

OFFICE OF FILM AND
LITERATURE
CLASSIFICATION

Section 1: Overview, appropriations and budget measures summary

OVERVIEW

The role of the Office of Film and Literature Classification (OFLC) is to assist adults 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.

APPROPRIATIONS

The total appropriation for the OFLC in the 2002–03 Budget is \$6.232m. Table 1.1 shows appropriations (2002–03) and other revenue by outcome.

ADMINISTERED CAPITAL AND DEPARTMENTAL EQUITY INJECTIONS AND LOANS

The OFLC does not have an appropriation for an equity injection or loan or an appropriation for administered capital.

Office of Film and Literature Classification — Appropriations 2002–03

Table 1.1: Appropriations and other revenue (\$'000)

Outcome	Departmental (Price of Outputs)					Administered			Total Appropriations	
	Revenue from Government (Appropriations)			Revenue from other sources	Price of Outputs	Annual Appropriations	Special Approps	Total Administered Appropriations		
	Bill No 1	Special Approps	Total			Bill No 1	Bill No 2 (SPPs & NAOs)			
	(A)	(B)	(C=A+B)	(D)	(E=C+D)	(F)	(G)	(H)	(I=F+G+H)	(J=C+I)
Australians make informed decisions about films, publications and computer games, which they, or those in their care may view, read or play	5,570	-	5,570 91.5%	520	6,090	-	662	-	662	6,232
Total	5,570	-	5,570	520	6,090	-	662	-	662	6,232
Non-operating: equity injections, loans and previous years' outputs									-	
Administered assets and liabilities									-	
Total Appropriations									6,232	

Notes:

- Columns C, D, E and I refer to information provided in Table 2.1.1
- Under the appropriation structure, Bill 2 includes appropriations for Specific Purpose Payments (SPPs), New Agency Outcomes (NAOs), administered assets and liabilities and equity injections, loans and previous years' outputs.
- Refer to Budgeted Departmental Statement of Financial Performance for application of agency revenue.
- Non-appropriated departmental and administered revenues are detailed in Appendix 1.
- 91.5% in column C indicates the percentage contribution of revenue from government (departmental appropriations) to the total price of outputs, by outcome.

Section 2: Outcomes and output information

OUTCOMES AND OUTPUT GROUPS

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

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

Financial and non-financial information is provided as follows:

Map 2.1 - details outcome and output resourcing and illustrates the relationship between the outcome and contributing outputs.

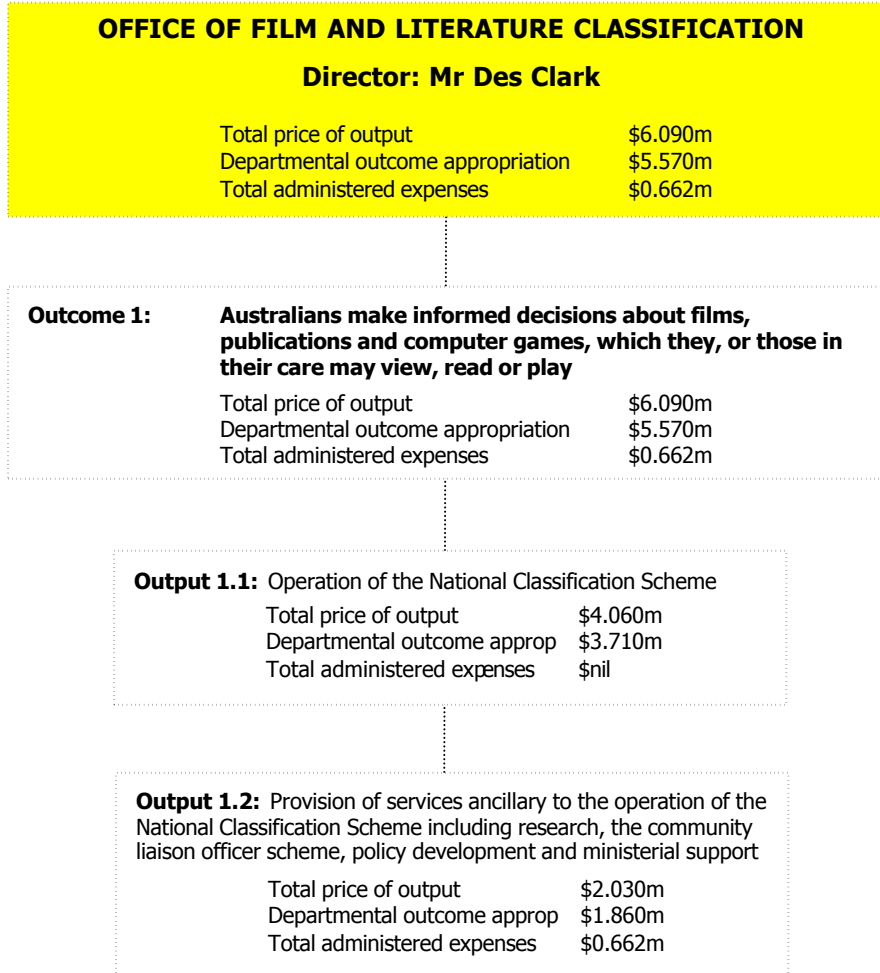
Table 2.1.1 - details financial information for outcome 1.

Table 2.2.1 - details non-financial information for outcome 1.

CHANGES TO OUTCOMES AND OUTPUTS

There have been no changes to the outcome and output structure for the OFLC.

Map 2.1: Outcome and output groups



OUTCOME 1 - AUSTRALIANS MAKE INFORMED DECISIONS ABOUT FILMS, PUBLICATIONS AND COMPUTER GAMES, WHICH THEY, OR THOSE IN THEIR CARE MAY VIEW, READ OR PLAY

The Government is committed to the principle that adults should be able to read, hear and see what they want, whilst minors should be protected from material likely to harm or disturb them, and everyone should be protected from exposure to unsolicited material that they find offensive. The OFLC seeks to assist adults 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. In addition, the delivery of this outcome 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.

OUTCOME 1 – RESOURCING

Table 2.1.1 shows how the 2002–03 appropriations translate to total resourcing for the OFLC for outcome 1: including administered expenses, revenue from government (appropriations), revenue from other sources and the total price of the output.

Table 2.1.1: Total resources for outcome 1 (\$'000)

	Estimated Actual 2001–02 (\$'000)	Budget Estimate 2002–03 (\$'000)
ADMINISTERED APPROPRIATIONS		
Payments to States and Territories	651	662
Total administered expenses	651	662
DEPARTMENTAL APPROPRIATIONS		
Output 1.1 - Operation of the National Classification Scheme	3,668	3,710
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	1,833	1,860
Total revenue from government (appropriations) contributing to price of departmental outputs	5,501 90.6%	5,570 91.5%
REVENUE FROM OTHER SOURCES		
Sales of goods and services	550	500
Interest	20	20
Total revenue from other sources	570	520
Total price of departmental outputs (Total revenue from government and other sources)	6,071	6,090
Total estimated resourcing for outcome 1 (Total price of outputs and administered expenses)	6,722	6,752
AVERAGE STAFFING LEVEL	50	50

OUTCOME 1 – PERFORMANCE INFORMATION

Table 2.2.1 provides information on the strategies chosen to deliver the outcome, and shows the link between the output and the outcome.

Table 2.2.1: Performance information for outcome 1

Effectiveness – overall achievement of the outcome	
Effectiveness indicator	Measure
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	
Output description	Performance measure
Output 1.1: Operation of the National Classification Scheme	Price: \$4.060m Quality: OFLC maintains capacity to meet all demand for decisions Classification decisions are made within 20 business days of receiving a valid application Quantity: Classification Decisions made Advices to Customs Film festivals Fee Waiver decisions Classification education activities conducted (including Classification Board, Classification Review Board, and Authorised Assessors)
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	Price: \$2.030m Quality: Correspondence, briefs, submissions and papers completed within required deadlines Quantity: Number of briefs, submissions and papers prepared Community Liaison Officer Scheme (CLO) – number of classification compliance advices Number of site visits Classification education activities conducted (including Customs)

EVALUATIONS

Information on planned evaluation activity that relates to this outcome is included in Table 2.2.1 and the results will be shown in the OFLC's Annual Report.

Section 3: Budgeted Financial Statements

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

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
Revenues from ordinary activities					
Revenues from government	5,501	5,570	5,619	5,685	5,834
Sales of goods and services	550	500	500	500	500
Interest	20	20	20	20	20
Total revenues from ordinary activities	6,071	6,090	6,139	6,205	6,354
Expenses from ordinary activities (excluding borrowing costs expense)					
Employees	3,520	3,540	3,550	3,586	3,633
Suppliers	1,755	1,778	1,807	1,827	1,919
Depreciation and amortisation	540	550	560	570	580
Total expenses from ordinary activities (excluding borrowing costs expense)	5,815	5,868	5,917	5,983	6,132
Borrowing costs expense	34	-	-	-	-
Net surplus or (deficit) from ordinary activities	222	222	222	222	222
Gain or loss on extraordinary items	-	-	-	-	-
Net surplus or (deficit)	222	222	222	222	222
Capital use charge	222	222	222	222	222
Net surplus or (deficit) after capital use charge	-	-	-	-	-

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

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
ASSETS					
Financial assets					
Cash	509	789	929	19	379
Receivables	-	-	-	-	-
Total financial assets	509	789	929	19	379
Non-financial assets					
Land and buildings	1,380	1,210	1,040	870	700
Infrastructure, plant and equipment	1,152	1,042	1,072	2,152	1,962
Other	119	119	119	119	119
Total non-financial assets	2,651	2,371	2,231	3,141	2,781
Total assets	3,160	3,160	3,160	3,160	3,160
LIABILITIES					
Debt					
Other	-	-	-	-	-
Total debt	-	-	-	-	-
Provisions and payables					
Employees	795	795	795	795	795
Suppliers	170	170	170	170	170
Capital use	16	16	16	16	16
Other	162	162	162	162	162
Total provisions and payables	1,143	1,143	1,143	1,143	1,143
Total liabilities	1,143	1,143	1,143	1,143	1,143
EQUITY					
Capital	308	308	308	308	308
Reserves	330	330	330	330	330
Accumulated surpluses or (deficits)	1,379	1,379	1,379	1,379	1,379
Total equity	2,017	2,017	2,017	2,017	2,017
Liabilities and equity	3,160	3,160	3,160	3,160	3,160

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

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations for outputs	5,501	5,570	5,619	5,685	5,834
Sales of goods and services	550	500	500	500	500
Interest	20	20	20	20	20
Total cash received	6,071	6,090	6,139	6,205	6,354
Cash used					
Employees	3,520	3,540	3,550	3,586	3,633
Suppliers	1,755	1,778	1,807	1,827	1,919
Interest	34	-	-	-	-
Total cash used	5,309	5,318	5,357	5,413	5,552
Net cash from operating activities	762	772	782	792	802
INVESTING ACTIVITIES					
Cash used					
Purchase of property, plant and equipment	200	270	420	1,480	220
Total cash used	200	270	420	1,480	220
Net cash from investing activities	(200)	(270)	(420)	(1,480)	(220)
FINANCING ACTIVITIES					
Cash used					
Repayments of debt	561	-	-	-	-
Capital use and dividends paid	222	222	222	222	222
Total cash used	783	222	222	222	222
Net cash from financing activities	(783)	(222)	(222)	(222)	(222)
Net increase/(decrease) in cash held	(221)	280	140	(910)	360
Cash at beginning of reporting period	730	509	789	929	19
Cash at end of reporting period	509	789	929	19	379

Table 3.5: Departmental Non-financial Assets — Summary of Movement (Budget Year 2002–03)

	Land	Buildings	Total land and buildings	Other infrastructure plant and equipment	Total infrastructure plant and equipment	Intangibles	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the start of the year	-	1,380	1,380	1,152	1,152	-	2,532
Additions	-	20	20	250	250	-	270
Disposals	-	-	-	-	-	-	-
Revaluation increments	-	-	-	-	-	-	-
Recoverable amount write-downs	-	-	-	-	-	-	-
Net transfers free of charge	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(190)	(190)	(360)	(360)	-	(550)
Write-off of assets	-	-	-	-	-	-	-
Carrying amount at the end of the year	-	1,210	1,210	1,042	1,042	-	2,252
Total Additions							
Self funded	-	20	20	250	250	-	270
Appropriations	-	-	-	-	-	-	-
Total	-	20	20	250	250	-	270

Table 3.7: Note of Budgeted Revenues and Expenses Administered on Behalf of the Government for the period ended 30 June

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
REVENUES					
Non-taxation					
Revenues from government	651	662	681	702	719
Other sources of non-taxation revenues	2,700	2,700	2,700	2,700	2,700
Total non-taxation	3,351	3,362	3,381	3,402	3,419
Total revenues administered on behalf of the Government	3,351	3,362	3,381	3,402	3,419
EXPENSES					
Grants	651	662	681	702	719
Total expenses administered on behalf of the Government	651	662	681	702	719
Extraordinary items	-	-	-	-	-

**Table 3.9: Note of Budgeted Administered Cash Flows
for the period ended 30 June**

	Estimated Actual 2001–02 \$'000	Budget Estimate 2002–03 \$'000	Forward Estimate 2003–04 \$'000	Forward Estimate 2004–05 \$'000	Forward Estimate 2005–06 \$'000
OPERATING ACTIVITIES					
Cash received					
Appropriations	651	662	681	702	719
Other	2,700	2,700	2,700	2,700	2,700
Total cash received	3,351	3,362	3,381	3,402	3,419
Cash used					
Grants	651	662	681	702	719
Cash to Official Public Account	2,700	2,700	2,700	2,700	2,700
Total cash used	3,351	3,362	3,381	3,402	3,419
Net cash from operating activities	-	-	-	-	-
Net increase in cash held	-	-	-	-	-
Cash at the beginning of the reporting period	-	-	-	-	-
Cash at the end of the reporting period	-	-	-	-	-

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.

Capital Use Charge

Capital use charge is calculated at 11% of the net assets at the end of the financial year. Funding of the capital use charge is included in Departmental price of outputs appropriations and is accounted for as a 'below Operating Result line' dividend payment.

Borrowing Costs Expense

Borrowing costs expense relates to forward borrowing facility financed by the Department of Finance and Administration.

Property, Plant and Equipment

From 1 July 2002, 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 increment resulting from revaluation of plant and equipment during 1998–99.

Other non-taxation administered revenues

Other non-taxation administered revenues represent classification fees received. These fees are collected by OFLC and passed onto the Commonwealth's Official Public Account.

APPENDIX 1**Receipts from Independent Sources**

	Estimated Revenue 2001-02 \$'000	Estimated Revenue 2002-03 \$'000
DEPARTMENTAL REVENUE		
Contribution from States and Territories for CLO scheme	150	150
Sale of goods and services	400	350
Interest	20	20
Total Estimated Departmental Revenue	570	520
ADMINISTERED REVENUE		
Other non-taxation	2,700	2,700
Total Estimated Administered Revenue	2,700	2,700