b>				
Comcover insurance supplementation	36	-	-	-

## **MEASURES — AGENCY SUMMARY**

### **Budget estimates – enhanced quality and timeliness**

The Government will provide additional funding to agencies of \$88.5m over five years (including \$0.1m in 2007–08) to implement the Budget Estimates and Framework Review (BEFR) recommendations. This funding includes capital of \$7.4m over four years.

In the 2003–04 Budget the Government made provision for \$78.0m over five years to improve the accuracy, responsiveness and effectiveness of agencies' contribution to the Commonwealth's budget estimates and framework system and to assist agencies to drive improved financial management and reporting within their organisations. The Government has provided an extra \$10.5m over five years to fund agencies to implement BEFR recommendations.

The Government has provided OFLC with funding of \$0.3m over five years to enhance the quality and timeliness of Budget estimates. Funding for each financial year from 2003–04 to 2006–07 is shown in Table 1.1 below. There is an additional component of capital in 2003–04.

**Table 1.1: Summary of Measures since the 2003–04 Budget**

Measure	Outcome	Outputs Affected	Appropriations 2003–04 (\$'000)			Appropriations 2004–05 (\$'000)			Appropriations 2005–06 (\$'000)			Appropriations 2006–07 (\$'000)		
			Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total	Admin Items	Dept Outputs	Total
Budget estimates – enhanced quality and timeliness *	1	All	-	61	61	-	62	62	-	63	63	-	63	63
<b>Total</b>			-	<b>61</b>	<b>61</b>	-	<b>62</b>	<b>62</b>	-	<b>63</b>	<b>63</b>	-	<b>63</b>	<b>63</b>

**Capital Measure**

\* \$0.007m received in 2003–04 as a result of Budget estimates – enhanced quality and timeliness, will be appropriated as a capital injection in 2003–04.

**BREAKDOWN OF ADDITIONAL ESTIMATES BY APPROPRIATION BILL****Table 1.2: Appropriation Bill (No 3) 2003–04**

	2002-03 Available \$'000	2003-04 Budget \$'000	2003-04 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	5,570	5,446	5,543	97	-
<b>Total</b>	<b>5,570</b>	<b>5,446</b>	<b>5,543</b>	<b>97</b>	<b>-</b>

**Table 1.3: Appropriation Bill (No 4) 2003–04**

	2002-03 Available \$'000	2003-04 Budget \$'000	2003-04 Revised \$'000	Additional Estimates \$'000	Reduced Estimates \$'000
<b>SPECIFIC PAYMENTS TO THE STATES AND TERRITORIES</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	662	683	766	83	-
<b>Total</b>	<b>662</b>	<b>683</b>	<b>766</b>	<b>83</b>	<b>-</b>
<b>Non-Operating</b>					
Equity injections	-	7	-	-	-
<b>Total</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>

**SUMMARY OF STAFFING CHANGES****Table 1.4: Average staffing level (ASL)**

	2003-04 Budget	2003-04 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	50	50	-
<b>Total</b>	<b>50</b>	<b>50</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 2003-04 Budget \$'000	Total Approp 2003-04 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	550	738	550	738	188
<b>Total</b>	<b>550</b>	<b>738</b>	<b>550</b>	<b>738</b>	<b>188</b>

## REVENUE FROM INDEPENDENT SOURCES

**Table 1.6: Revenue from independent sources**

	Budget Estimate 2003-04 \$'000	Revised Estimate 2003-04 \$'000
<b>DEPARTMENTAL REVENUE</b>		
Contribution from States and Territories for Community Liaison Officer (CLO) scheme	150	190
Sale of goods and services	400	523
Other	-	25
<b>Total non-appropriation departmental revenue</b>	<b>550</b>	<b>738</b>

## Section 2: Revisions to outcomes and outputs

### **OUTCOMES AND OUTPUTS**

#### **Output cost attribution**

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

#### **Outcome 1**

##### **Explanation of variations**

Administered items have increased by \$0.083m as a result of moving the appropriation based on wage cost index to consumer price index per agreement with the States and Territories.

Total price of outputs have increased by \$0.285m as a result of increasing number of clients using the priority service.

Departmental outputs appropriation has increased by \$0.097m – \$0.061m for Budget Estimates Framework Review and \$0.036m for Comcover insurance supplementation.

#### **Revised performance information and level of achievement – 2003–04**

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 2003–04 Budget</b>		<b>Performance information 2003–04 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	<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		Classification decisions are made within 20 business days of receiving a valid application
	<i>Quantity:</i>	Classification Decisions made	<i>Quantity:</i>	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)
	<i>Price:</i>	\$3.997m	<i>Price:</i>	\$4.187m
<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	<i>Quantity:</i>	Number of briefs, submissions and papers prepared
		Community Liaison Officer Scheme (CLO) – number of classification compliance advices		Community Liaison Officer Scheme (CLO) – 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)
	<i>Price:</i>	\$1.999m	<i>Price:</i>	\$2.094m

## Section 3: Budgeted financial statements

Revisions to the budgeted departmental and administered financial statements for OFLC since the 2003-04 Portfolio Budget Statements are presented in this section.

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

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

The OFLC is budgeting for an operating deficit of \$0.920m for 2003-04.

Revenues have decreased from 2002-03 mainly due to a reduction of funding as a result of government discontinuing the capital use charge, and revised budget for OFLC's priority service.

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

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

OFLC's changed budgeted net position at the end of 2003-04 shows a reduction in receivables and a decrease in equity due to the proposed deficit.

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

OFLC's cash position exclusive of a receivable from Department of Finance and Administration would be lower at the close of 2003-04 due to the proposed deficit if the receivable was not available.

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

Appropriation revenue and grant payments have increased from 2002-03 as a result of moving the appropriation based on wage cost index to consumer price index per agreement with the States and Territories.

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

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>Revenues from ordinary activities</b>					
Revenue from Government	5,570	5543	5,574	5,725	5,825
Goods and Services	760	713	728	742	756
Interest	5	1	1	1	1
Revenue from sales of assets	1	-	-	-	-
Other	24	24	24	24	24
<b>Revenues from ordinary activities</b>	<b>6,360</b>	<b>6,281</b>	<b>6,327</b>	<b>6,492</b>	<b>6,606</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>					
Employees	3,846	4,305	3,962	4,045	4,110
Suppliers	1,761	2,278	1,823	1,905	1,956
Depreciation and amortisation	643	618	542	542	540
Write-down of assets	24	-	-	-	-
Value of assets sold	4	-	-	-	-
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>	<b>6,278</b>	<b>7,201</b>	<b>6,327</b>	<b>6,492</b>	<b>6,606</b>
Borrowing costs expense	-	-	-	-	-
<b>Operating surplus or deficit from ordinary activities</b>	<b>82</b>	<b>(920)</b>	-	-	-
Capital Use Charge*	222	-	-	-	-
<b>Net surplus or deficit attributable to Commonwealth</b>	<b>(140)</b>	<b>(920)</b>	-	-	-

\* The Capital Use Charge was discontinued from 1 July 2003.

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

	Note	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash		535	692	964	1,236	1,566
Receivables		502	30	30	30	30
<b>Total financial assets</b>		<b>1,037</b>	<b>722</b>	<b>994</b>	<b>1,266</b>	<b>1,596</b>
<b>Non-financial assets</b>						
Land and buildings		1,262	1,052	852	652	452
Infrastructure, plant and equipment		398	272	260	228	110
Intangibles		374	112	52	12	-
Other		75	75	75	75	75
<b>Total non-financial assets</b>		<b>2,109</b>	<b>1,511</b>	<b>1,239</b>	<b>967</b>	<b>637</b>
<b>Total assets</b>		<b>3,146</b>	<b>2,233</b>	<b>2,233</b>	<b>2,233</b>	<b>2,233</b>
<b>LIABILITIES</b>						
<b>Provisions</b>						
Employees		927	927	927	927	927
<b>Total provisions</b>		<b>927</b>	<b>927</b>	<b>927</b>	<b>927</b>	<b>927</b>
<b>Payables</b>						
Suppliers		150	150	150	150	150
Other		29	29	29	29	29
<b>Total payables</b>		<b>179</b>	<b>179</b>	<b>179</b>	<b>179</b>	<b>179</b>
<b>Total liabilities</b>		<b>1,106</b>	<b>1,106</b>	<b>1,106</b>	<b>1,106</b>	<b>1,106</b>
<b>EQUITY</b>						
<b>Parent equity interest</b>						
Contributed equity		308	315	315	315	315
Reserves		239	239	239	239	239
Retained surpluses or accumulated deficits		1,493	573	573	573	573
<b>Total parent equity interest</b>		<b>2,040</b>	<b>1,127</b>	<b>1,127</b>	<b>1,127</b>	<b>1,127</b>
<b>Total equity</b>		<b>2,040</b>	<b>1,127</b>	<b>1,127</b>	<b>1,127</b>	<b>1,127</b>
<b>Current liabilities</b>		<b>779</b>	<b>779</b>	<b>779</b>	<b>779</b>	<b>779</b>
<b>Non-current liabilities</b>		<b>327</b>	<b>327</b>	<b>327</b>	<b>327</b>	<b>327</b>
<b>Current assets</b>		<b>1,111</b>	<b>797</b>	<b>1,069</b>	<b>1,341</b>	<b>1,671</b>
<b>Non-current assets</b>		<b>2,035</b>	<b>1,436</b>	<b>1,164</b>	<b>892</b>	<b>562</b>

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

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Appropriations	5,570	5,543	5,574	5,725	5,825
Goods and services	841	713	728	742	756
Interest	10	1	1	1	1
Other	84	-	-	-	-
Drawdown of cash with DOFA	-	472	-	-	-
<b>Total cash received</b>	<b>6,505</b>	<b>6,729</b>	<b>6,303</b>	<b>6,468</b>	<b>6,582</b>
<b>Cash used</b>					
Employees	3,809	4,305	3,962	4,045	4,110
Suppliers	1,862	2,254	1,799	1,881	1,932
Other	70	-	-	-	-
Cash transferred to Official Public Account	472	-	-	-	-
<b>Total cash used</b>	<b>6,213</b>	<b>6,559</b>	<b>5,761</b>	<b>5,926</b>	<b>6,042</b>
<b>Net cash from/(used by) operating activities</b>	<b>292</b>	<b>170</b>	<b>542</b>	<b>542</b>	<b>540</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash received</b>					
Proceeds from sales of property, plant and equipment	1	-	-	-	-
<b>Total cash received</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash used</b>					
Purchases of property, plant and equipment	80	16	120	120	60
Purchases of intangibles	23	4	150	150	150
<b>Total cash used</b>	<b>103</b>	<b>20</b>	<b>270</b>	<b>270</b>	<b>210</b>
<b>Net cash from/(used by) investing activities</b>	<b>(102)</b>	<b>(20)</b>	<b>(270)</b>	<b>(270)</b>	<b>(210)</b>
<b>FINANCIAL ACTIVITIES</b>					
<b>Cash received</b>					
Capital injection		7			
<b>Total cash received</b>		<b>7</b>			
<b>Cash used</b>					
Capital use charge paid	233	-	-	-	-
<b>Total cash used</b>	<b>233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash from/(used by) financing activities</b>	<b>(233)</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash held</b>	<b>(43)</b>	<b>157</b>	<b>272</b>	<b>272</b>	<b>330</b>
Cash at the beginning of the reporting period	578	535	692	964	1,236
<b>Cash at end of reporting period</b>	<b>535</b>	<b>692</b>	<b>964</b>	<b>1,236</b>	<b>1,566</b>

**Table 3.4: Departmental Capital Budget Statement**

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>CAPITAL APPROPRIATIONS</b>					
Total equity injections	-	7	-	-	-
Total loans	-	-	-	-	-
Appropriation of previous year's carryover	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Represented by</b>					
Purchase of non-financial assets	-	7	-	-	-
Other	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PURCHASE OF NON-CURRENT ASSETS</b>					
Funded by capital appropriations	-	7	-	-	-
Funded internally by departmental resources	103	13	270	270	210
<b>Total</b>	<b>103</b>	<b>20</b>	<b>270</b>	<b>270</b>	<b>210</b>

**Table 3.5: Departmental Non-financial Assets – Summary of Movement (Budget Year 2003-04)**

	Buildings \$'000	Other Infrastructure Plant and Equipment \$'000	Computer Software \$'000	Total \$'000
Carrying amount at the start of year	1,262	398	374	2,034
Additions	-	16	4	20
Depreciation/amortisation expense	210	142	266	618
<b>Carrying amount at the end of year</b>	<b>1,052</b>	<b>272</b>	<b>112</b>	<b>1,436</b>
<b>Total additions</b>				
Self funded	-	9	4	13
Appropriations	-	7	-	7
<b>Total</b>	<b>-</b>	<b>16</b>	<b>4</b>	<b>20</b>

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

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>REVENUES</b>					
<b>Non-taxation</b>					
Revenues from Government	662	766	729	749	769
Goods and services	2,869	2,700	2,700	2,700	2,700
<b>Total non-taxation</b>	<b>3,531</b>	<b>3,466</b>	<b>3,429</b>	<b>3,449</b>	<b>3,469</b>
<b>Total revenues administered on behalf of the Government</b>	<b>3,531</b>	<b>3,466</b>	<b>3,429</b>	<b>3,449</b>	<b>3,469</b>
<b>EXPENSES</b>					
Grants	662	766	729	749	769
<b>Total expenses administered on behalf of the Government</b>	<b>662</b>	<b>766</b>	<b>729</b>	<b>749</b>	<b>769</b>

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

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>LIABILITIES</b>					
<b>Payables</b>					
Other payables	308	308	308	308	308
<b>Total payables</b>	<b>308</b>	<b>308</b>	<b>308</b>	<b>308</b>	<b>308</b>
<b>Total liabilities administered on behalf of the Government</b>	<b>308</b>	<b>308</b>	<b>308</b>	<b>308</b>	<b>308</b>
<b>Current liabilities</b>	<b>308</b>	<b>308</b>	<b>308</b>	<b>308</b>	<b>308</b>
<b>Non-current liabilities</b>	-	-	-	-	-
<b>Current assets</b>	-	-	-	-	-
<b>Non-current assets</b>	-	-	-	-	-

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

	Actual 2002-03 \$'000	Revised Budget 2003-04 \$'000	Forward Estimate 2004-05 \$'000	Forward Estimate 2005-06 \$'000	Forward Estimate 2006-07 \$'000
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Rendering of services	2,977	2,700	2,700	2,700	2,700
Cash from Official Public Account	662	766	729	749	769
<b>Total cash received</b>	<b>3,639</b>	<b>3,466</b>	<b>3,429</b>	<b>3,449</b>	<b>3,469</b>
<b>Cash used</b>					
Grant payments	662	766	729	749	769
Cash to Official Public Account	2,977	2,700	2,700	2,700	2,700
<b>Total cash used</b>	<b>3,639</b>	<b>3,466</b>	<b>3,429</b>	<b>3,449</b>	<b>3,469</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **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 Payment 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.

