

**Te Mana
Whakaatu**
CLASSIFICATION OFFICE

Kōrerotahi.
Mātakitahi.



Annual Report

2022/23

The Hon. Minister of Internal Affairs

Minister

Pursuant to Section 150 of the Crown Entities Act 2004, I present the
Annual Report of the Classification Office for the year ended 30 June 2023.

Yours sincerely,



Caroline Flora – Chief Censor



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Chief Censor's Foreword

CHIEF CENSOR CAROLINE FLORA, TE MANA WHAKAATU - CLASSIFICATION OFFICE

Doing our core business well | Upholding our obligations to Te Tiriti o Waitangi | Preparing for the future.

Challenges continue apace but throughout the past 12 months Te Mana Whakaatu – Classification Office has proven to be responsive, nimble, and resilient in the evolving content environment. We do our best to take modern, reasoned approaches to modern, complex demands. We listen to the communities about what they need, how they're navigating the tough stuff, and how we can help. Content consumption is such a huge part of our everyday lives and the role of a regulator to help keep us safe is more relevant than ever. We've been working alongside others here in Aotearoa and overseas to imagine a positive future for viewers.

This was my first full year in the role of Kairāhui Whakaaturanga Poumatua, Chief Censor for Te Mana Whakaatu.

I'm proud of the mahi of the Office, how critical our role is, and how we're responding to what New Zealanders are telling us they need. This past year has shown me that Te Mana Whakaatu is well equipped to continue delivering information and ratings for New Zealanders that are relevant and that help them to make informed choices about what they, and their rangatahi and tamariki, watch.

Our snapshot research in March allowed us to take a heartbeat survey of New Zealanders' experiences and attitudes towards age ratings and content warnings this year. Most caregivers think age ratings (74%) and content warnings (79%) are important when making choices about what tamariki and rangatahi watch. Sixty five percent agreed that it's hard to protect children from inappropriate or harmful online content. And we noted significant support for additional content warnings around subjects like sexual harassment and racist behaviour. We're pleased to see that over 60% of respondents think we're getting age ratings about right.

We're finding additional ways to provide audiences with detailed and accessible warning information. We now publish classification, rating and CVOD self-rating breakdowns for popular or notable titles, readily found through the Find a Rating search function on our website. These 'Quick Takes' explain the content, without spoilers, making it easier for audiences to be informed before making their viewing choices. We regularly translate these into additional languages to better reach our communities.

Through our own research and our work with streaming providers, we identified the need for greater audience awareness of parental controls and how to use those tools on service. Parental controls mean adults can set the age rating and viewing options, and therefore caregivers can be empowered to make the right viewing choices for their tamariki. We developed a 'one stop shop' resource on our website of the available parental controls by provider. We also provided the tools available for gaming platforms, and mobile devices. We launched the information in December via our social channels so that audiences could access the resources in one place.

Our Youth Advisory Panel (YAP) help us keep rangatahi voices in the conversation about classification and the real-world harms from media consumption. They continue to inspire and impress us with their contributions not just towards our classification mahi but also in wider government engagement. Members of the panel led a discussion about Youth and Violent Extremism Online together with myself and the Chief Human Rights Commissioner at the He Whenua Taurikura Hui in late October. Throughout the hui attendees heard that more youth voices were needed in the discussion. It was just one example of our YAP playing a crucial role in planning for, and adapting to, the online space that we're all participating in.

Traditional, physical distribution of movies in-cinema and entertainment via DVD has dramatically changed. There has been a steady decline in the number of commercial publications that are submitted to the Office over recent years. But now, supporting Commercial Video on-Demand (CVOD) providers to self-rate their content is business as usual for the Office. The number of publications assessed as part of the self-rating approval process and ongoing annual review process has been steady for our Classification Unit. We have adapted to our changing environment and continue to be a responsive and efficient service to the public, film industry and enforcement agencies.

The largest proportion of material submitted by enforcement agencies for classification continues to be child sexual abuse material (CSAM). Violent extremism is still a large feature of our work four years after the livestreamed March 15 terrorist attacks. Our Countering Violent Extremism (CVE) team continues to research, educate, and engage with New Zealand and overseas government agencies, experts, civil society and the digital sector, especially through the Christchurch Call. Our work is important both here and overseas, and we work with others to keep the online and offline worlds as safe as possible.

**I orea te tuatara ka patu ki waho -
A problem is solved by continuing to
find solutions**

In September I was able to accompany the Ministerial study tour to Europe and the United Kingdom to learn about modern approaches to regulation of content and media platforms. In Dublin, London, Paris, and Helsinki we met with Ministers, senior government officials, regulators and civil society groups all working towards the same goal of keeping their citizens, especially children, safe from online harms. They're doing this through a variety of tools, regulatory responses and educational initiatives. The big issues in this space range from disinformation, bullying and misogynistic abuse through to terrorist content and child exploitation material.

The trip was encouraging, inspiring, and eye-opening and we continue to lend our regulatory expertise into the modernisation of New Zealand's approach, through the Safer Online Services and Media Platforms programme led by DIA. As the financial year came to a close, we were proud to be accepted into the Global Online Safety Regulators Network as an observer. The Network's mission is to support collaboration between online safety regulators, making the approach to online safety between countries as consistent and coherent as possible.

Reducing harm for New Zealanders in a constantly changing content landscape can only be done well with whole of government and stakeholder collaboration, a resilient workforce, and nimble expertise that can adapt to the way we all consume our entertainment. I'm proud of our mahi, of our flexibility, and of our contribution locally and internationally. Me mahi tahi tātou mō te oranga o te katoa – working together for the wellbeing of all.

**Aroha atu, aroha mai, tātou i a tātou
Let's look out for each other**



Caroline Flora
Chief Censor

Our Purpose

We provide information and ratings to empower New Zealanders to make informed choices about what they, and their rangatahi and tamariki, watch.

Empowering and protecting New Zealanders in the digital age

Te Mana Whakaatu – Classification Office is an independent content regulator focused on keeping New Zealanders safe in an ever-changing world.

We classify content, including films and TV shows, and material for Crown agencies. We also assess ratings supplied by streaming platforms.

Classifying physical content, like films being released in cinemas and on DVD, is no longer the lion's share of our mahi. Growth in online content consumption means we now work closely with streaming providers, assessing and approving their ability to self-rate their films and series for New Zealand audiences. We also continue to classify material for Crown agencies, so that the most dangerous content is less likely to be seen by vulnerable audiences.

We produce research and practical resources to help New Zealanders think critically about the content they watch, play and share, and make good choices based on that. Our youngest people need support to navigate and thrive in this fast-changing digital environment. We empower whānau and educators to talk with tamariki and rangatahi about challenging content – having the conversations to nurture their critical thinking skills.

The Office's nearly 30 years of experience in classifying and researching content for New Zealand audiences means we see the trends, we know the gaps, and we understand the potential harms from content that is being consumed in many ways. Through our mahi, partnerships and global connections, we are thinking about how digital content is regulated, how it could be better, and how we can better collaborate with government agencies, NGOs and experts.

A review of content regulation is now underway in New Zealand with the launch of the Safer Online Services and Media Platforms discussion document. We see the mahi of the Office continuing to be a core aspect of future regulation that spans the online and physical content we see in New Zealand.

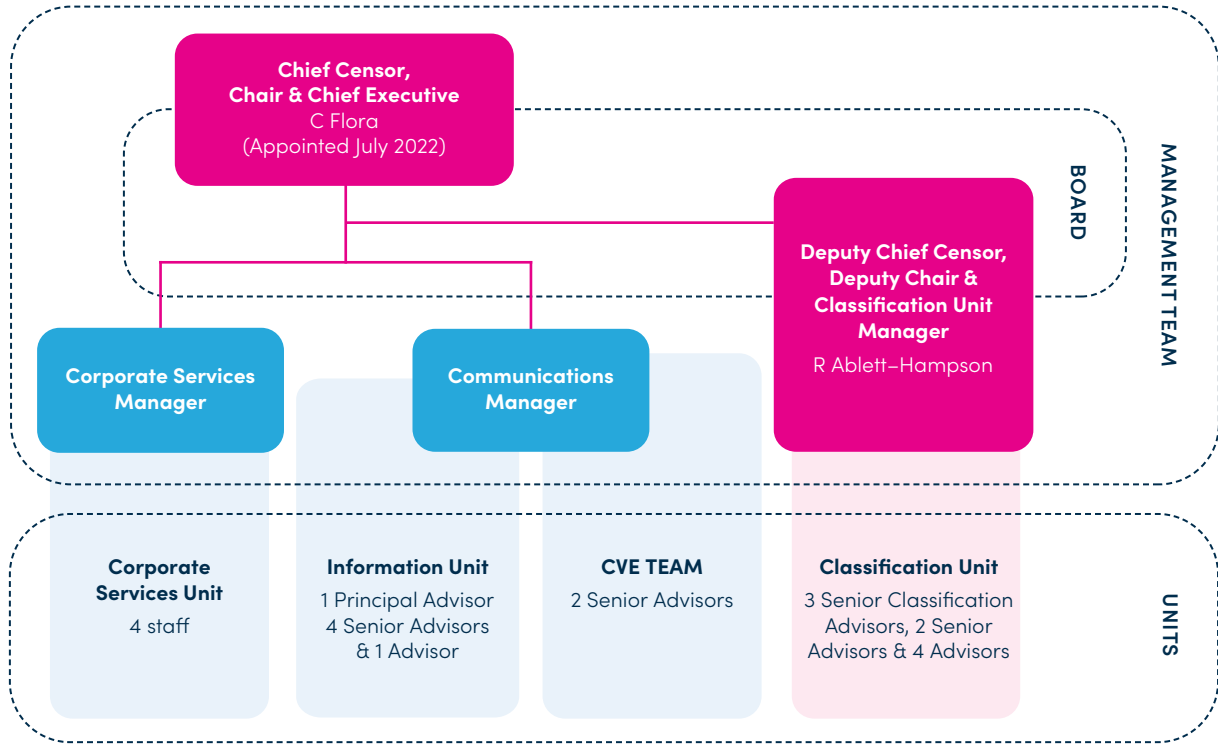
Structure and role of the Office

The Chief Censor leads the Office and has special functions under the Classification Act, including the power to 'call in' a publication for classification and to grant exemptions from a restriction. Our Chief Censor Caroline Flora was appointed in July 2022. Our Deputy Chief Censor Rupert Ablett-Hampson was appointed in October 2021. Refer to Figure 1 for our organisational chart.

Our primary activities

1. Classifying publications
2. Producing and distributing information about the Films, Videos, and Publications Classification Act 1993 (the Classification Act) and the Office
3. Providing an inquiries and complaints service
4. Carrying out research which enables the Office to perform its functions effectively
5. Supporting and facilitating the development of self-rating systems used by streaming providers
6. Support New Zealand's response to online violent extremist content

Figure 1: Classification Office Organisational Chart





Our Key Impacts 2022/23

Our Key Impacts in 2022/23

Our research

The two key measures we use to understand the impact of our work are the degree of confidence the public has about the classification system and public understanding of how the classification system works in New Zealand. Our research surveys help us report on these measures and ensure we have updated information about the public’s support for, and understanding of, the classification system.

A broad nationwide survey is undertaken every three years to support reporting against our Performance Expectations. This was last conducted in 2022. From 2023, we undertook our first annual Snapshot survey. Due to a rapidly changing environment, and to better inform us as we head into a content review process, we conducted this short survey as part of an omnibus survey of New Zealanders.

2023 Snapshot results

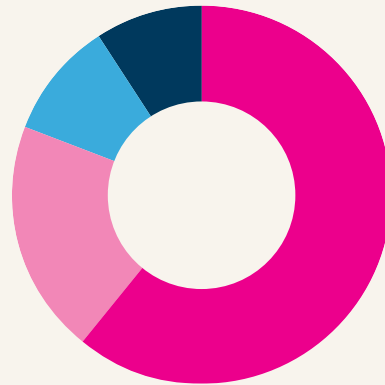
In March we asked a short series of questions during an omnibus survey conducted by AK Research, to check New Zealanders’ experiences and attitudes towards age ratings and content warnings used for movies, TV shows and video games. This snapshot survey will now be undertaken annually to help us keep track of New Zealanders’ opinions in the years between the more comprehensive three-yearly nationwide survey. Results between these different types of surveys are not directly comparable with those in our previous *What We’re Watching* reports due to different samples and methodology. We intend for future snapshots to be comparable year-on-year and to provide timely updates of New Zealanders’ views on the classification system.

Knowledge of age ratings

75% of participants correctly identified that the ‘M’ symbol means that a movie is more suitable for mature audiences. 63% correctly identified that ‘Restricted’ rating symbols mean that a movie is not suitable for younger audiences, and people under the specified age (eg 16 or 18) should not watch it.

58% correctly identified that the ‘PG’ symbol means a movie is generally suitable for children, but younger children may need parental guidance.

Importance of age rating info



■ 61%

believe that age ratings are about right

■ 20%

believe age ratings are too lenient

■ 10%

believe age ratings are too strict

■ 9%

were unsure

Of those who helped choose content for a child or young person, most think age ratings (74%) and content warnings (79%) are important when making choices about what tamariki and rangatahi watch, giving a score of seven or above on a scale of 10.

Support for additional content warnings

68% said it would be helpful to include warnings for sexual harassment or unwanted sexual behaviour (74% among those who helped choose content for a child or young person).

59% said it would be helpful to include warnings for racist behaviour or stereotypes (64% among those who helped choose content for a child or young person).

For video games specifically, 58% said it would be helpful to be warned about in-game purchases (67% among those who helped choose content for a child or young person). 57% said it would be helpful to be warned about simulated gambling (62% among those who helped choose content for a child or young person).

Online safety and harmful content

65% agreed that it's hard to protect children from inappropriate or harmful online content.

56% said they felt they knew enough to help whānau stay safe.

41% find it hard to avoid seeing harmful or offensive content online.

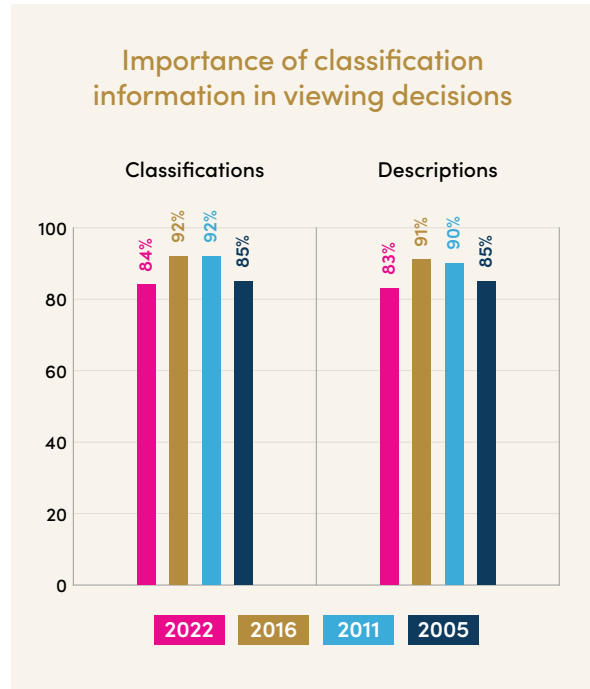
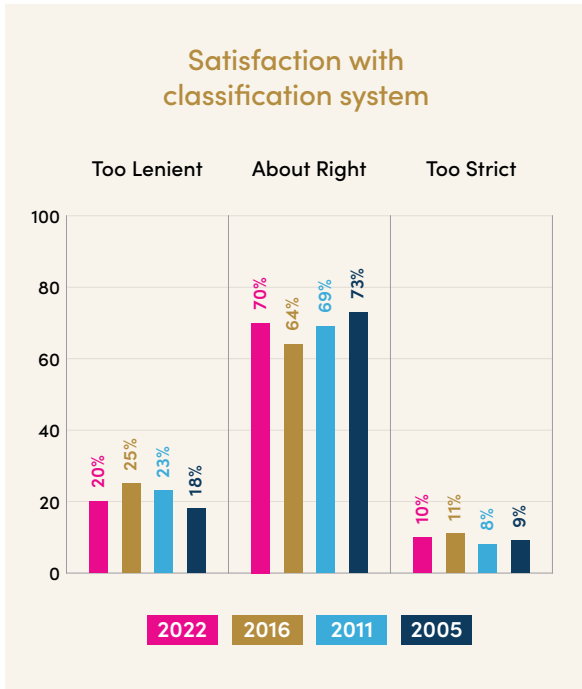
34% agreed that websites and social media sites provide the tools and features needed to stay safe online.

52% do not trust social media sites to remove dangerous, violent or harmful material.



2022 nationwide survey results

Impact A: The public has greater confidence in the classification system



Indicator:

60%, or more, of those surveyed indicate that they are satisfied with the classification system, because of the view that it is neither too lenient nor too strict.

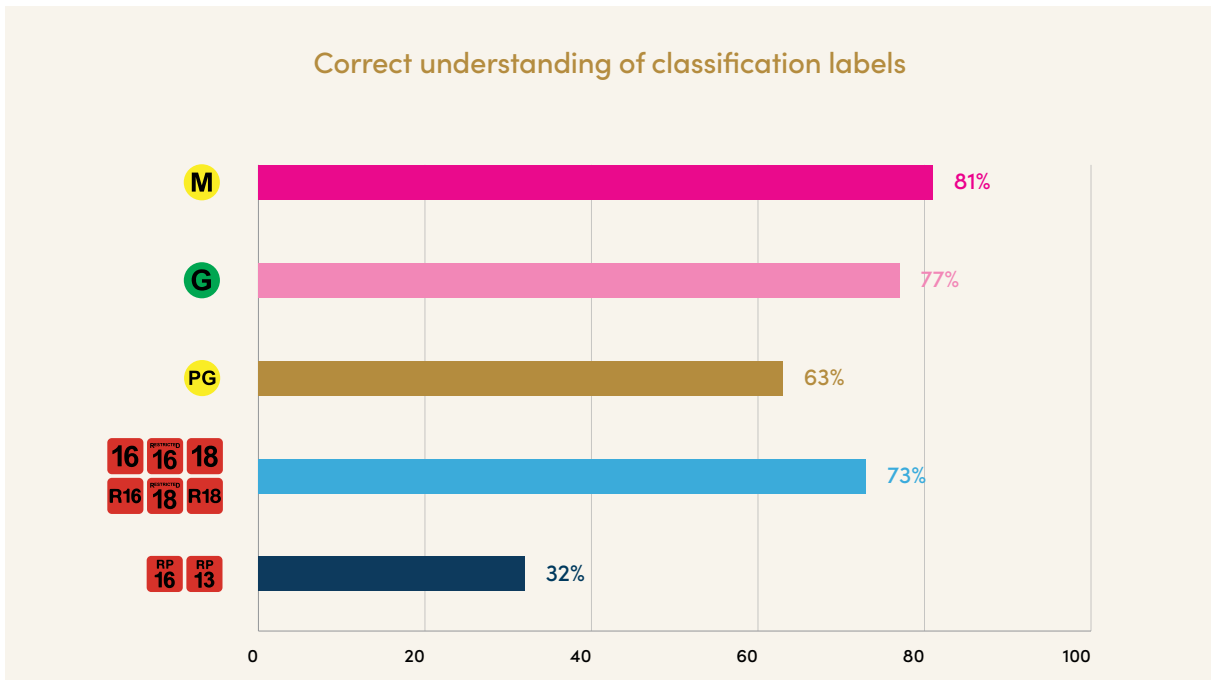
Most New Zealanders think that the various age ratings for movies, shows and games generally strike the right balance to provide helpful guidance for families. Asked if age ratings were too strict, too lenient or about right, 70% thought they were 'about right'.

Indicator:

An increasing proportion of those surveyed indicate that they use classification information when making viewing choices for children.

Most thought age ratings (84%) and content warnings (83%) were important when making choices about what children and young people watch, giving a score of seven or above on a scale of 10.

Impact B: The public is better educated and informed about the classification system



Indicator:

We tracked the level of recognition and understanding of classification labels.

Overall, 78% selected the correct meaning for at least three out of five ratings symbols. Most participants selected the correct description for the M, G, and age restricted ratings (eg R16, 16, or Restricted 16), and a majority chose the correct meaning of the PG rating. Only a third knew the correct meaning of the RP ratings. These ratings mean that younger people can only watch this content with a parent or guardian.



Classification Work

We exist to protect New Zealanders from harmful, illegal publications and to help New Zealanders enjoy the benefits of content in a safe and positive way.

The classification work of the Office is broadly in two areas, the classification of publications that Crown agencies or Courts want classified for the purpose of criminal investigations or court proceedings and the classification of commercial content for entertainment purposes.

The number of publications submitted by Crown agencies and the Court was lower in 2022/23 than in previous years. We received 296 publications this year, compared with 372 in 2021/22 and 435 in 2020/21. The number classified this year was 231, compared with 361 and 500 in previous years, respectively. The majority of Crown publications, as with previous years, is child sexual exploitation material submitted by the Police.

Crown submissions vary year-on-year, but a significant factor this year was the pre-submission consultation service offered to enforcement agencies. This service gives enforcement agencies carefully considered advice on the likely considerations relevant to the classification of a publication without the need for a formal submission. We received 18 pre-submission consultation requests that covered 204 individual publications. Of these 204 publications, only 8 were subsequently submitted for a formal classification.

We also continued our educational work with various enforcement and security agencies in Aotearoa New Zealand. This has been an ongoing commitment over the past three years and is expected to have an impact on Crown submissions as these agencies become more knowledgeable about the classification of the publications they submit. There is no obligation for a publication to be officially classified by the Office before an owner can be charged under the Act.

One publication was issued with an interim classification by the Acting Chief Censor under Section 22A of the Act this year. The publication was the second part of an amateur documentary series that questions the authenticity of the March 15 terrorist attacks. The video was given an interim objectionable classification within hours of its availability in July 2022, and then formally classified as objectionable within 20 working days as required by law. The first part of the series was classified as objectionable in March 2022.

The Pre-submission Consultation process is newly introduced, and volume information has been manually collated and is unaudited.

The Office received a total of 646 commercial publications under Section 12(1) of the Classification Act this year, compared with 699 in 2021/22 and 791 in 2020/21. We classified a total of 635 publications, compared with 695 and 790 in previous years, respectively.

There has been a progressive decrease in the number of commercial publications submitted since 2015/16. This is due to the decline of physical content (DVD and Blu-ray) sales as content becomes directly available on streaming platforms.

New Zealanders, as with most consumers around the world, are choosing to stream their entertainment rather than buy physical content. The number of DVDs and Blu-rays submitted to the Office fell from 146 in 2021/22 to 115 this year. This decline is expected to continue.

A total of 376 films and film trailers were classified this year. This figure has remained steady over the last two years with 374 classified in 2021/22 and 350 classified in 2020/21. The international film industry continues to recover following the impacts of the COVID-19 pandemic. We expect these numbers to remain steady over the next few years, although this may depend on how quickly the strikes by US screenwriters' and actors' guilds which took effect in May and July 2023 are resolved.

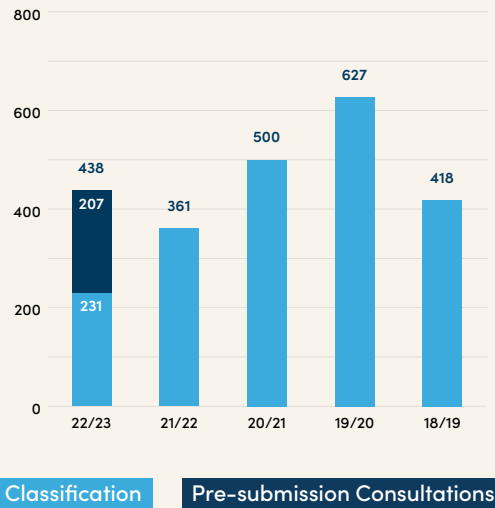
The number of games classified has also remained steady with 45 this year, compared with 40 and 49 in 2021/22 and 2020/21, respectively. Five historical games were also reconsidered in 2022/23 under Section 42 of the Act following submissions by members of the public who wanted objectionable classifications reviewed or age restrictions lowered. The classification of one game was changed from objectionable to R18 (*Manhunt*), and two games had their classifications lowered from R18 to R16 (*GTA2*, *Grand Theft Auto: London*). The other two games remained objectionable.

Major commercial video on-demand (CVOD) providers are now required by law under the Films, Videos, and Publications Classification (Commercial Video on-Demand) Amendment Act 2020 to display New Zealand ratings and classifications. Six of these providers are now approved to self-rate their content (Apple TV, Disney+, Sky/Neon, Netflix and Prime Video), with Sony's animation streaming subsidiary Crunchyroll the most recent approval in 2023.

As part of its legislative obligations, the Office is tasked with monitoring each platform's self-rating system. The Chief Censor is also required to assess the systems annually to ensure ongoing compliance with the classification guidance issued by the Office. These obligations have created an additional workstream for the Classification Unit that has effectively replaced the decline in commercial submissions. We assessed a total of 590 pieces of content available on CVOD platforms this year which represents our first full year of work in the CVOD sector.

In total the Office classified or assessed 1,225 commercial films, series or games.

Crown classification over the past 5 years



Crown material: The gang flag case study

Anything that has words or pictures on it is a publication and can be classified by the Office. In the last year, we received an interesting submission from Police for a flag to be classified. The flag was large and black with the name of a New Zealand gang and a black and white clenched fist at the centre. The flag also had a racial slur written in it, this was the nickname of the leader of a specific chapter of the organisation. Under current New Zealand law, it is not an offence to display any of the words or symbols that were on the flag.

The Office only have the authority to ban publications that deal with “matters such as sex, horror, crime, cruelty, or violence”. The flag may well have been confronting and intimidating to people through its association with the gang, however there was nothing about the flag that was inherently threatening or promotional of criminal or violent activity, that could have made it objectionable under the Classification Act.

In addition to the power to ban publications, the Office can impose age restrictions for specific content that can cause serious harm or that is injurious to the public good, but the Office found that those did not apply to the flag.

Many people may find the flag offensive because of the racial slur; however the Act doesn't allow the Office to ban or age-restrict a publication due to the likelihood of it causing offence. The Office classified the flag as “unrestricted”.

Board of Review

Anyone who is unhappy with a decision made by the Office can apply to have this decision reviewed by the Film and Literature Board of Review (FLBOR). During 2022/23, the FLBOR issued seven decisions about 12 publications which had been classified by the Office. The Board considered that these publications depicted the sexualised or exploitative nudity of young people, and in two cases were images of sexual abuse.

Commercial and video on-demand highlights

We know from our research that people want to be warned about difficult or harmful content, that content warnings are useful, and that people do seek out this information.

In the past year we created new warning notes for mass shootings, and for smoking, for commercial titles we classified with these particularly strong elements. We also used the RP age rating to help parents and guardians make an informed choice about bringing their children to see *Women Talking*.

We listened to community feedback and overseas reviews which informed the Chief Censor's decision to call in several new releases. This year also saw an increase in game reconsideration requests for games that had previously been deemed objectionable for New Zealand audiences.

Biggest games of 2022/23

2022 saw the release of annual titles like *Call of Duty: Modern Warfare II* and a spin-off live service version *Call of Duty: Warzone 2.0*. Both were classified R16. 2023 remakes of iconic titles like *Dead Space* and *Resident Evil 4* brought greatly enhanced visuals, but met today's audience expectations with lower classifications than the original releases. Marquee title *Final Fantasy XVI* was submitted for classification on the basis of overseas restrictions, but we found it to be suitable as an unrestricted M – recommended for ages 16 and older. Greatly anticipated role-playing game *Starfield*, from the creators of *Skyrim* and *Fallout 3*, was classified R16 and released in early September 2023.

Similarly popular *Diablo IV* was classified at a higher restriction than previous titles due to a darker horror tone and stronger cruelty (classified R16).

In late 2022 we had an increase in game reconsiderations around commercial titles which had been made objectionable in the 2000s.

Calling in *Nope*: Thought-provoking horror

In July Chief Censor Caroline Flora identified her first 'call in' with the new release film *Nope*. *Nope* had landed in cinemas with a rating of M, cross-rated from the Australian M rating.

Based on director Jordan Peele's previous work, and overseas reviews about the film, the Chief decided to use her 'call in' power to see if the M rating was suitable for New Zealand audiences.

Peele's previous work *Get Out* (2017) and *Us* (2019) were both horror films with thought-provoking storylines and lasting imagery. The Chief Censor and Classification Advisors found that his latest release featured violence, horror scenes and offensive language and should be restricted to audiences aged 13 and above.

Two Youth Advisory Panel members supported us in classifying the film and *Nope* was reclassified to R13: Violence, horror scenes and offensive language. We wrote a featured decision of the classification for our website to break down what the R13 and warning notes meant, as well as a blog on the topic of horror.



Calling in *Butter*: Suicide themes and bullying

The Mental Health Foundation reached out to us expressing concern about the release of the film *Butter* in New Zealand. The film was cross-rated from Australia by the Film & Video Labelling Body with an M rating and a content warning for suicide themes and a sexual reference. The Mental Health Foundation was concerned about the appropriateness of an unrestricted rating given the subject matter and likely audience. Considering these concerns, the Acting Chief Censor decided to call the film in for examination and classification.

Two Youth Advisory Panel (YAP) members were invited to co-view the film and took part in a discussion with staff. The two YAP members did not think that the bullying depicted was particularly strong but commented that the main character being forced to eat a stick of butter was difficult to watch. They felt that younger viewers who had experienced bullying and name-calling in person

or online could be triggered by some of the depictions in the film. The film was classified R16 with warnings for suicide themes and bullying.

In addition to *Nope* and *Butter*, other films that were called in during the year were *The Woman King*, and *The Little Things*.



Classifying *Women Talking*: An RP13 classification for a heavy topic, worthy of discussion and a wide audience

Women Talking is an emotionally gripping and dialogue-heavy film about oppression, faith and justice. It has a strong female-dominated cast and the subject matter is dark and challenging, but worthy of discussion and a wide audience.

In February we issued an RP13 classification for this film. We didn't want a restriction to limit access to the film when it could generate useful, if difficult, conversations with young people.

The nature of the women's discussions, combined with the flashbacks to the aftermath of assaults, would not be appealing or appropriate for very young children. The themes and subject matter are dark and challenging, but the flashbacks to the aftermath of sexual assault and violence are brief and subtly presented. These would likely be shocking and distressing to those younger children but the use of discreet images and coded dialogue to convey sexual violence significantly reduces the likelihood of harm to younger teenagers.

[🔗 What is an RP classification and why is *Women Talking* RP13?](#)

It is illegal in New Zealand to take children to restricted films. That means any film with an "R" classification is too harmful for tamariki and rangatahi under the specified age to watch. Even babies aren't allowed into restricted films. That's the law, but there's an exception to restrictions: the flexibility of an "RP" classification.

Films classified "RP" mean younger people can watch them, but only with the support of a parent or guardian. That means a young person under the age on the label must be accompanied by a guardian to see the film. This opens up audiences such as school classrooms with a focus on English and media studies, or whānau with film-savvy rangatahi who would benefit from seeing the film. If you're watching the DVD or streaming the film at home, this means a parent/guardian must watch the film with anyone under the age on the label.



Assessing commercial video on-demand providers to self-rate

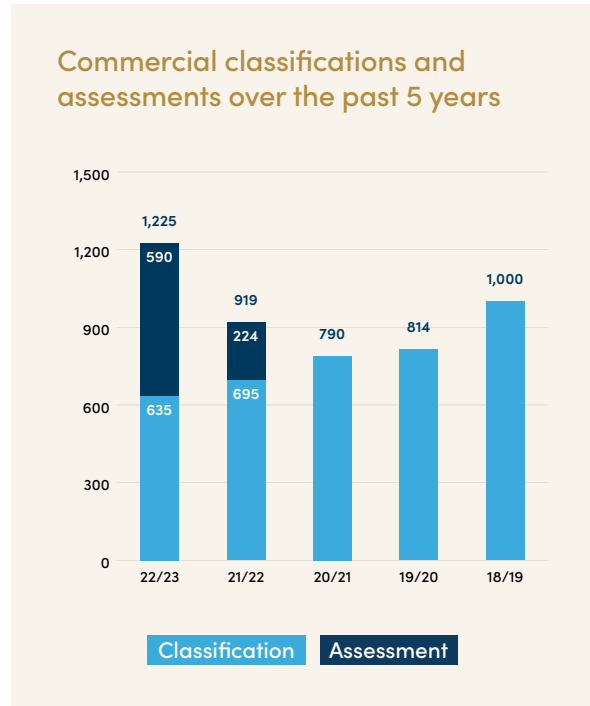
It is two years on from the amendment to the Classification Act that brought major streaming providers (commercial video on-demand providers) under New Zealand classification laws. Audiences in Aotearoa are now accustomed to seeing New Zealand ratings and classifications on streaming services before content starts to play. This helps viewers make informed choices about what to choose to watch.

All eight providers, as listed in the legislation, now display New Zealand ratings and classifications. Six of these providers opted to self-rate their content and have been approved by the Chief Censor to do this. We review their performance on an annual basis.

A comprehensive film database accessible for New Zealanders

We completed our film database upgrade work to help us provide a fully searchable film database of ratings and classifications in New Zealand.

Our [Find a Rating](#) function on the website now searches three different databases to generate ratings results from the Film & Video Labelling Body, commercial video on-demand self-rated records, and our own classifications created by the Office.



Countering violent extremism

Our specialist Countering Violent Extremism team was formed in April 2020 following the March 15, 2019 terrorist attacks.

The team focuses on research, education and outreach, supported by the regulatory powers of the Office to act quickly when extremist content is published. The combination of outreach and classification powers make this team unique internationally.

Proactively engaging with New Zealand and overseas agencies, academics, and experts at the forefront of countering violent extremism has been an important part of our work in the past year. The team has also hosted an international speaker series (more on [page 36](#)).

Bratislava: A coordinated response to a coordinated terrorist event

In October 2022, a shooter killed two people at a bar in Bratislava, Slovakia. We were notified by the Christchurch Call within hours of the attack that a manifesto had been produced in relation to it. We quickly coordinated with the Department of Internal Affairs' Digital Safety team, who had assessed the likelihood that the document had been shared online in New Zealand as being low at that point in time. We were able to assess the shooter's 'manifesto' and found it to be objectionable. We were able to turn around a decision very quickly and shared this decision with the Tech Against Terrorism initiative, who added this document to their Terrorist Content Analytics Platform (TCAP).

Based on our classification decisions, publications such as the Oslo manifesto, the Buffalo shooting livestream and written documents, and *The Three-Faced Terrorist* documentary have been added to TCAP. Through TCAP, Tech Against Terrorism works with social media platforms to prevent the spread of terrorist and extremist content online.

The Council for Media Services (CMS) in Slovakia, a media regulator, joined the Christchurch Call following the attack in Bratislava. In the aftermath of that attack, the CMS reached out to platforms seeking to have the manifesto removed only to find that, through the TCAP, the content had already been taken down.

He Whenua Taurikura counter-terrorism hui

The CVE team attended He Whenua Taurikura counter-terrorism hui in Auckland in October. This was the first major gathering of practitioners and experts in preventing and countering violent extremism in over a year, and was crucial for networking with other experts in the field. The team collaborated with the Human Rights Commission and our Youth Advisory Panel to deliver a panel presentation titled 'Countering violent extremism: Rights, responsibilities, and relationships'. The panel, framed as a conversation between members from the Youth Advisory Panel, the Chief Censor, and Chief Human Rights Commissioner, centred the voices of young people and their experiences of radicalisation online.

Table 1. Publications Classified by Channel and Medium 2022/23

	ADVERTISING FOR PUBLICATIONS	OTHER MATERIAL*	MAGAZINES / BOOKS	VIDEO FILES	IMAGE FILES	DIGITAL GAMES	DVDS	FILMS & FILM TRAILERS	TOTAL
Section 46E(3) - CVOD	0	0	0	0	0	0	0	0	0
Section 12(1) - Labelling Body	99	14	0	0	0	45	115	362	635
Section 12(3) - Labelling Body	0	0	0	0	0	0	0	0	0
Section 13(1)(a) - Comptroller of Customs	0	0	2	0	0	0	0	0	2
Section 13(1)(ab) - Commissioner of Police	0	1	0	49	111	0	0	0	161
Section 13(1)(b) - Secretary for Internal Affairs	0	0	0	1	6	0	0	0	7
Section 13(1)(c) - Chief Censor Grants Leave	0	1	0	0	0	0	0	1	2
Section 13(3) - Chief Censor's Own Motion	0	0	0	2	3	0	0	4	9
Section 29(1) - Courts	0	0	0	42	9	0	0	0	51
Section 41(3) - Reconsiderations (Courts)	0	0	0	1	0	0	0	0	1
Sections 42(1), (2) and (3) - Reconsiderations	0	0	4	0	0	5	3	0	12
Regulation 27 - Film Poster Approvals	0	0	0	0	0	0	0	0	0
Total	99	16	6	95	129	50	118	367	880

* Other material is primarily online content submitted by CVOD providers for classification, which has not been self-rated.

Table 2. Comparison of Publications Received 2014–2023

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Section 12(1) Labelling Body	646	699	791	748	1,065	1,114	1,195	2,315	1,852	1,741
Section 13(1)(a) Comptroller of Customs	2	4	0	33	10	8	6	13	5	8
Section 13(1)(ab) Commissioner of Police	268	230	346	502	458	536	401	131	127	155
Section 13(1)(b) Secretary for Internal Affairs	11	41	30	2	3	17	474	78	146	209
Section 13(1)(c) Chief Censor Grants Leave	2	0	22	46	49	51	101	4	7	9
Section 13(3) Chief Censor's Own Motion	10	7	4	3	9	29	24	9	1	0
Section 29(1) Courts	4	89	55	80	136	39	89	6	16	116
Sections 42(1), (2) and (3) Reconsiderations	8	7	3	3	1	3	3	1	2	20
Sections 41(3) Reconsiderations (Courts)	1	1	0	0	0	0	0	0	0	0
Regulation 27 Film Poster Approvals	0	0	0	0	1	0	0	0	0	1
Total	952	1,078	1,251	1,417	1,732	1,797	2,293	2,557	2,156	2,259

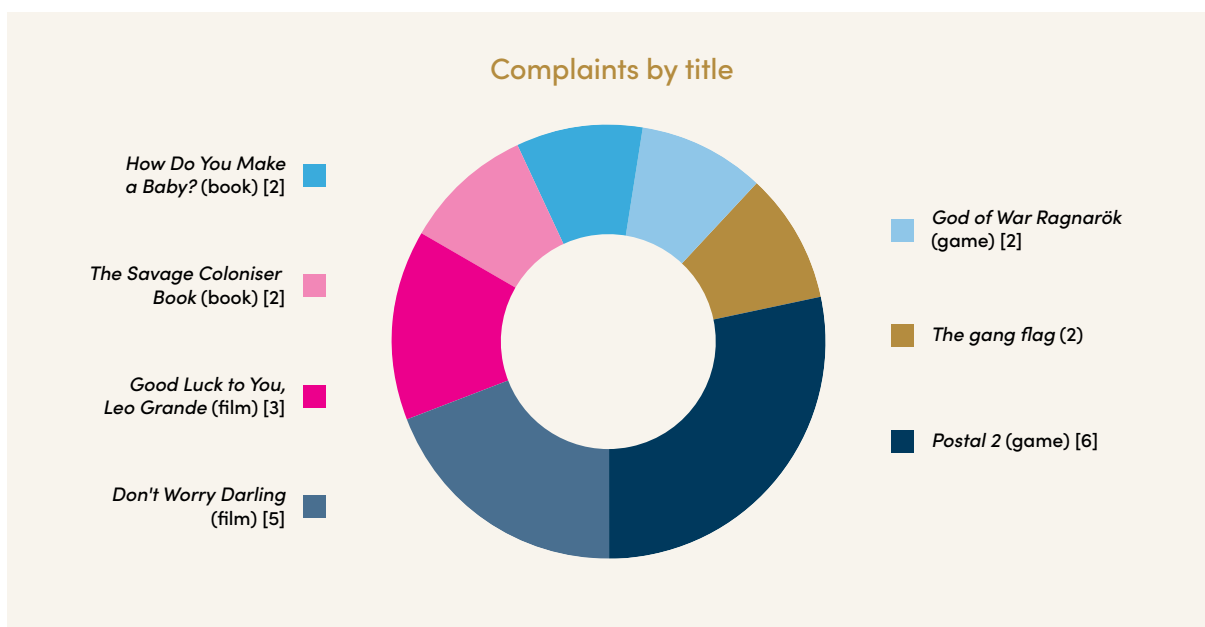
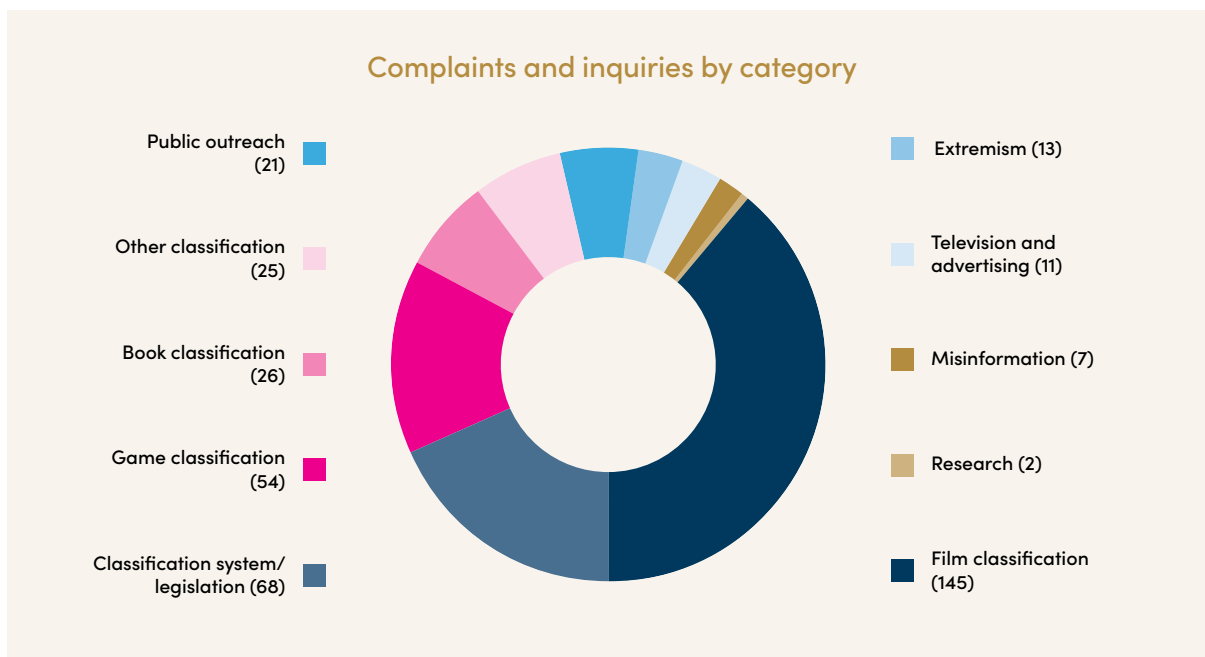
Table 3. Comparison of Publications Examined 2014–2023

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Section 12(1) Labelling Body	632	693	786	809	1,011	1,100	1,323	2,220	1,955	1,587
Section 13(1)(a) Comptroller of Customs	2	4	0	33	10	8	6	13	5	8
Section 13(1)(ab) Commissioner of Police	118	222	416	512	370	537	396	131	173	115
Section 13(1)(b) Secretary for Internal Affairs	6	43	28	2	3	18	486	65	183	194
Section 13(1)(c) Chief Censor Grants Leave	2	0	22	47	50	49	100	4	7	9
Section 13(3) Chief Censor's Own Motion	11	6	4	3	20	18	24	8	1	0
Section 29(1) Courts	51	69	26	86	111	39	95	0	16	115
Sections 42(1), (2) and (3) Reconsiderations	8	7	3	3	1	3	3	4	15	3
Section 41(3) Reconsiderations Courts	0	1	0	0	0	0	0	0	0	0
Regulation 27 Film Poster Approvals	0	0	0	0	1	0	0	0	0	1
Total	830	1,045	1,285	1,495	1,577	1,772	2,433	2,445	2,355	2,032

Table 4. Comparison of Publications Classified 2014–2023

	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15	2013/14
Section 12(1) Labelling Body	635	695	790	814	1,000	1,109	1,327	2,219	1,958	1,594
Section 13(1)(a) Comptroller of Customs	2	4	0	33	10	8	10	9	5	8
Section 13(1)(ab) Commissioner of Police	161	219	464	504	269	586	344	111	173	115
Section 13(1)(b) Secretary for Internal Affairs	7	48	23	1	4	17	509	39	183	194
Section 13(1)(c) Chief Censor Grants Leave	2	1	21	49	48	49	99	5	7	8
Section 13(3) Chief Censor's Own Motion	9	5	3	3	24	14	24	8	1	0
Section 29(1) Courts	51	85	10	86	111	39	95	0	16	134
Sections 42(1), (2) and (3) Reconsiderations	12	3	3	3	1	3	3	4	18	0
Sections 41(3) Reconsiderations (Courts)	1	0	0	0	0	0	0	0	0	0
Regulation 27 Film Poster Approvals	0	0	0	0	1	0	0	0	0	1
Total	880	1,060	1,314	1,493	1,468	1,825	2,411	2,395	2,361	2,054

Complaints and inquiries



NB: Some complaints and inquiries fall under more than one category. Totals here are therefore greater than the total number of complaints and inquiries received.

NB1: These figures only include titles which we received two or more complaints about.

NB2: These figures include multiple complaints from some complainants.

Cinemas playing M-rated trailers

We often hear from moviegoers who have sat down to see a G- or PG-rated film – often with young tamariki – only to be confronted with an M-rated trailer (usually for films rated M) showing before the main feature. The Office sees an increase in complaints about this during school holidays.

It's not against the law to screen an M trailer before a G or PG film, since all of these films are unrestricted. However, cinemas are encouraged to make sure that the trailers they screen are appropriate, bearing in mind the age rating of the main feature. We expect to see only trailers rated PG or G screening before PG films, and only trailers rated G screening before G films.

The Office supports the Film & Video Labelling Body's efforts to ensure that industry guidelines around trailers are followed. These guidelines ensure that families, and especially children, can enjoy the movie they've gone to see without the risk of seeing inappropriate content in the lead-up.

Digital games

Our classification system is complex and covers a huge range of entertainment content. Some of the questions we're most often asked are about how digital games fit in. Do digital games need to be rated or classified? If a digital game is classified, does it need to have a classification label, and what does that look like? What about games which are released both on disc and digitally, or on two different consoles?

Different rules apply for video games and digital games, and there are different processes for video games which are likely to be restricted in Aotearoa and those that aren't. Our office is happy to receive digital games for classification, even though these usually aren't legally required to have classification labels. Classifying digital games allows the same type of information to be made available to consumers as we'd expect to see on games that can be physically bought in a retail store.

New Zealanders are gaming more and more, and digital games form a large and increasing share of this huge global industry. We're hopeful that upcoming work on content regulation in Aotearoa will address the gaps that exist in our current classification system for games and other online content.

The reconsideration of *Manhunt*

The video game *Manhunt* made waves when released in 2003. We often hear from gamers who feel passionately about this title and would like to be able to play it legally in Aotearoa.

The Office reconsidered *Manhunt* in January and reclassified it R18 with a content warning for graphic violence. We considered evidence of the harms that games like *Manhunt* can have on tamariki and rangatahi, especially since this evidence has developed since the release of this game. We decided that *Manhunt* does not meet the very high threshold for a ban under the Act, but that a restriction to audiences aged 18 and over would prevent harm to younger players.

The *Savage Coloniser Book* poetry reading on video

We received several complaints about the poem '250th anniversary of James Cook's arrival in New Zealand'. This poem was reproduced in a recent news article, had been available in the poetry collection *The Savage Coloniser Book* for a few years, and was in 2023 presented as part of a show at a major arts festival.

A member of the public made an application to have a video, which was part of the news article, classified. This video featured the poem being read by its author. The Chief Censor declined to classify this video, noting that classifying it would not assist the debate regarding the poem or the book it comes from. The Department of Internal Affairs, who have the right to submit titles for classification, chose not to submit these publications to us. The news article and video were also the subject of complaints to the Media Council.

Live shows cannot be classified under New Zealand law, as they are not considered "publications" under the Classification Act.

Youth Advisory Panel

Our Youth Advisory Panel (YAP) was established as part of a wider youth engagement strategy in 2018. It made sense to involve rangatahi in New Zealand’s classification system as they are the ones most impacted by what we do.

The YAP ensures that voices of rangatahi are now a part of our daily work. They play a critical role in informing our decisions when we classify films and shows that impact young people. Members have improved and enriched our mahi so we can better support young people living in Aotearoa. The value they bring individually and collectively has exceeded all expectations. Members help plan and deliver youth-targeted projects and develop resources for our public outreach. We also ask for their views when working on issues that directly affect them, such as restricted classification decisions.

We think it is important to note that members of the YAP do not wholly represent the general youth population. They are in no way expected to represent the voices of all young New Zealanders. However, their contribution is rich and varied. Our approach to collaborating with the YAP is based on the [Mana Taiohi framework](#) with an overarching principle of mana.

In the 2022/2023 year, our YAP members were involved in, and contributed across, the breadth of our mahi. In our monthly meetings with members, subjects varied from development of an on-screen bullying campaign, to a parental controls campaign, to implied depictions of suicide in entertainment, and true crime content.

“One of the highlights of the year for me was our discussion about digital citizenship with the Prime Minister’s Chief Science Advisor. This was a meeting which was incredibly meaningful and relevant to youth in Aotearoa. Not only was it a privilege to meet with the Chief Science Advisor, but it was a huge opportunity for every YAP member that was involved to be a part of a discussion that could shape how youth identify and engage with mis- and dis-information in the future.”

– YAP member

A highlight for members was a hui with the Prime Minister’s Chief Science Advisor Dame Juliet Gerrard and her team. Chief Censor Caroline Flora recommended the YAP to help with the team’s He Uru Kahikatea project on mis- and dis-information in the online space. The project focuses on building young people’s resilience to mis- and dis-information by developing critical thinking skills and resilience to online manipulation and harassment, as well as digital citizenship skills for self-regulation and peer-to-peer support.

A YAP member also attended a kōrero with the Human Rights Commission at their office in January alongside staff from our research team on the wide-ranging topic of human rights implications of misinformation.

YAP members attended the [He Whenua Taurikura Hui](#) in Auckland supported by our staff. They led a panel discussion on Youth and Violent Extremism Online together with the Chief Censor and the Chief Human Rights Commissioner called ‘Countering violent extremism: Rights, responsibilities, and relationships’.

“The meeting with the YAP was one of the highlights of the stakeholder engagement for our project. It was fantastic to engage with such an energetic group of young people who provided us with a thorough and thoughtful perspective on how we can empower our rangatahi to be resilient to our polluted information landscape.”

– Prime Minister’s Chief Science Advisor, Professor Dame Juliet Gerrard

At the time, YAP members were invited to a workshop about a youth-specific aspect of our Parental Controls campaign. The result was the development of a story and animation that was relatable for teenagers around a sleepover setting, where peer pressure often means people watch disturbing films or series before they're ready.

The YAP co-viewed 10 films with our Classification Advisors through the year. Some highlights of films that they contributed to included *Butter* (reference case study on [page 16](#)), *Don't Worry Darling*, *Bros*, *Guillermo del Toro's Pinocchio*, *Scream 6*, and *Ant-Man and The Wasp: Quantumania*.

"Being able to give feedback on the Parental Controls campaign allowed me to understand the importance of age ratings and content warnings to help protect tamariki."

– YAP member

Co-view case studies



Guillermo del Toro's Pinocchio

PG: Violence, cruelty and content may disturb

YAP members noted that the dark atmosphere, cruelty and themes of death and existentialism would be confronting for very young children. This animated film aimed at children was given a PG classification with warnings for violence, cruelty and content that may disturb.



Don't Worry Darling

R13: Violence, sex scenes, self-harm and offensive language

A new release film starring Harry Styles and Florence Pugh was likely to have strong appeal to a young audience. YAP members co-viewed the film at our classification screening and found its cruelty elements had the most impact, especially as some of this resulted in characters self-harming. The film was classified R13.

In addition to membership on our YAP, the Office also provides wider tools and opportunities for young people. The [Find a Rating](#) section of our website empowers young readers to understand the difficult content in popular films and TV series by breaking down the rating and content warnings. Our Censor for a Day programme makes classification education fun for students during an immersive day at the cinema. And our Instagram social channel has a focus on youth content, being a space to share and promote healthy habits for staying safe when consuming content.

In brief

We currently have 20 members on the YAP panel, with 11 different ethnic groups represented. Māori representation went up by two from the start of 2023.

The average age of the panel is 17 years old, with 11 secondary school students, and seven members undertaking some form of tertiary education.

There were nine YAP meetings in 2022/23.

Panel members co-viewed 10 films in the cinema in 2022/23.



Sharing our classification work

Featured decisions, impact guides and education campaigns.

Parental Controls campaign

We know from our research that parents are seeking a viewing experience where they and their loved ones are seeing content that works for them. We launched an education campaign in late December about tools available on streaming platforms for parents and viewers to have control over the content they watch. We developed a dedicated resource page on our site providing a 'one-stop-shop' of parental controls information for each streaming provider, and ran a series of stories through our social channels to educate different audiences about the how and why of parental controls. The animated stories had an overarching key message of 'Know your rating. You're in control!' Each animation was designed for parents and caregivers or rangatahi so they can feel empowered to use parental controls to control their viewing experience and "keep it ka pai".

[Parental Controls campaign](#)

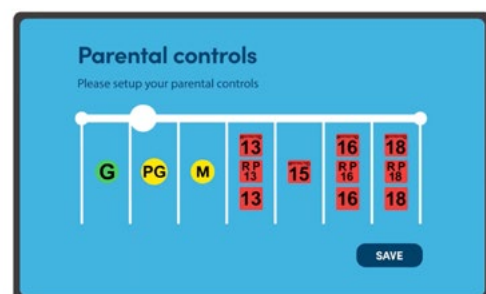
YOU'RE IN CONTROL WITH
**PARENTAL
CONTROLS**



Luckiest Girl Alive impact guide

Luckiest Girl Alive, a Netflix new release starring Mila Kunis, came to our attention from online discussions about triggering content in the storyline. The film deals with a historic gang rape, and a school shooting, and features flashbacks or references to the events throughout the film. The film was self-rated 16 by Netflix with warnings for rape, content that may disturb, violence and offensive language. We published a guide on our website to break down the rating with timecodes for the most impactful scenes so that viewers could make informed choices about whether it was right for them. The guidance proved to be a popular resource locally and internationally with audiences seeking out that additional information, in particular the trigger warnings.

[Luckiest Girl Alive impact guide](#)



Translating our mahi

Ko taku reo taku ohooho, ko taku reo taku mapihi mauria.

My language is my awakening, my language is the window to my soul.

The [Find a Rating](#) section of our website aims to provide accessible breakdowns of ratings and classifications for New Zealand audiences. We work with the Department of Internal Affairs' translation team to provide bilingual featured ratings for popular titles.

Recent te reo Māori translations have included *Nope*, *Cousins*, *Whina*, *Wednesday*, *Guillermo del Toro's Pinocchio*, and *Muru*. Local film *Red, White and Brass* was translated into te reo and Tongan. We aim to use our channels to broadcast and normalise the use of te reo in our everyday mahi.

We also translate into further languages where possible. *The Swimmers*, a biographical sports drama about Syrian refugees, was translated into Arabic, and *Gold*, an Indian comedy, was translated into Malayalam, the main language spoken in the film.



M

Muru

M: He taikaha, he reo mōrihariha (violence and offensive language)

He aha tōna kaupapa?

I te whakarewanga o te whakaeke mau pū ki tētahi hāpori tuawhenua o Te Urewera, me kōwhiri a Heihana 'Taffy' Tāwharau (Cliff Curtis) i tana tūranga mahi, i tana iwi rānei.

[Find a Rating | Muru](#)



PG

Red, White and Brass

'Oku 'uhinga ki he hā?

Ko Maka, ko ha tokotaha poupuu fefeka ki he timi 'akapulu 'a Tongá, te ne fakahoko ha fa'ahinga me'a pē ke ma'u ai ha ngaahi tikite ki he fepaki 'a Tonga mo Falanisē 'i he fe'auhi 'o e lpu 'a Māmaní – 'o tatau ai pē kapau 'oku 'uhinga ia ke fakahoko ai palōmesi ke fokotu'u ha kau ifi palasa ki he fakame'ite kimu'a 'i he va'ingá.

Ka ko e palopalemá pē, 'oku 'ikai ke 'i ai ha kau ifi ia pea 'oku toe pē ha uike 'e fā ke fokotu'u ai 'e Maka ha ifi palasa.

[Find a Rating | Red, White and Brass \(te reo Māori\)](#)

[Find a Rating | Red, White and Brass \(Tongan\)](#)

The shifting tone of how we address suicide: When trauma is involved, there are no spoilers

In August 2022, we engaged with our YAP about treatment of suicide on screen. The Office frequently warns for suicide when it appears but Classification Advisors have to make judgement calls when depictions are implied, obscure or fleeting. We wanted to hear youth perspectives, as they consume content that contains suicide themes aimed at rangatahi. Their perspectives have the ability to recalibrate our classification thinking and improve the responsiveness of the Office to classifying new content.

We took extra precaution to ensure members were informed, safe and supported throughout and after the session. The content and questions were all based on non-graphic and borderline content. Nothing extreme was talked about or shown.

A scene from the Marvel Avengers movie *Eternals* was discussed, where Icarus flies into the sun. We asked if grey area suicides – in horror or action films where a person would have died anyway or ‘chosen’ their death – have the same impact if they look like suicide. Unanimously the Panel felt that informing viewers about a suicide scene should not be considered a spoiler. Members brought up many different pieces of content that included suicide in some form and talked about the impacts those pieces had on them, including the Netflix series *13 Reasons Why*. They talked about how common this type of content is and how hard it is to prevent people from watching it, especially when they are deliberately searching for it.

“New Zealanders need a place where everyone knows where to go to find out more information.”

– Panel member

“It enabled the Classification Unit to be able to discuss these sorts of grey areas in a more comprehensive way in our decisions.”

– Classification Advisor

They suggested that the more information about series and films with this kind of suicide out there for parents and rangatahi, the better.

We have shared this information with mental health experts such as the Mental Health Foundation and Suicide Prevention Office. We are actively promoting the featured decisions on our [Find a Rating](#) page where we break down the content. We have a special focus on describing suicide scenes, even if the publication did not include a warning for suicide.

Some examples of this published content:

- [Suicide, self-sacrifice and *The Last of Us* \(blog\)](#)
- [Women Talking](#)
- [Selena Gomez: My Mind & Me](#)
- [Detailed impactful content guide: *Luckiest Girl Alive* \(blog\)](#)
- [When trauma is involved, there are no spoilers \(blog\)](#)

Suicide, self-sacrifice and *The Last of Us*

Guiding viewers on self-rated shows that are trending and hard-hitting

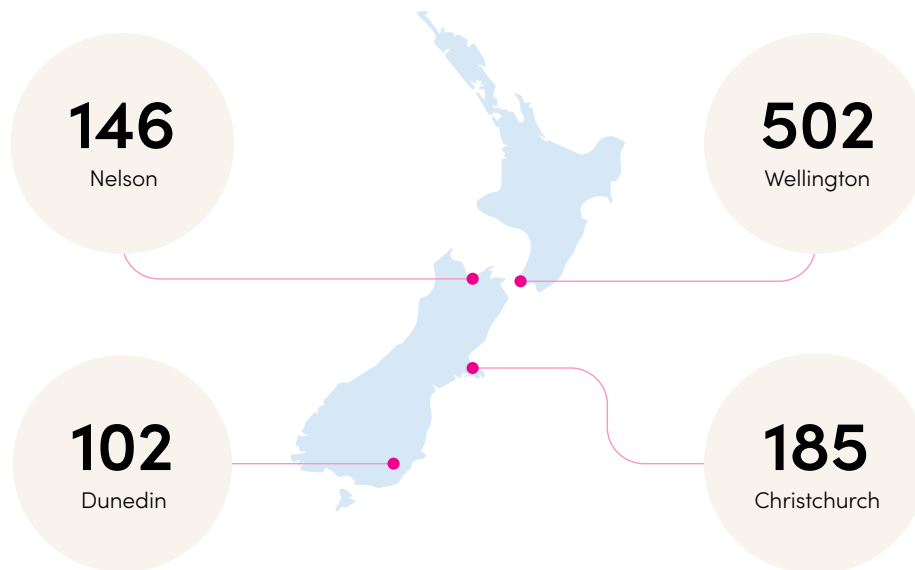
The Last of Us is a show based on the popular video game of the same name. It had a long-anticipated build-up to release on Sky's streaming platform Neon in January. We knew from our previous mahi classifying the video games in the series as restricted to ages 16 and 18 that the show was likely to involve some difficult content that wouldn't be suitable for younger viewers. The storyline deals with survival in a zombie apocalypse where an invasive fungal infection turns into a plague on humanity.

The episodes 'dropped' on a weekly basis, so we published featured decisions each week which explained the most impactful content. As the themes of suicide and self-sacrifice became apparent throughout the show, we developed a detailed guide to this specific topic.

While in the context of a zombie apocalypse setting some viewers may be able to contextualise the characters' actions, other viewers might find these scenes hard-hitting and difficult to watch. Neon self-rated the series 18 with a note for violence, language, sex scenes and content that may offend. More specifically, they have included at the start of episodes three, five, six and nine a warning indicating that suicide and/or self-harm will be covered in the episode, with a link to helplines.



Students + teachers attendance totals



Censor for a Day returns

In the first half of 2023, students in Wellington, Nelson, Christchurch and Dunedin once again had the opportunity to become film censors after a hiatus from our popular in-person events. For 23 years the Office has been organising Censor for a Day, but the event hadn't been held in the South Island since June 2019, and in Wellington since 2021, because of the COVID-19 pandemic.

Senior media studies students and Classification Advisors come together at a local cinema, and we kick off the sessions with an interactive presentation which reveals how classification decisions are made. We always ask the conversation starter "which film terrified you as a child, and how did it make you feel?" The responses always vary, but in recent years we've noticed a trend: *Coraline* and *Monster House* have struck fear into the minds of an entire generation of children.

Following the presentation, the students then practically apply what they learned from the presentation to a new release film. Wellington students were shown *Cocaine Bear*, a horror comedy by director Elizabeth Banks, where a bear goes on a drug-induced rampage. In the South Island it was the film *Renfield*, an unapologetic feast of exaggerated gore starring Nicolas Cage as Dracula. Meaningful discussions and sharing helped the students reflect critically on the films, ultimately reaching a classification decision which closely reflected our real-world classifications.

We know from feedback that these events are valuable learning opportunities, giving students a unique insight into the world of film classification, and giving teachers another way to kōrero about media literacy. The Office also benefits from having these conversations with young people about their views on censorship and how it affects them. We love that rangatahi are passionate about what they watch and create.

"It will make me more conscious of what I'm watching and more conscious of what I watch with other people as well – looking at the rating when watching with my sister or my family and actually thinking about and understanding it. I never thought to read about what the notes are and why they are that rating – now I will do that more."

– Scarlett, Wellington Girls' College student

"I really appreciated the opportunity. It's going to help me a lot in the future when it comes to selecting films that will suit me because I know that I am personally a bit sensitive and squeamish."

– Crow, Waimea College student

Outreach through presentations

Our annual outreach programme provides an opportunity to share lessons from our research, provide bespoke education face to face, and to showcase the work we do.

During the year we presented to small groups as well as large conferences, parents, school students and senior citizens, frontline health professionals and educators.

“The way the session was presented/ delivered was engaging and was some of the most valuable PLD [professional learning and development] we have done this year.”

– Queen Margaret College
(Wellington)

Speaker series

We bring experts from the field of violent extremism to the Office to share their knowledge and insights with the team. Over the past year these experts have included Marinus La Rooij, an independent researcher and historian who is a co-editor of *Histories of Hate: The Radical Right in Aotearoa New Zealand*.

Through the speaker series we have also virtually hosted international experts in the field. For these presentations we invited participation from government and civil society stakeholders across Aotearoa. These presentations included: How to (Really) Lose the Information War by US disinformation expert Nina Jankowicz; Incels, Male Supremacy and Violent Misogyny by Maeve Park from Groundswell Project, UK; and Andrew Tate: a case study in violent misogyny as lifestyle by Canadian Dr. Luc Cousineau.

Research work

ESOMAR Award: New Zealand pornography research wins on the world stage

The Office's research about young people's experience and views about pornography won gold at the 2022 global ESOMAR Research Effectiveness Awards (REA), presented in Toronto.

The award was for the three-part research series [NZ Youth and Porn](#) (2018), a nationwide survey of more than 2,000 14 to 17-year-olds by Kantar Public; [Breaking Down Porn](#) (2019), an in-house content analysis of the 200 most watched porn videos on Pornhub; and [Growing up with Porn](#) (2020), 52 qualitative interviews of 14 to 17-year-olds by The Collaborative Trust.

The Office and the Ministry of Education used the research when developing [Ka huri i te kōrero – Changing the conversations around pornography](#). This resource supports teachers to talk about pornography with young people when delivering education about relationships and sexuality.

The Ministry also used the research to update the relationship and sexuality education curriculum guidelines and to help create an online safer digital behaviours pilot to develop critical thinking in 9 to 12-year olds.

The research informed the internationally acclaimed Keep it Real Online viral advert commissioned by the Department of Internal Affairs, featuring two actors playing porn stars who turn up to an unsuspecting teenage boy's house.

“Reports and articles we'd seen often came from an adult perspective and so didn't necessarily reflect young people's own experience and views about porn. So we decided to put young people front and centre of the debate – and given the opportunity, they didn't hold back.”

– Henry, Te Mana Whakaatu
Research Lead

The research had previously won the Dynata Supreme Award at the 2021 Research Association Effectiveness Awards.

What We're Watching: Part 2

In December, we released part 2 of findings from research conducted in early 2022. The report included further details about New Zealanders' views on age ratings, the classification system, and the role of the Classification Office. The research also showed that New Zealanders see the benefit of movies and shows in helping families to talk about sensitive topics. The launch of the research was timed with our parental controls campaign launch to highlight the new resources on our site.

The nationwide survey was conducted in February and March of 2022 and involved 1,201 New Zealanders. This included 1,001 adults and a 'youth booster' of 200 rangatahi aged 16 or 17.

The research shows that New Zealanders are concerned about the depictions of problems in society, such as sexual violence and harassment, self-harm and suicide, racism, and violence. Overall, it shows that New Zealanders see harmful content, and they're worried about it.

Key findings from the research

Most think age ratings are important when deciding what tamariki and rangatahi should watch.

84% thought age ratings were important.

- Most think age ratings are 'about right'
- Most have a good understanding of specific age ratings
- A minority believe legal restrictions on streaming services should be enforceable to parents and caregivers
- New Zealanders are noticing official ratings on streaming services
- Awareness of the Classification Office is relatively low, but a majority are aware we have a role in deciding age ratings in some way
- Of those who know enough to rate our performance, most think we do an 'excellent', 'very good' or 'good' job.
- Most think the role and functions of the Classification Office are useful.

In 2023, we undertook our first annual Snapshot Survey. Results for this can be found in the Our Key Impacts section on [page 9](#).

Collaborations

ĒHARA TĀKU TOA I TE TOA TAKITAHĪ, ENGARI HE TOA TAKITINI
MY STRENGTH IS NOT AS AN INDIVIDUAL, BUT AS A COLLECTIVE

Our mahi to stop child sexual abuse material online is a global effort: Project Arachnid

In September 2021, the Office started a one-year pilot collaboration with the Canadian Centre for Child Protection on their initiative Project Arachnid. Project Arachnid involves web-crawling software that searches the internet systematically for known child sexual abuse material (CSAM).

This global tool builds on human expertise around the world. Once experts verify and assess suspected images that can be marked for removal from the internet, takedown notices are automatically issued to provider or host sites requesting its removal. The power of the Project Arachnid software means it can detect content at a pace that far exceeds traditional methods, processing tens of thousands of images per second.

New Zealand's role is to assess material flagged through the project. For four hours every month, two Classification Advisors view, assess and confirm whether an image is considered CSAM or harmful/abusive to a child according to the Project Arachnid criteria. These criteria differ from the criteria for banned publications under the Classification Act.

Over the last five years, Project Arachnid's activities have led to six million images and videos of child sexual exploitation being removed from 1,000+ electronic service providers spanning 100+ countries worldwide.

Our involvement continues through 2022 and 2023, and we have a memorandum in place to continue to support this international effort to remove CSAM online.

Hosting the Korea Media Rating Board

The Office had the pleasure of hosting a delegation from the Korea Media Rating Board for a day during October. They had been encouraged to engage with our office to learn about New Zealand's [self-rating system](#) and process for streaming providers. With effect from March 2023, South Korea's laws allow self-rating, which will cover Apple TV, Netflix and Disney+.

We provided a detailed insight into our process working with commercial video on-demand providers, including demonstrating our self-rating tool and what New Zealand labels look like on service for Netflix, Apple and Disney+. We also shared our three recent research reports.

We were proud to share how our [Youth Advisory Panel](#) strengthens our work. The Board were very interested to learn about this as no such equivalent exists in South Korea. It was rewarding to share our experience and demonstrate how young people's voices play a key role in our mahi.

"It was fascinating to see the different ways that we deal with harmful media content. It was interesting to see that Korean youth and Kiwi youth face similar, yet in some situations vastly contrasting, issues. I was very honoured to have represented the YAP and explored the diversity surrounding media."

– YAP member

Christchurch Call

Internationally, our collaborations and contributions continue to grow. The Office, along with the Department of the Prime Minister and Cabinet and the Ministry for Women, represent New Zealand in the Global Partnership for Action on Gender-Based Online Harassment and Abuse. This partnership is bringing together countries, international organisations, researchers and academics, civil society and private sector groups to better understand and address the growing problem of technology-facilitated gender-based violence. This term encompasses violence that uses technology to limit women, girls and LGBTQI+ persons from enjoying their human rights and freedoms. Gender-based violence is growing, and new technologies are making this possible. The partner countries for the Global Partnership are Australia, Canada, Chile, Denmark, Iceland, Kenya, Mexico, New Zealand, the Republic of Korea, Sweden, the United Kingdom, and the United States of America.

Technology-facilitated gender-based violence prevents women, girls, and LGBTQI+ persons from fully enjoying their human rights and freedoms. It limits their participation in economic, social, cultural, and political activities, creating further barriers to the achievement of gender equality.

The Christchurch Call, now in its fourth year, is an unprecedented global initiative working across governments, the tech sector, and civil society with the aim of eliminating terrorist and violent extremist content online. Our team participates in the Christchurch Call Community meetings, as well as the small community group/gender work programme.

The Christchurch Call is an important aspect of our collaborative mahi as we work alongside the Department of the Prime Minister and Cabinet's Christchurch Call team, and the Ministry for Women, domestically. On an international level, we contribute to the Call community across three workstreams. Following the Christchurch Call Leaders' Summit in 2022, the Office has focused on contributing in workstreams about youth, gender, and new technologies. Globally, we are faced with the need to focus on new key technologies, including generative AI, immersive online environments, and the decentralised web.

We're an active participant and aim to attend as many sessions as staffing allows. This attendance is one way for us to keep up with what's happening around the world and with the latest research, and we often connect with presenters. This year, as part of our contributions to the Global Partnership, we provided feedback on an early version of the [Technology-Facilitated Gender-Based Violence: Preliminary Landscape Analysis Report](#). The Rt Hon Jacinda Ardern is now appointed as the Prime Minister's Special Envoy for the Christchurch Call, which affirms the Call as a priority foreign policy for the New Zealand Government.

We also participate in, and contribute to, Digital Policy Lab (DPL) sessions and working groups whenever they relate to our work. The DPL is a policy initiative facilitated by the Institute for Strategic Dialogue (ISD) and funded by the German Federal Foreign Office. This initiative is an intergovernmental working group with a specific focus on navigating the regulatory and policy landscape to prevent and counter violent extremism, hate speech, and disinformation online. Since its launch in 2020, the DPL includes representation from government agencies from Australia, Canada, France, Germany, Ireland, Italy, the Netherlands, New Zealand, Switzerland, Sweden, Slovakia, the United Kingdom, the United States and the EU Commission.

Porn Working Party

Cross-government support and collaboration is the driving force behind the Porn Working Party mahi. The Party is made up of eight government agencies plus the Office as an independent agency operating under legislation. Through our membership, we aim to collaborate and support the work of other agencies in addressing the impacts of New Zealanders' use of pornography. The Party was formed in 2018, the year that the first of our three-part *Growing Up With Porn* research was released. The Party has been meeting once a quarter in 2023 and this frequency is expected to continue throughout the year. In June 2022, we issued a joint briefing to relevant Ministers. Through these cross-government relationships, we are able to support the work of each other, and also the work of experts outside of government. In March, we facilitated a hui between The Light Project and Te Puna Aonui who have developed Te Aorerekura (National Strategy to Eliminate Family Violence and Sexual Violence). Connections between government and experts who are working in this space are essential.

CVE training sessions for government

We have been providing bespoke training in person to government agencies about working with objectionable material. We talk about how we do this work – classifying the hard stuff – both on an operational level and on a human wellbeing level, and how we are able to better work together across agencies. In the past year, we have met with Police, the Department of Internal Affairs, the Inspector-General of Intelligence and Security, and the Ministry of Justice.

Microsoft Gaming Toolkit

Helping parents to understand and make use of safety features is important work that we champion and strive for in our mahi.

In the first half of 2023, Microsoft reached out to organisations in Australia and New Zealand with expertise in children's online safety to provide feedback on their development of an Xbox Gaming Safety Toolkit. The Office provided advice and support alongside organisations such as Netsafe and the Interactive Games and Entertainment Association (IGEA) to help develop a guide that is practical and useful for parents and whānau. The resulting Toolkit spotlights parental and player controls available on Xbox and within the Xbox Family Settings App, and was launched in March. The toolkit offers guidance for parents as well as practical case studies by age that are eye-opening and incredibly relevant.



Statements of the Classification Office

Te Mana Whakaatu

FOR THE YEAR ENDED 30 JUNE 2023

Statement of Responsibility

FOR THE YEAR ENDED 30 JUNE 2023

The Board is responsible for the preparation of the Classification Office's financial statements and statement of service performance, and for the judgements made in them.

The Board of the Classification Office has the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and Statement of Service Performance fairly reflect the financial position and operations of the Classification Office for the year ended 30 June 2023.

On behalf of the Board of the Classification Office,



A stylized, handwritten signature in black ink, consisting of several loops and a long tail.

Caroline Flora
Chairperson

30 October 2023



A stylized, handwritten signature in black ink, featuring a large, sweeping initial 'R' and a long, curved tail.

Rupert Ablett-Hampson
Deputy Chairperson

30 October 2023

Independent Auditor's Report

To the readers of the Office of Film and Literature Classification's financial statements and performance information for the year ended 30 June 2023.

The Auditor-General is the auditor of the Office of Film and Literature Classification (the Office). The Auditor-General has appointed me, Grant Taylor, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and the performance information, of the Office on his behalf.

Opinion

We have audited:

- the financial statements of the Office on pages 57 to 73, that comprise the statement of financial position as at 30 June 2023, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information which reports against the Office's statement of performance expectations for the year ended 30 June 2023 on pages 46 to 56.

In our opinion:

- the financial statements of the Office:
 - o present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year then ended; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards; and
- the Office's performance information for the year ended 30 June 2023:

- o presents fairly, in all material respects, for each class of reportable outputs :
 - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
 - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
- o complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 October 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board for the financial statements and the performance information

The Board is responsible on behalf of the Office for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Office for assessing the Office's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Office, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Office's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the performance information which reports against the Office's statement of performance expectations.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 45 and 74 to 80, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information.

In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independence

We are independent of the Office in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Office.



Grant Taylor
Ernst & Young
Chartered Accountants
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Performance

FOR THE YEAR ENDED 30 JUNE 2023

The Classification Office is funded in the Estimates under Vote: Internal Affairs Non-Departmental Output Expense for a single output class: Classification of Films, Videos, and Publications (M41). The appropriation for 2022/23 for this output class is \$3,201,000. The scope of the appropriation is:

This appropriation is limited to the examination and classification of films, videos and publications by the Office of Film and Literature Classification under the Films, Videos, and Publications Classification Act 1993.

The Classification Office also receives revenue from fees and levies paid by third parties and other sundry revenue. The shortfall in forecast revenue is met from cash reserves.

RESOURCES EMPLOYED \$'000	ACTUAL 2023	BUDGET 2023	ACTUAL 2022
Crown Appropriation	3,201	3,201	3,169
Third Party Revenue	382	268	337
Interest & Sundry Revenue	492	468	459
Total Revenue	4,075	3,937	3,965
Expenses	4,064	4,155	4,084
Expected Surplus/(Deficit)	11	(218)	(119)

Classification Services

REPORT AGAINST STATEMENT OF PERFORMANCE EXPECTATIONS 2022/23

Activity 1 – Production of classification decisions

CLASSIFICATION DECISIONS ARE PRODUCED

QUANTITY	NOTES	ESTIMATES	ACTUAL 2023		ACTUAL 2022
1.1 Third Party – Number of publications classified		512 – 761 each year	649	✓	699
1.2 Crown – Number of publications classified	1, 2	283 – 790 each year	231	✗	361
1.3 Registrations – Number of classification decisions registered	2	795 – 1,551 each year	883	✓	1,057

QUALITY	TARGETS	ACTUAL 2023		ACTUAL 2022
1.4 Classification decisions are consistent with standards set down in the practice manual	95%	100%	✓	99.8%
1.5 Classification decisions	3			
a. Classification decisions are written in a style which is accessible to a range of readers, and	75%	Not measured		100%
b. the analysis supports the classification decision so the reader understands the reasoning of the decision	75%	Not measured		91.7%

Note 1: Crown Registrations Below Estimates

This is a demand-driven activity. Submissions from the Crown do not require the leave of the Chief Censor and fluctuate due to investigation and prosecution activity by enforcement agencies. In addition, during 2022/23 a new pre-submission consultation process was implemented with enforcement agencies, allowing them to be more discerning regarding the range of publications submitted for classification.

Note 2: Classification Volume Drivers

There has been a steady decline in the number of publications submitted and classified through both the s12 (commercial) and s13 submission (enforcement) channels over recent years. However, these volumes do not include the number of publications assessed under the newly implemented CVOD regime and those considered through the pre-submission consultation process. If this work is included, the number of publications before the Office increases significantly, from 880 publications classified to over 1,600 publications assessed.

Note 2: Classification Volume Drivers (continued)

The new CVOD assessment regime was developed and implemented throughout 2021/22 as Schedule 4 providers established their self-rating systems. In 2021/22 just 224 publications were assessed. This is the first full year we have conducted assessments, and this is largely new work. The pre-submission classification process was introduced in mid-2022. As such this is new work and prior year comparators are not available.

This figure is a better representation of the volume of work completed over the course of the 2022/23 year and represents the most publications considered by the Office since 2017/18.

Note 3: External Measure - Independent Review not conducted

During 2022/23 an independent review of classification decisions was not conducted. As part of our classification efficiency and effectiveness programme we are trialling new decision templates.

This is part of our work programme designed to maximise the impact of our mahi, minimise harm from content – to the public and to ourselves – and make the best use of the resources we have.

As such it was determined that this exercise would be a poor use of resources during the transition phase.

Timeliness^{4, 5}

	NOTES	TARGETS	ACTUAL 2023 %		ACTUAL 2022 %
1.6 Standard s12 & s42 Percentage of Standard s12 and s42 submissions that are classified within 30 working days of receipt		90%	98%	✓	99%
1.7 Complex s12 & s42 Percentage of Complex s12 and s42 submissions that are classified within 35 working days of receipt	6	70%	-	-	-
1.8 s13 Percentage of s13 submissions that are classified within 55 working days of receipt, where statutory obligations enable this		70%	81%	✓	79%

Note 4: Timeliness Target Achieved

Timeliness targets are set by the Office, not in legislation. The Act requires publications be examined ‘as soon as practicable’. These measures incorporate both processing timeliness as well as the queue of publications awaiting examination.

- Timeliness Performance is calculated on publications which have been registered during the reporting period.
- Publications requiring assistance under s21 of the Act and s29 (Crown) submissions are excluded from timeliness measures.

Note 5: Timeliness Definitions

- The distinction between ‘standard’ and ‘complex’ publications is based on the need to consider excisions. Complex publications are those publications for which excisions have been recommended.

Note 6: Standard 1.7 Nil Applicable

No publications which met the criteria for ‘complex’ were classified during 2021/22 or 2022/23.

Classification Analysis – Performance by Section of the Act Against Estimates

	MINIMUM ESTIMATE	MAXIMUM ESTIMATE	ACTUAL 2022/23	ACTUAL 2021/22
SECTION 12 – LABELLING BODY				
Publications Received	481	676	646	699
Publications Examined	481	676	632	693
Publications Registered	481	676	638	692
SECTION 13 (1) (a) – COMPTROLLER OF CUSTOMS				
Publications Received	6	12	2	4
Publications Examined	6	12	2	4
Classifications Registered	6	12	2	4
SECTION 13 (1) (ab) – NEW ZEALAND POLICE				
Publications Received	216	576	268	230
Publications Examined	216	576	118	222
Classifications Registered	216	576	161	219
SECTION 13 (1) (b) – SECRETARY FOR INTERNAL AFFAIRS				
Publications Received	24	64	11	41
Publications Examined	24	64	6	43
Classifications Registered	24	64	7	48
SECTION 13 (1) (c) - CHIEF CENSOR GRANTS LEAVE (COMMERCIAL & PUBLIC)				
Publications Received	25	67	2	-
Publications Examined	25	67	2	-
Classifications Registered	25	67	2	1
SECTION 13 (3) - CHIEF CENSOR'S OWN MOTION				
Publications Received	1	30	10	7
Publications Examined	1	30	11	6
Classifications Registered	1	30	9	5

SECTION 29 (1)				
- COURTS				
Publications Received	36	108	4	89
Publications Examined	36	108	51	69
Classifications Registered	36	108	51	85
SECTION 41 (3)				
- RECONSIDERATIONS (COURTS)				
Publications Received	0	0	1	1
Publications Examined	0	0	0	1
Classifications Registered	0	0	1	-
SECTIONS 42 (1), (2) & (3)				
- RECONSIDERATIONS				
Publications Received	6	18	8	7
Publications Examined	6	18	8	7
Classifications Registered	6	18	12	3
SUMMARY				
Publications Received for the Year	795	1,551	952	1,078
Publications Examined	795	1,551	830	1,045
Publications Registered	795	1,551	883	1,057
VARIANCE BETWEEN ACTUAL AND ESTIMATES				
Received	20%	-39%		
Examined	4%	-46%		
Registered	11%	-43%		

Note 1:

These figures in the estimated range have been rounded to the nearest whole number.

Note 2:

Publications Received may be Examined and/or Registered in the next year.

Publications Examined and/or Registered may have been Received in the previous year.

Information Services

REPORT AGAINST STATEMENT OF PERFORMANCE EXPECTATIONS 2022/23

Activity 2 - Dissemination of Information

INFORMATION ABOUT THE CLASSIFICATION ACT AND THE OFFICE IS PRODUCED AND DISTRIBUTED

ACTIVITY 2.1					
Development of a Quality Web Presence		NOTES	TARGETS	ACTUAL 2023	ACTUAL 2022
Quantity			250-350 (average per day)		
2.1.1	Number of visits to the Classification Office website	1		367 ✓	544
Quality			4 (average per month)		
2.1.2	Website regularly updated with Editor and Moderator approved content			17 (average per month) ✓	10 (average per month)
ACTIVITY 2.2					
Public Engagements					
Quantity			15-25 each year		
2.2.1	Number of public engagement activities			35 ✓	22
Quality			80%		
2.2.2	Responses to client satisfaction surveys 'Very Good', or better ²	2		100% ✓	100%

Note 1: Website Visits

Website activity has remained strong. A significant historical driver of website visits was domestic and international interest in the livestream of the March 15 terrorist attacks. With the establishment of a new website in mid-2022 this activity has significantly reduced.

Note 2: Public Engagement Activities - Quality Measure

These surveys are used for our formal presentations. The survey asks the organiser to provide feedback on the speaker's performance, the suitability of the content and how educational and informative the presentation was. A five-point scale ranging from 'Not Satisfactory' to 'Excellent' is used. Any feedback which includes a response of 'Good', 'Satisfactory' or 'Not Satisfactory' is deemed as having not achieved this measure.

Seventeen survey responses were received, all of which assessed the presentation as 'Very Good' or 'Excellent'.

During 2022/23 the response rate to this survey was 70%, with 39 responses. All responses provided an overall assessment of 'Very Good' or 'Excellent'.

Activity 3 – Inquiries and Complaints

AN INQUIRIES AND COMPLAINTS SERVICE IS PROVIDED

	NOTES	TARGETS	ACTUAL 2023		ACTUAL 2022
Quantity					
3.1 Inquiries and complaints answered	1	250-350 each year	352	✓	692
Quality					
3.2 Responses to 'request for feedback' on inquiries and complaints service are 'Satisfied with service'	2	80%	100%	✓	93%
Timeliness					
3.3 Inquiries and complaints responded to promptly		80% within 5 working days	96%	✓	96%
		100% within 20 working days	100%	✓	100%

Note 1: Inquiries and Complaints – Quantity measure exceeded

This is a demand-driven activity.

The number of inquiries and complaints responded to exceeded forecast despite being significantly lower than 2021/22. The 2021/22 period was inflated due to 429 complaints and inquiries related to the classification and reclassification of the film *The Kashmir Files*.

Note 2: Inquiries and Complaints – Quality Measure

People who make a substantive written inquiry or complaint (including those considered to be an Official Information Act request) via email are surveyed on our response to them.

The purpose of the survey is to provide evidence about the quality of the responses we provide about

the operation of the classification system under s88 of the Classification Act. The survey questions are included at the bottom of our email signatures.

The response rate to this survey is 27%, with 58 responses received in 2022/23.

Correspondents are asked:

"I would be grateful if you could give me some feedback via return email about my response to your inquiry/complaint:

1. Did I adequately address your questions?
Yes/No
2. Were you satisfied with my overall response?
Yes/No
3. Was there something I could have done to make this response more helpful?
If so, please let me know."

Activity 4 – Research

RESEARCH IS CARRIED OUT WHICH ENABLES THE OFFICE TO PERFORM ITS FUNCTIONS EFFECTIVELY

	NOTES	TARGETS	ACTUAL 2023		ACTUAL 2022
Quality					
4.1 Research projects per year	1	1	2	✓	1
Quality					
4.2 Published research helps inform the public about censorship issues		All research: 50-100 downloads of Classification Office research reports each month	Achieved 149 (average number of downloads)	✓	Achieved 176 (average number of downloads)
	2	New research: In the 4 months following publication, downloads of the current research report make up 30% of research report downloads	Not Achieved (17%)	✗	Achieved (50%)
Timeliness					
4.3 Research findings are published within 1 month of report being finalised		100%	Achieved	✓	Achieved

Note 1:

During 2022/23 the Office produced two reports:

What We're Watching: Part 2 – this was a follow up report to **What We're Watching**, which was published in June 2022.

What We're Watching – 2023 Snapshot – this was the first of our new annual survey. These surveys will allow us to identify and track trends in our rapidly changing environment.

Two further research projects were initiated during the year, which are scheduled for completion in 2023/24.

Note 2: 4.2 Research Downloads – Measure not achieved

Continued high interest in research published in prior years (**Edge of the Infodemic** – June 2021 and the **Youth & Porn** series 2018–2020) has skewed the download result, as demonstrated by the volume of all research downloaded, which exceeds the target range.

Activity 5 – Self-Rating Systems

SUPPORT AND FACILITATE THE DEVELOPMENT OF SELF-RATING SYSTEMS USED BY SPECIFIED CVOD PROVIDERS

	NOTES	ESTIMATE TARGET	ACTUAL 2023	ACTUAL 2022
Quantity				
5.1 Number of Assessments of CVOD content conducted		80-180 per year	590 ✓	New measure
5.2 Number of publications referred to providers following complaint under s46J (1) ¹	1	20-40 per year	2 ✗	New measure
Quality				
5.3 All approved self-rating systems are reviewed annually, using an appropriate review methodology ²	2, 3	Estimated number of systems reviewed: 6-8 per year	Nil applicable -	NA
5.4 All users of the Self-Rating Tool are surveyed annually regarding the tool's functionality		100%	Achieved ✓	
Timeliness				
5.5 Approved self-rating systems are reviewed within 3 months of the anniversary of the date on which the system was originally approved	3	75%	Nil applicable -	NA
5.6 Complainants are promptly advised of the Office's decision under s46J (2)		80% within 5 working days	100% ✓	New measure
		100% within 20 working days	100% ✓	New measure

Note 1: Review of Self-Rating Systems

This is a demand-driven activity.

Note 2: Self-Rating Tool survey

This estimate is subject to changes made to the number of providers listed on Schedule 4 of the Films, Videos, and Publications Classification Act 1993 and the number of providers that elect to operate a Self-Rating System.

Note 3: Annual Review of Self-Rating Systems – Discussion of 'Nil Applicable'

During 2022/23 the Classification Office worked with six providers to support and facilitate the development of an approved self-rating system. Between May 2022 and June 2023 all six providers achieved the Chief Censor's approval for their self-rating systems.

This measure relates to the review of approved self-rating systems and this requirement came into effect in May 2022, being the anniversary date of the first approval. Five providers are scheduled to have their systems reviewed in 2023/24.

Two providers elected to use the traditional classification process and so are not seeking approval for a self-rating system.

Activity 6 – Countering Violent Extremism

ENGAGEMENT PROGRAMME SUPPORTS RESPONSE TO ONLINE VIOLENT EXTREMISM

This is a new activity so prior-year performance is not available.

ACTIVITY 6.1 ENGAGEMENT PROGRAMME	TARGETS	ACTUAL 2023		ACTUAL 2022
Quantity				
6.1.1 Speakers' Programme: Host subject matter experts to speak with agencies with significant interest in online violent extremism	2 each year	41	✓	1
6.1.2 Training Programme: Deliver training to enforcement agencies on the classification framework as applied to violent extremist material	2 each year	4	✓	3
Quality				
6.1.3 Responses to Client Satisfaction surveys completed by participants "Very Good" or better	80%	100%	✓	100%
ACTIVITY 6.2*				
INTERIM CLASSIFICATION ASSESSMENTS & TAKEDOWN NOTICES	ESTIMATES	ACTUAL 2023		ACTUAL 2022
Quantity				
6.2.1 Number of Interim classification assessments issued	0-5	1	✓	-
Quality				
6.2.2 A qualitative analysis is conducted that reviews the application of s22A-D and Part 7A	See discussion below			-

* 6.2 is a new activity so prior-year performance is not available.

Activity 6 – Countering Violent Extremism Engagement Programme (continued)

ACTIVITY 6.2: INTERIM CLASSIFICATION ASSESSMENTS & TAKEDOWN NOTICES (CONTINUED)			
	TARGETS	ACTUAL 2023	ACTUAL 2022
Timeliness			
6.2.3 Publications which are subject to an Interim classification assessment are classified within 20 days	80%	100%	-
6.2.4 Publications submitted by online content hosts, which are subject to a s119C takedown notice, are classified within 55 working days of receipt, where statutory obligations enable this	70%	No publications have been submitted under s119C	-

6.2.2 Analysis of Interim Classification Assessments & Takedown Notices

Section 22A–22D of the Classification Act came into force in February 2022 and the Chief Censor (and Acting Chief Censor) have issued three urgent interim assessments. These publications have subsequently all received a classification of Objectionable. During 2022/23 one publication received an Interim Classification Assessment.

The Office receives regular notifications from the Department of Internal Affairs when they issue takedown, non-compliance, and enforcement notices. The Department issued 19 takedown notices during 2022/23. These takedown notices relate to eight publications and 14 Online Content Hosts.

Of these eight publications:

- five have an objectionable classification and are violent extremist material
- one publication has been submitted for classification
- two publications have not been submitted for classification. These dealt with matters including real war violence and sexual degradation respectively, and do not contain violent extremist content. Neither of these publications have been submitted for classification by the Department of Internal Affairs or the recipient of the takedown notice.

Financial Statements

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2023 (IN NEW ZEALAND DOLLARS)

REVENUE	NOTES	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
Revenue from the Crown	2	3,201	3,201	3,169
Labelling Body Revenue		380	268	336
Other Fee Revenue		2	–	1
Total		3,583	3,469	3,506
OTHER REVENUE				
Interest Revenue		34	10	1
Sundry Revenue		458	458	458
Total		492	468	459
EXPENSE				
Audit fee		39	33	39
Depreciation & Amortisation Expense	7, 8	81	81	107
Insurance Costs		10	12	14
Loss on Disposal of Fixed Assets		–	–	2
Lease & Rental Costs		237	231	235
Other Operating Costs		841	1,018	1,093
Personnel Costs	14	2,856	2,780	2,594
Total		4,064	4,155	4,084
Surplus/(Deficit)		11	(218)	(119)
Other Comprehensive Revenue		–	–	–
Total Comprehensive Revenue and Expense		11	(218)	(119)

Note:

Explanations of major variances are provided in note 18. The accompanying accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023 (IN NEW ZEALAND DOLLARS)

	NOTES	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
Balance at 1 July		909	836	1,028
Surplus/(Deficit)		11	(218)	(119)
Total Comprehensive Revenue & Expense		11	(218)	(119)
Balance at 30 June	16	920	618	909

Note:

The accompanying accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Financial Position

AS AT 30 JUNE 2023 (IN NEW ZEALAND DOLLARS)

	NOTES	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
CURRENT ASSETS				
Cash & Cash Equivalents	3	1,223	45	1,070
Debtors & Prepayments	4	88	131	55
Investments		-	500	-
Total Current Assets		1,311	676	1,125
CURRENT LIABILITIES				
Creditors & Other Payables	5	186	161	170
Employee Entitlements	6	337	262	290
CVOD Levies Received in Advance		57	-	-
Total Current Liabilities		580	423	460
Net Current Assets		731	253	665
NON-CURRENT ASSETS				
Property, Plant & Equipment	7	78	159	92
Intangible Assets	8	111	206	152
Total Non-Current Assets		189	365	244
Net Assets		920	618	909
Represented by				
EQUITY				
General Funds	16	920	618	909
Total Equity		920	618	909

Note:

The accompanying accounting policies and notes form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Cash Flows

AS AT 30 JUNE 2023 (IN NEW ZEALAND DOLLARS)

CASH FLOWS FROM OPERATING ACTIVITIES	NOTES	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
<i>Cash was provided from:</i>				
Receipts from the Crown		3,201	3,201	3,169
Receipts from Customers		860	731	804
Interest Received		34	10	1
Net Goods & Services Tax Received		-	590	14
		4,095	4,532	3,988
<i>Cash was distributed to:</i>				
Net Goods & Services Tax Paid		4	588	-
Payments to Suppliers & Employees		3,912	4,078	4,017
		3,916	4,666	4,017
Net Cash Flow from Operating Activities		179	(134)	(29)
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash was provided from:</i>				
Sale of Investments		-	-	500
		-	-	500
<i>Cash was distributed to:</i>				
Purchase of Property, Plant & Equipment		26	78	53
Purchase of Intangibles		-	58	-
		26	136	53
Net Cash Flow from Investing Activities		(26)	(136)	447

CASH FLOWS FROM FINANCING ACTIVITIES	NOTES	ACTUAL 2023 \$'000	BUDGET 2023 \$'000	ACTUAL 2022 \$'000
<i>Cash was provided from:</i>				
Capital Contribution		-	-	-
Net Cash Flow from Financing Activities		-	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents		153	(270)	418
Cash & Cash Equivalents at the Beginning of the year		1,070	316	652
Cash & Cash Equivalents at the end of the year	3	1,223	46	1,070

Note:

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

Note:

The accompanying accounting policies and notes form an integral part of, and should be read in conjunction with these financial statements.

Notes to the Accounts

FOR THE YEAR ENDED 30 JUNE 2023

Note 1: Statement of Accounting Policies Reporting

Entity

The Office of Film and Literature Classification (the Classification Office) is a Crown entity formed under the Films, Videos, and Publications Classification Act 1993. These statements have been prepared in accordance with the Crown Entities Act 2004.

The Classification Office's primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return.

Accordingly, the Classification Office has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Office are for the year ended 30 June 2023 and were approved on 30 October 2023.

Basis of Preparation

STATEMENT OF COMPLIANCE

The financial statements of the Classification Office have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP"). The Classification Office is a public sector Public Benefit Entity and has elected to prepare these financial statements in accordance with Tier 2 PBE Standards with Reduced Disclosure Requirements applicable to public sector entities, as it does not have public accountability and is not large. The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

MEASUREMENT BASE

The financial statements have been prepared on the historical cost basis.

FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), except for employee remuneration and benefits in Note 15 which is rounded to the nearest dollar.

BUDGET FIGURES

The budget figures are derived from the Statement of Performance Expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Classification Office for the preparation of the financial statements.

Standards issued and not yet effective and not early adopted

There have been no new standards issued for early adoption that are relevant to the Office in the current year.

Key Judgments and Assumptions

The preparation of financial statements requires judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revisions and future periods.

Critical accounting estimates and assumptions

In preparing these financial statements the Classification Office has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

PROPERTY, PLANT AND EQUIPMENT USEFUL LIVES AND RESIDUAL VALUE

At each balance date the Classification Office reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Classification Office to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Classification Office, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the statement of comprehensive revenue and expense and carrying amount of the asset in the statement of financial position. The Classification Office minimises the risk of this estimation uncertainty by:

- Physical inspection of assets;
- Asset replacement programmes;
- Review of secondhand market prices for similar assets; and
- Analysis of prior asset sales.

The carrying amounts of property, plant and equipment and intangible assets are disclosed in notes 7 and 8.

Critical judgments in applying the Classification Office's accounting policies

Management has exercised the following critical judgments in applying the Classification Office's accounting policies for the period ended 30 June 2023:

LEASE CLASSIFICATIONS

Determining whether a lease agreement is a finance lease or an operating lease requires judgment as to whether the agreement transfers substantially all the risks and rewards of ownership to the Classification Office.

Judgment is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

The Classification Office has exercised its judgment on the appropriate classification of equipment leases.

Changes in Accounting Policies

PBE IPSAS 41 FINANCIAL INSTRUMENTS

The Classification Office has adopted PBE IPSAS 41 Financial Instruments for the year ended 30 June 2023. This new standard is effective for periods beginning on or after 1 January 2022.

PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments. PBE IPSAS 41 supersedes PBE IFRS 9 Financial Instruments: Recognition and Measurement which was previously applied by the Classification Office.

Aside from the adoption of PBE IPSAS 41 outlined above, there have been no other changes in accounting policies during the financial year.

Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

REVENUE

Revenue is measured at fair value of consideration received or receivable.

Crown revenue

The Classification Office is primarily funded through revenue received from the Crown, which is restricted in its use for the purpose of the Classification Office meeting its objectives as specified in the Statement of Performance Expectations.

Revenue from the Crown is recognised as revenue when earned and is reported in the financial period to which it relates.

Interest

Interest income is recognised using the effective interest method.

Other revenue

Labelling Body income, other fee income and sundry income are recognised when earned and are reported in the financial period and are considered exchange revenue.

EXPENSES

Operating lease

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Classification Office are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of comprehensive revenue and expense.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Classification Office becomes a party to the contractual provisions of the financial instrument.

Financial assets

The Classification Office's financial assets are classified in accordance with PBE IPSAS 41 as assets measured at amortised cost or fair value through other comprehensive revenue and expense.

Amortised cost

Financial assets with fixed determinable payments that are not quoted in an active market are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Credit losses are measured at the present value of all cash shortfalls.

Interest is recognised as other revenue in the statement of comprehensive revenue and expense as earned.

Financial assets subsequently measured at amortised cost include bank accounts and cash, term deposits and receivables.

Financial liabilities

The Classification Office's financial liabilities are classified as amortised cost financial liabilities.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss.

Financial liabilities held at amortised cost include: Creditors and other accounts payable.

Impairment of financial assets

The Classification Office assesses at reporting date whether there is objective evidence that a financial asset is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event'). When a loss event has occurred, management recognises loss allowances (provisions) for expected credit losses (ECL) on financial assets measured at amortised cost. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Classification Office in accordance with the contract and the cash flows that the Classification Office expects to receive).

DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are recorded at the amount due, less any provision for impairment.

Impairment of a receivable is established using the ECL method when there is objective evidence that the Classification Office will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debtor is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive revenue and expense. When the receivable is uncollectible, it is written off against the allowance account for receivables. Refer to financial instruments policy for more detail.

PROPERTY, PLANT AND EQUIPMENT

Items of property, plant and equipment are shown at cost less any accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Classification Office and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Revenue and Expense.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at the rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Computer hardware	3-4 years	33%
Fit out	6 years	17%
Furniture & fittings	10 years	10%
Office equipment	4-5 years	24%
Other equipment	4-5 years	24%
Technical equipment	4-5 years	24%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software.

Costs that are directly associated with the development of software for internal use by the Classification Office, are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Classification Office's website are recognised as an expense when incurred.

Intangible assets are reviewed annually for impairment.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expense.

The useful lives and associated amortisation rates of intangible assets have been estimated as follows:

Software	3–4 years	33%
Self-rating tool	5 years	20%
Classification database	12 years	6%

The estimated amortisation rate for the 'self-rating tool' has changed from 10% to 20% this year (10 year to 5 year lifetime).

IMPAIRMENT

Property, plant and equipment that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement costs for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Classification Office would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset.

Where that results in a debit balance in the revaluation reserve, the balance is recognised in the Statement of Comprehensive Revenue and Expense.

For assets not carried at a revalued amount the reversal of an impairment loss is recognised in the Statement of Comprehensive Revenue and Expense.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

EMPLOYEE BENEFITS

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay.

Entitlements to sick leave are calculated based on an actuarial approach to assess the level of leave that is expected to be taken over and above the annual entitlement, and calculated using current pay rates at the time of creation.

SUPERANNUATION SCHEMES

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

PROVISIONS

The Classification Office recognises a provision for future expenditure, of uncertain amount or timing, when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

GOODS AND SERVICES TAX

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

INCOME TAX

The Classification Office is exempt from the payment of income tax in terms of the First Schedule to the Films, Videos, and Publications Classification Act 1993.

COST OF SERVICE STATEMENTS

The Classification Office has only one output class and all expenses are directly allocated to this one output class.

COMMITMENTS

Future payments are disclosed as commitments at the point when a contractual obligation arises, to the extent that they are equally unperformed obligations.

Commitments relating to employment contracts are not disclosed.

CONTINGENT LIABILITIES

Contingent liabilities are disclosed at the point when the contingency is evident.

Note 2: Reconciliation of Crown Revenue Received

	2023 \$'000	2022 \$'000
Funds received from Vote: Internal Affairs regarding the Estimates of Appropriations (net GST)	3,201	3,169
Crown Revenue Per Accounts as at 30 June	3,201	3,169

The Classification Office has been provided with funding from the Crown for the specific purposes of the Classification Office as set out in its founding legislation and the scope of the relevant Government appropriations. Apart from these general restrictions, there are no unfulfilled conditions or contingencies attached to Government funding (2022: nil).

Note 3: Cash & Cash Equivalents

	2023 \$'000	2022 \$'000
Cash at bank and on hand	1,223	1,070
Total Cash & Cash Equivalents	1,223	1,070

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

Note 4: Debtors & Prepayments

	2023 \$'000	2022 \$'000
Prepayments	49	55
Trade Debtors	39	-
Total Debtors & Prepayments	88	55

As at 30 June 2023 all receivables have been assessed for impairment. The carrying value of receivables approximates their fair value. All receivables are resultant from exchange transactions.

Note 5: Creditors & Other Payables

	2023 \$'000	2022 \$'000
Trade Creditors	95	70
Income in Advance	7	11
Sundry Creditors	55	56
GST	29	33
Total Creditors & Other Payables	186	170

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of creditors and other payables approximates their fair value. With the exception of GST payable all creditors are resultant from exchange transactions.

Note 6: Employee Entitlements

	2023 \$'000	2022 \$'000
Accrued Annual Leave	236	207
Provision for Staff Accrued Personnel Costs	99	83
Long Service Leave	2	–
	337	290

The value of long service leave is calculated on an employee's current hourly rate and the number of days employees have available.

Long service leave is available to employees based on their individual employment agreements. No long service leave was owing as at 30 June 2023 (2022: nil).

Note 7: Property, Plant & Equipment

Movements for each class of property, plant and equipment are as follows:

	COMPUTER HARDWARE	FIT OUT	FURNITURE & FITTINGS	OFFICE EQUIPMENT	OTHER EQUIPMENT	TECHNICAL EQUIPMENT	TOTAL
COST OR VALUATION	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2021	291	369	271	37	19	32	1,019
Balance at 30 June 2022	263	369	276	35	21	33	997
Additions	17	-	4	-	5	-	26
Disposals	(22)	-	-	-	(2)	-	(24)
Balance at 30 June 2023	258	369	280	35	24	33	999

ACCUMULATED DEPRECIATION & IMPAIRMENT LOSSES

Balance at 1 July 2021	264	367	235	36	14	32	948
Balance at 30 June 2022	212	367	242	35	16	33	905
Depreciation Expense	29	-	8	-	3	-	40
Eliminate on Disposal	(22)	-	-	-	(2)	-	(24)
Balance at 30 June 2023	219	367	250	35	17	33	921

CARRYING AMOUNTS

At 30 June 2021	27	2	36	1	5	-	71
At 30 June 2022	51	2	34	-	5	-	92
At 30 June 2023	39	2	30	-	7	-	78

RESTRICTIONS

There are no restrictions over the Classification Office's property, plant and equipment, nor are any property, plant and equipment pledged as security for liabilities.

Note 8: Intangible Assets

COST OR VALUATION	COMPUTER SOFTWARE \$'000	CLASSIFICATION DATABASE \$'000	TOTAL \$'000
Balance at 1 July 2021	311	1,848	2,159
Balance at 30 June 2022	311	1,848	2,159
Disposals	-	-	-
Additions	-	-	-
Balance at 30 June 2023	311	1,848	2,159
ACCUMULATED AMORTISATION & IMPAIRMENT LOSSES			
Balance at 1 July 2021	101	1,831	1,932
Balance at 30 June 2022	163	1,844	2,007
Amortisation Expense	37	4	41
Disposals	-	-	-
Balance at 30 June 2023	200	1,848	2,048
CARRYING AMOUNTS			
At 30 June 2021	210	17	227
At 30 June 2022	148	4	152
At 30 June 2023	111	-	111

The Classification Database Application (CDA) is internally generated software which largely comprises an interactive database. The CDA holds all classification records of the Office, produces the register of decisions of the Office (as required under the FVPC Act) and is a workflow management tool. The core CDA asset was brought into production in 2008/09 and the original development cost was fully depreciated in 2019/20. The remaining carrying amounts relate to a portion of upgrade costs.

RESTRICTIONS

There are no restrictions over the Classification Office's intangible assets, nor are any intangible assets pledged as security for liabilities.

Note 9: Financial Instruments

The carrying amounts of financial assets and liabilities in each of the financial instruments categories are as follows:

FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE <i>(Financial assets held at amortised cost)</i>		
	2023	2022
	\$'000	\$'000
Cash & Cash Equivalents	1,223	1,070
Receivables	39	-
Total Financial Assets	1,262	1,070
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE <i>(Financial assets held at amortised cost)</i>		
Creditors and other payables	149	126
Total Financial Liabilities	149	126
Total	1,113	944

Note 10: Related Party Information

The Classification Office is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions not more or less favourable than those that it is reasonable to expect the Classification Office would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other Government agencies (for example, Government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between Government agencies and undertaken on the normal terms and conditions for such transactions.

Note 11: Repayment of Profit to the Crown

Under Section 16 of the Crown Entities Act, the Minister of Finance may require repayment of any profit (or any portion of the profit). At the date of this report, the Classification Office has not been notified of any such request and therefore has not provided for any repayment relating to the years ended 30 June 1997 to 30 June 2023.

Note 12: Capital Commitments and Operating Leases

The Classification Office has a long-term lease on its premises in Wellington. The lease was renewed on 31 January 2023 for a further three years and will expire 31 January 2026.

Operating leases include lease payments for the Office committed to at balance date.

OPERATING LEASE COMMITMENTS	2023	2022
	\$'000	\$'000
Not later than one year	239	130
Later than one year and not later than five years	376	13
Later than five years	-	-
Total Operating Lease Commitments	615	143
Total Commitments	615	143

Note 13: Contingencies

The Classification Office has no known contingent liabilities or assets as at 30 June 2023 (2022: nil).

Note 14: Personnel Expenditure

	2023	2022
PERSONNEL EXPENDITURE	\$'000	\$'000
Salaries and Wages	2,744	2,504
Employer contributions to defined contribution plans	65	62
Increase/(decrease) in employee entitlements (Note 6)	47	28
	2,856	2,594

Note 15: Key Management & Employee Remuneration

KEY MANAGEMENT PERSONNEL COMPENSATION	2023	2022
	\$'000	\$'000
Salaries & other	573	455
Post-employment Benefit	16	14
Total Key Management Personnel Compensation	589	469
Full-time equivalents	2	2

The key management personnel in the 2023 year were the Chief Censor and the Deputy Chief Censor (2022: Chief Censor and Deputy Chief Censor).

EMPLOYEE REMUNERATION

TOTAL REMUNERATION AND BENEFITS	2023	2022
\$100,000 - \$109,999	4	3
\$110,000 - \$119,999	3	1
\$120,000 - \$129,999	-	1
\$130,000 - \$139,999	1	1
\$150,000 - \$159,999	1	1
\$210,000 - \$219,999	-	1
\$250,000 - \$259,999	-	1*
\$280,000 - \$289,999	1	-
\$300,000-\$309,999	1*	-

*Refers to the Chief Executive's remuneration

SEVERANCE PAYMENTS

During the year ended 30 June 2023 no employees received compensation in relation to cessation (2022: nil).

No Board members received compensation or other benefits in relation to cessation (2022: nil).

Note 16: Equity

EQUITY	2023	2022
	\$'000	\$'000
Balance at 1 July	909	1,028
Surplus/(Deficit) for the year	11	(119)
Balance at 30 June	920	909
Total Equity	920	909

Note 17: Subsequent Events

There are no significant events after balance date.

Note 18: Variances

Statement of Comprehensive Revenue and Expense

LABELLING BODY REVENUE

2022/2023 compared to Budget and Actual 2021/22

Labelling Body revenue is directly tied to the volume and nature of commercial submissions.

Budget assumed a drop in the volume of Labelling Body (commercial) submissions of between 10–25%, varying by medium type, and in line with long-term trends. However, the volume of Labelling Body submissions exceeded estimates and exceed the volume submitted in the prior year. This is contrary to the well-established downward trend in the submission of traditional formats.

INTEREST REVENUE

2022/2023 compared to Budget and Actual 2021/22

Interest revenue is derived from the short-term investment of annual revenue from the Crown, throughout each year. Over 2022/23 increased interest rates have driven this higher level of interest earnings than forecast, and than were achieved in 2021/22.

Due to ongoing deficits, approximately \$1,530K in equity has been eroded, and this has reduced funds available for investment.

EXPENSES

2022/23 compared to Budget and Actual 2021/22

Insurance Costs – insurance coverage was reduced generating savings against in both budget and prior year expenditure.

Depreciation & Amortisation Expense – there has been a low level of capital expenditure following the full depreciation of significant assets (CDA and Fit out) and this has generated lower depreciation expense in comparison to 2021/22.

OTHER OPERATING COSTS

2022/23 compared to Budget and Actual 2021/22

Other operating expenditure in 2022/23 was 23% (\$252K) less than 2021/22 and 16% (\$178K) less than budget. This was driven by savings in the areas of management information systems, computing support, legal services, policy support and public engagement activities.

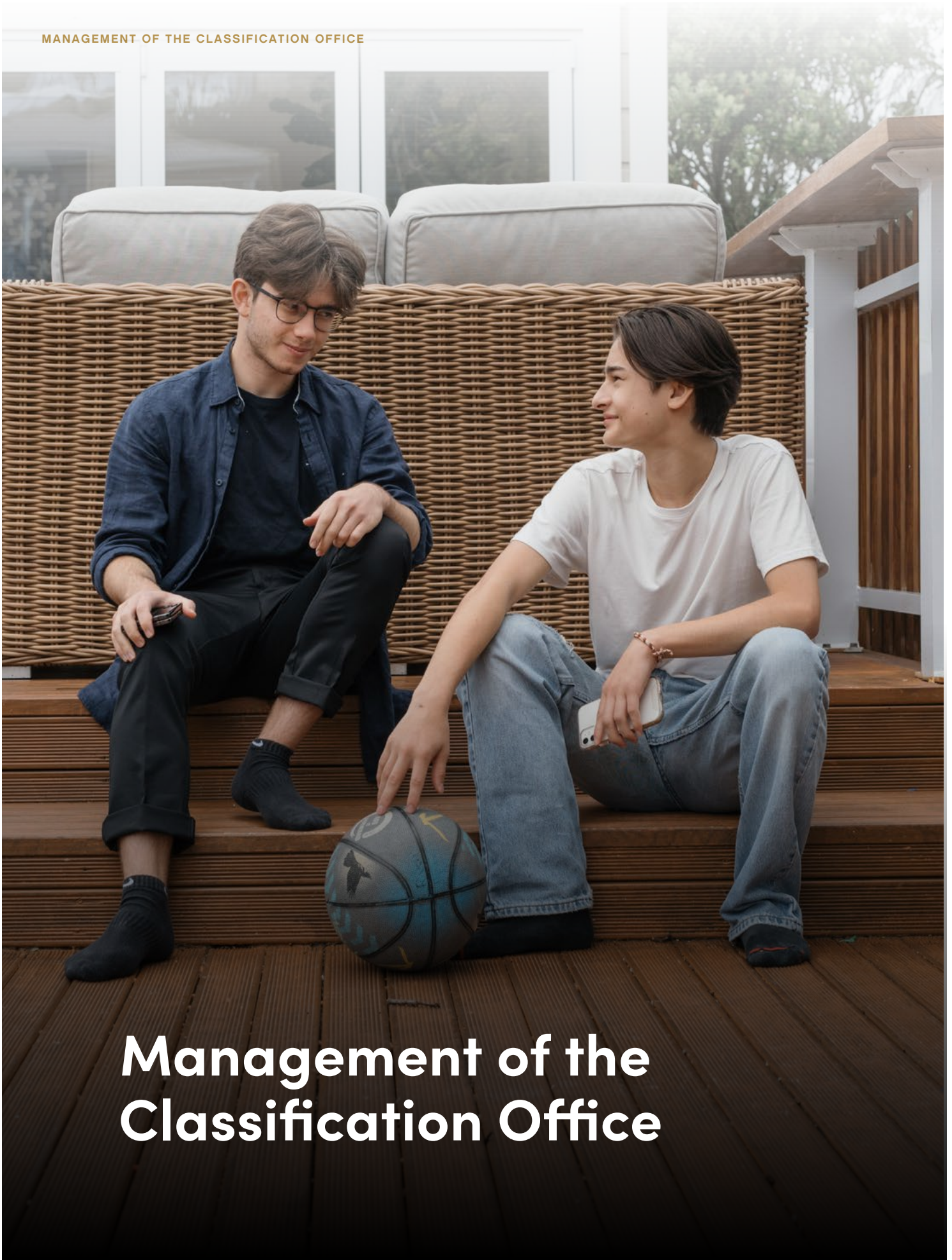
PERSONNEL COSTS

2022/23 compared to Actual 2021/22

Personnel expenditure in 2022/23 increased from the prior year by 10% (\$262K).

During 2022/23 the Office settled its Collective Agreement with the PSA following negotiations and this included an adjustment to salaries. This salary movement was largely funded from savings in operating expenditure.

The Office experienced high numbers of resignations in 2021/22 (7 positions or around 25% of the staff). Of these vacancies, 3 positions were left vacant, while it took several months to fill the other positions. In addition, statutorily appointed positions were vacant for 5 months of the year. This reduced salary expenditure in 2021/22.



Management of the Classification Office

Organisational Health & Capability

Health and Safety

The Senior Management Team and Board are fully engaged with health and safety in our organisation and we have robust measures in place to identify, monitor and manage risks. We offer a range of benefits and programmes to support the health and wellbeing of our staff, which go beyond our obligations under the Health and Safety at Work Act 2015. This includes workplace assessments by a physiotherapist, an employee assistance programme, flu vaccinations, annual eye examinations and hearing checks, and support for staff being physically active in the workplace, as well as management and staff participation on a health and safety committee. The nature of our classification work is often demanding on staff. There is a risk of harm to staff who work in an environment where they are exposed to objectionable material, if this isn't managed carefully and well. In order to support our team to maintain their mental and emotional wellbeing, we ensure staff receive suitable peer and professional support, and we regularly review our policy and practice regarding leave provisions and supporting staff who handle and view classification material that may be harmful or distressing.

We continue to maintain a flexible approach to how our staff members divide their time between the office and home, enabling individuals to find a balance that works well for them while still meeting our organisational needs, and this is codified in our employment agreements.

Staffing

As a relatively small organisation, maintaining capability can be a challenge and changes in a small number of positions can have wide-ranging impacts on the organisation.

As at 30 June 2023 we had 25 staff (22.9 full-time equivalents). The small size of the Office creates challenges around maintaining corporate knowledge, representation, and segregation of duties. We are working to more closely align our classification function with the Office's information and public engagement activities. This has the benefit of maintaining capacity and flexibility within the classification team, building capability for the delivery of information services as well as providing a healthy work balance for staff.

A three-year collective agreement is in place between the Office and the PSA and bargaining was concluded in May 2023.

Emissions Reporting

As a small independent Crown entity, we are not covered by the carbon neutral government programme and are not required to measure, report or offset our greenhouse gas emissions. However, the Office does have a range of measures in place to reduce our environmental impact. We do not own or lease any vehicles, we have minimal expenditure on air travel and staff use public transport for short around town trips. Where possible we source carbon neutral supplies, we make e-waste recycling available to staff and support a staff-initiated food waste reduction programme.

The Classification Office as a Good Employer

The Office is required to be a good employer under the Crown Entities Act 2004. A good employer values equity and fairness, and has policies, programmes and practices that promote these values. They make maximum use of the skills and strengths of all staff but have special regard for those groups often overlooked or marginalised – including women, Māori, other ethnic communities, the LGBTQI+ community, people with disabilities and other minority groups. The Office is also committed to being a diverse and inclusive organisation.

Workplace Profile

The Office creates a ‘workplace profile’ annually, which assists us to monitor our performance as a good employer, and to maintain a good understanding of our staff make-up and some of the challenges our staff face.

Gender Profile

During 2022/23:

- 64% of our staff are women and 38% are men.
- Among the classification team (Classification Advisors, Senior Classification Advisors, Chief Censor and Deputy Chief Censor), 60% are women and 40% are men.
- 75% of our senior management team are women.
- Only 16% of our staff work less than full-time and of these all are women.

Analysis of our gender pay gap is regularly conducted, on the basis of median salaries across the organisation. During 2022 we had a negative gender pay gap organisation-wide and within the classification team.

Ethnicity

72% of our staff identify as NZ European/Pākehā and 8% identify as Māori. 24% of staff identify as other ethnicities, including Pasifika, Asian, Sri Lankan and Middle Eastern. When recruiting new staff, we focus on attracting a diverse range of candidates (ethnicity being one aspect of this), and will continue to do so in the future.

Kia Toipoto Action Plan and Pay Equity

Kia Toipoto is the Public Service’s action plan for closing gender, Māori, Pacific and ethnic pay gaps. There are three-year goals, with focus areas that include transparency, equitable pay outcomes, effective career and leadership development, and elimination of all forms of bias and discrimination.

During 2022/23 we developed and published our first Kia Toipoto Action Plan. Analysis of our gender pay gap is regularly conducted, on the basis of median salaries across the organisation. During 2022/23 we maintained a negative gender pay gap organisation-wide and within the classification team. This is largely driven by the proportion of women in senior positions in the office. More recently we reviewed starting salaries for those who have joined us since January 2020. This indicates slightly higher starting salaries for women.

Caregiver Profile

Approximately 40% of our staff have caregiver responsibilities of some kind. This includes staff who have childcare responsibilities (35%) and staff who care for other dependents, primarily parents (12%). We provide flexible working options to accommodate and support this.

Age & Disability

Employee ages range from early 20s to late 60s, and the average age is 44. Although the Office has a policy of no discrimination, the nature of the material processed within the Office means it's not possible to employ staff under the age of 18.

Our Youth Advisory Panel has been in place since 2018. It helps to ensure we understand and take into account the views and concerns of young New Zealanders from diverse backgrounds.

Just 4% of our staff have reported that they have some form of disability. The Office aims to reduce obstacles for employees with disabilities and ensure that any employee who identifies as having a disability (either permanent or temporary) has their individual needs accommodated.

The average length of service is 7.2 years.

Staff Consultation

The Office does not have a staff engagement committee at present. The Office's HR function, PSA delegates and various staff with special interests have taken on this role, including consulting with staff and working on initiatives such as workplace culture and reviewing policy and practice, with the aim of ongoing improvement on good employer issues.



Key Good Employer Elements

LEADERSHIP, ACCOUNTABILITY & CULTURE

The Chief Censor communicates their goals for the Classification Office and expectations of staff through meetings, managers and written communication including a weekly pānui. Minutes from the weekly management hui are circulated to all staff, and weekly staff hui are held to inform the team about the wider activities of the Office. The Chief Censor has an 'open door' policy (and an open floor plan) and regularly seeks staff feedback.

Two of the key attributes in the performance development system are "commitment to open communication through sharing information, ideas and knowledge with others" and "teamwork and co-operation", which encourage staff to acknowledge the contribution, help or assistance of other team members.

Staff participation in activities which set and enhance the culture of the Office is facilitated and encouraged, and this behaviour is modelled by managers. This includes union (PSA) activities, the Social Club committee, and safety wardens. All staff, irrespective of position, seniority, or nature of their employment (full or part-time, and casual), are able to participate in these activities.

RECRUITMENT, SELECTION & INDUCTION

The Office has an impartial, transparent employment process, and strives to employ the best person for the job. We have a clear Recruitment and Selection policy to reduce the risk of inequality, including establishing expectations with recruitment agencies. Consideration of Diversity and Inclusion principles is incorporated into our recruitment and selection processes.

All new employees undergo an induction process that is aimed at making them comfortable and confident in their new position, and ensuring they are familiar with their rights and responsibilities as an employee of the Classification Office.

EMPLOYEE DEVELOPMENT, PROMOTION & EXIT

The Office has a positive, equitable approach to developing employees' skills and knowledge. All staff have access to training and/or study that is appropriate to their skills, position, and level of performance.

The reward structure that is integrated with the performance development system includes a personal development component. Once employees are proficient in the core skills required in their position, the emphasis of training is on professional and personal development. The training goals at these levels are to enhance morale and job satisfaction, and to develop staff for their continuing career within and beyond the Office.

While the small size of the Office and the average length of service mean opportunities for promotion are somewhat limited, vacancies are made available to internal applicants and internal transfers are considered. Where possible we also make our staff available for secondment opportunities.

**FLEXIBILITY
& WORK DESIGN**

The Office provides a flexible work environment that assists employees to balance work with the other aspects of their lives. The flexible working conditions provided go beyond the statutory flexible working arrangements set out under the Employment Relations Act 2000. Flexible work options available to our staff include:

- working from home part of the time
- flexible hours of work
- job share and casual positions
- a number of positions may to be worked on a part-time basis if preferred by employees
- requests for changes to hours of work (such as reducing hours to part-time) are considered for all employees.

**HARASSMENT,
SEXUAL HARASSMENT
& BULLYING PREVENTION**

The Office recognises the right of every employee to enjoy a workplace free of harassment, bullying and unlawful discrimination, and works to promote such an environment. Staff and managers have been trained on their rights and responsibilities, and maintaining awareness of this issue is an ongoing priority. The Office has a Harassment and Bullying policy, which includes a complaint procedure.

**SAFE & HEALTHY
ENVIRONMENT**

The Office takes a proactive approach to employee health, safety and wellbeing. Obstacles are removed for any staff who experience temporary or long-term disability, and disability is not a barrier for candidates when recruiting (with the exception of specific conditions that would prevent the job being performed).

The Office has a Health and Safety committee made up of our Safety Wardens. Safety Wardens are trained and equipped to deal with emergencies and first aid training is made available to all staff.

The Office has a comprehensive wellbeing programme, which includes subsidised eye and hearing tests (and lenses and hearing aids when required), flu vaccinations, leave provisions in excess of statutory entitlements, an Employee Assistance Programme (EAP) that provides all employees with access to clinical psychologists and counsellors, and ergonomic workspace assessments.

**Te Mana
Whakaatu**
CLASSIFICATION OFFICE

**Kōrerotahi.
Mātakitahi.**