

TE MANA WHAKAATU
**Classification
Office**

Watch carefully.
Think critically.

A photograph of two young boys smiling and taking a selfie with a smartphone. The boy on the left is holding a white and blue soccer ball. They are outdoors, with a blurred background of a fence or wall.

Annual Report

2023/24

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 2024.

Yours sincerely,



Caroline Flora – Chief Censor



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Cite as: Te Mana Whakaatu Classification Office
Annual Report 2023/24. Wellington New Zealand:
Te Mana Whakaatu, Classification Office.

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October 2024

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Chief Censor's Foreword

CHIEF CENSOR CAROLINE FLORA, CLASSIFICATION OFFICE – TE MANA WHAKAATU

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

When reflecting on this year I'm most proud of the contribution our Office continues to make to the safety and wellbeing of New Zealanders, despite our modest size. We are an independent Crown entity that produces world-class research, internationally impactful classification decisions, and we're responding to what New Zealanders tell us they need when it comes to the content they are watching.

The changing landscape of how New Zealanders consume media has meant a continued decline in commercial submissions and therefore revenue for our Office. In 2022 the Board adopted a robust three-part investment and sustainability plan. We have successfully arrested growing expenses for the medium term so that we are no longer using cash reserves to meet the shortfall in revenue.

We launched research this year that explored the topic of online misogyny and violent extremism, because we were observing misogyny as a common theme in our forensic classification work. We found that misogyny and male supremacy are woven into the ideologies of various extremist groups and appear in the manifestos of perpetrators of acts of terror. Women and girls are more likely to experience harassment, abuse and threats online and this experience often translates offline. Women in high profile roles and with intersecting identities are more likely to be impacted by online misogyny, and the design of some social media platforms can amplify the risk that individuals are drawn into extremist groups online. We published this research as a comprehensive web resource so that academics and policy makers can explore this complex issue in an accessible format, and we hope it sparks further data collection and research in Aotearoa.

Our work with young people continues to enrich every aspect of our mahi. The Youth Advisory Panel, established in 2018, provides valuable consultations not only for our Classification and Information Units but also for other government agencies, including the Department of the Prime Minister and Cabinet and New Zealand Police, as well as Netsafe and the Institute for Strategic Dialogue.

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 contribution locally and internationally. Me mahi tahi tātou mō te ora 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



A stylized, handwritten signature in black ink, likely belonging to Caroline Flora.

Caroline Flora
Chief Censor

Our Purpose

The Strategic Direction from the Board

We work to prevent exposure to harmful content while upholding the right to freedom of expression and empowering New Zealanders to make informed choices about what they, and their rangatahi and tamariki, watch.

In line with the Government's priorities the Classification Office has continued to focus on doing our core business well across the last year and into the future. We continue to prepare the organisation and our services for future challenges presented by the evolving technological landscape by strengthening our stewardship capability.

We are focused on delivering modern and responsive public services within our statutory mandate, and using our resources prudently to deliver value for money for New Zealanders. We work hard to ensure our functions support individuals, families and communities to be safe, whether that means enabling them to make good choices about the content they consume, or reducing the availability of objectionable content that causes real-world harm.

Declining revenue has meant that the Office was operating at a financial deficit for a number of years, with cash reserves meeting the shortfall in revenue.

In 2022 the Board adopted a three-part investment and sustainability plan, and included financial sustainability as a strategic objective in the work programme. The Office has successfully arrested growing expenditure for the medium term through reprioritisation, reduction of some overheads, and clear investment strategies. We're excited to now be in a position to invest in the tools and capabilities we need to be a modern regulator delivering impactful services for New Zealanders.

New Zealanders must have confidence in both the integrity of the classification system, and in the Classification Office as an effective and impartial regulator.

One of the most important ways we can achieve this is by performing our core functions transparently and to a high standard. Our most recent surveys indicate that the public trusts our work and largely agrees with our classification decisions:

61% believe that age ratings are about right.

20% believe age ratings are too lenient.

10% believe age ratings are too strict.

Among those who helped choose content for a child or young person:

79% said that content warnings are important (this figure was higher among women and older people).

74% said age ratings are important (this figure was higher among older people).

Source: Results are from questions asked in AK Research's nationwide online omnibus survey conducted in March 2023. The question set was developed by the Office. The sample size for the online survey was n=1,018.

We continue to seek the diverse views of New Zealanders to inform our work, including through engagement with rangatahi and other communities.



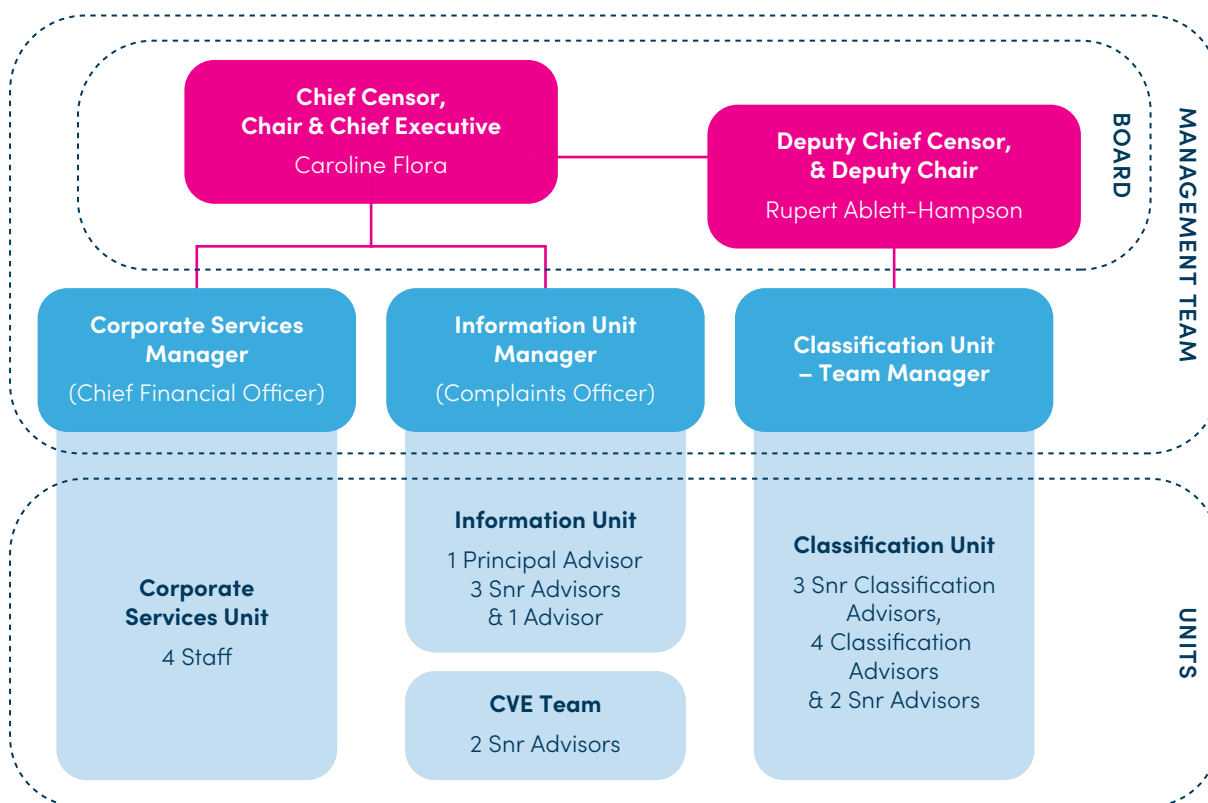
Caroline Flora
Chairperson



Rupert Ablett-Hampson
Deputy Chairperson

Our Structure

Figure 1: Classification Office Organisational Chart



Structure and role of the Office

We were established by the Films, Videos, and Publications Classifications Act 1993 (the Classification Act) to classify publications which may need to be restricted or banned, and to provide information about classification decisions and the classification system as a whole. The Chief Censor is chief executive of the Classification 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 current Chief Censor Caroline Flora was appointed in July 2022. Our Deputy Chief Censor Rupert Ablett-Hampson was appointed in October 2021.

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. Support, approve and review self-rating systems used by streaming providers.
6. Support New Zealand's response to online violent extremist content.

Our Core Functions

Our core functions are categorised into six areas of mahi which align with our primary activities.

This work is produced, conducted, and supported by our team of 23 FTEs from the Office in Wellington.

Under the Classification Act we are responsible for the classification of publications of entertainment and forensic nature. Entertainment publications include films that you see at the cinema and movies, series and games that are distributed on DVD and Blu-ray as well as online. Forensic publications are those items submitted to us by the Department of Internal Affairs (DIA), Police, the Courts, and Customs for classification as objectionable (illegal), restricted (available for a few only), or unrestricted.

In addition we:

- have a support and oversight role in the recently established self-rating framework which allows streaming platforms to rate their own content which is available in New Zealand,
- have a public outreach mandate,
- provide a complaints and inquiries service for New Zealand's classification system,
- carry out research which enables us to perform our work effectively and in line with the expectations of our society.

We are also tasked with supporting New Zealand's response to online violent extremist material.

Classifying a Sex Education Book

Marketed as a sex education book for teenagers, *Welcome to Sex!* drew controversy for its sometimes graphic descriptions and illustrations.

A member of the public was granted leave to submit it for classification in November 2023. In considering its classification we consulted with the Ministry of Education and the Library and Information Association of New Zealand Aotearoa (LIANZA), invited the publisher, Booksellers Aotearoa New Zealand and the Department of Internal Affairs to make submissions, along with other members of the public who made initial requests for the book to be classified. We did not seek submissions from the general public however over 400 unsolicited submissions were received.

We found the book to be an educational resource on the issues of sexuality, relationships and sex. It explains sexual matters to young people in an educational way. We considered the book's unrestricted availability unlikely to be injurious to the public good and accordingly classified it unrestricted. This unrestricted classification allows parents and whānau to decide if the book is right for their teenagers. The law does not allow us to direct that a label is put on books classified as unrestricted (as it does for films and DVDs). If it did, we would have requested an M label (ie for mature audiences 16 years and over) be displayed on the book.



Classifying and Rating Entertainment

Our classifications of entertainment publications allow people to decide if the content is suitable for them and their families. Our research shows that our age ratings are well known and understood by the public.

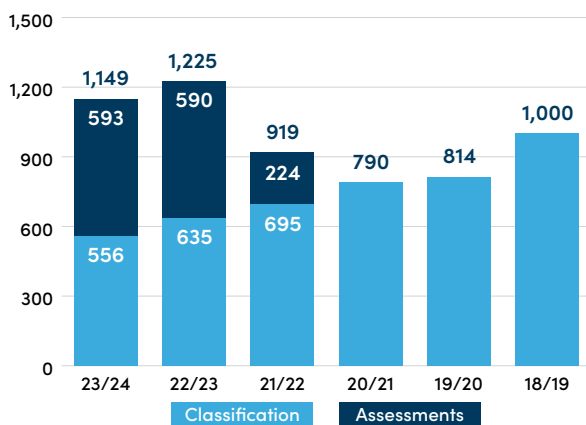
Entertainment publications are those films and series that you may see at the cinema; movies, TV shows and games on DVD and Blu-ray at your local retail store; as well as online releases. We also support streaming platforms to self-rate their content for services such as Apple TV and Disney+. Commercial Video On-Demand (CVD) regulation involves the Office assessing companies and approving them for self-rating, and the annual assessment and review of their self-rating systems.

Entertainment Publications: Films, Series and Games

The decline in physical publications being submitted for classification continues. In early 2024 we also started to see a further decline in the number of mainstream feature films submitted for classification, likely a flow-on effect of the 2023 Writers Guild of America strike combined with the American actors' union, SAG-AFTRA, strike.

Submissions for Indian, Asian, and film festival films remain steady however. This year we classified titles for various film festivals including Whānau Mārama New Zealand International Film Festival (NZIFF), Terror-Fi, Māoriland, Italian, and Latin America & Spain film festivals and the African Film Festival.

Figure 2: Commercial classifications and assessments over the past five years



Members of the Youth Advisory Panel (YAP) support us in the classification of some commercial films, especially when young people will be particularly interested in their subject matter. For example, YAP feedback assisted us in determining classifications for *Furiosa: A Mad Max Saga* (classified R16: Violence, cruelty & content that may disturb), *MaXXXine*, the third instalment in the *X* horror film series (classified R16: Graphic violence, offensive language, drug use and sex scenes), and *Poor Things* (classified R18: Body horror, sex scenes, nudity & offensive language).

For *Poor Things* the YAP noted that the film is 'surreal' but the sex is the most real and relatable element. They felt the suicide depicted and mentioned in the story is also strong because the film opens with it. The depiction could be upsetting for someone impacted by suicide, and this youth perspective was very helpful to draw on when classifying the content.

This year we reconsidered the classifications of eight publications including three films, three games, one book and one TV episode.

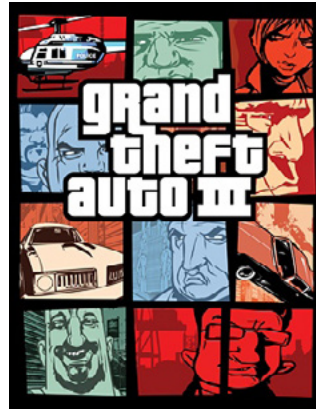
The consumer move to digital/online rather than physical games continues. Online digital games do not legally require official classifications in New Zealand. Online games as we know them today did not exist when the Films, Videos, and Publications Classification Act was drafted in the early 1990s. However, many online platforms do seek a local classification and many consumers appreciate ratings and content warnings on their digital games. This year we classified 39 games.

In total the Office classified 556 commercial films, series, or games and assessed 593 pieces of streaming content.

Reconsiderations

Grand Theft Auto III

Grand Theft Auto III was originally classified R18 in 2002. In October 2023, a member of the public was granted leave to submit the game for reconsideration. We considered whether the way the game deals with violence and criminality has been significantly limited by its aged presentation when compared to other more modern games. We found that the callous and cruel nature of the violence, and the high volume of it, along with the extensive criminal activity that players are 'encouraged' or required to perform, meant that the impact of the game remains high. We retained the R18 classification.



R18

Coffy

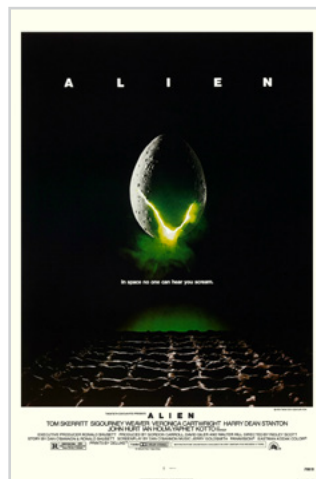
Coffy was refused classification (the equivalent of a ban) in 1974 under previous legislation. This [blaxploitation](#) revenge thriller was given a second chance in May 2024 when a distributor submitted the film on Blu-ray (with a range of bonus content) for reconsideration. Content such as crude sexual humour, casual sexual violence, offensive language, and a scene where a man degrades a woman for his own sexual pleasure require a high level of maturity to contextualise. The film was reclassified as R16 with content warnings for violence, cruelty, sexual violence, drug use, offensive language and content that may offend. Viewed through a contemporary lens, the content is likely to cause some offence because of its outdated attitudes to gender and race.



R16

Alien

With renewed interest in the *Alien* film franchise we granted leave to a member of the public who submitted this classic sci-fi horror for reconsideration. The age of the film dulls the impact somewhat, but with a pervasive sense of dread punctuated by moments of violence, the film is definitely intended for a mature audience. When the original *Alien* film was classified R16 in 1979 it was under previous legislation. We considered that the film's content is not to a level that requires age restriction today. Accordingly, we reclassified it M with content warnings for violence and offensive language.



M

Historical Rainbow Publications Project (previously banned homosexual content)

In late 2022 until early 2024 we undertook a project to revisit publications that were banned before the Homosexual Law Reform Act 1986.

This project came about in response to concerns raised by the rainbow community during a select committee hearing in 2021. The then Minister of Internal Affairs Hon Jan Tinetti asked the Chief Censor to consider the issue.

We reclassified a number of publications that had previously been banned. None of the publications examined to date as part of this project have been reclassified as objectionable. Some of these now unrestricted publications showed homosexual life in the 1980s, such as content found in lifestyle magazines including advertisements and event information. Others showed pornography equivalent to heterosexual pornography of the time, and have been reclassified as restricted to adults 18 years and over.

Sourcing publications that were banned proved to be very difficult, either in New Zealand or overseas.

Between the years 1963 and 1994, approximately 1,200 publications were banned by the Indecent Publications Tribunal. Our legislation requires that a copy of a publication is examined when reclassifying. The Office undertook best efforts to identify and source existing publications for this project.

Some publications were banned because they contained homosexual and other rainbow content. At that time male homosexuality was illegal and rainbow identities were not socially acceptable. As our society has evolved and public standards have changed we find revisiting historic classifications often results in a different classification.

We are no longer actively looking for further publications to reclassify as we have exhausted our known sources. We do encourage members of the public to contact us directly if they wish to read, own or trade publications that are potentially banned so that we can consider them for reclassification.

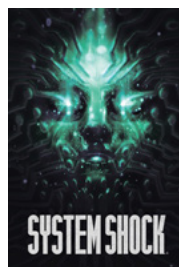
Retro Gaming

In addition to the shift to online games we are seeing a number of classic games being remade and remastered. Such games classified this year included:

System Shock: The remake keeps the original's retro aesthetic, updated with modern violence and gore. Classified R16: Bloody violence & gore.

Resident Evil 4: Gold Edition: An expanded version of the *Resident Evil 4* remake from 2022 with a new side story. Classified R16: Graphic violence & horror.

The House of the Dead 2: Remake: This remake of Sega's 1998 rail shooter is a remaster for modern systems. The now aged visuals led to a reduced age restriction from R16 to R13: Bloody violence & horror.



R16



R16



**RESTRICTED
13**

Regulating Self-Rating: Commercial Video On-Demand Providers

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.

As streaming services continue to change the way we consume content, New Zealand audiences may be exposed to content that is challenging but may be considered commonplace in other cultures and countries.

We work closely with providers to aid them in supporting their self-rating decisions when the cultural nuances aren't black and white. Often the content deals with more niche subject matter.

Two examples of recent films or series that we were consulted on are *High Hopes*, a reality show that follows the lives of workers at a cannabis dispensary in Los Angeles, California, and *The Mission*, a documentary about the death of an American missionary in 1818. One deals with subject matter around gratuitous consumption and promotion of marijuana, and the other features brief child nudity in the context of historical documentary

footage. We were able to advise the streaming provider on the strength of the content in the context of these titles before they 'dropped' on-service. They also prompted us to consider our own classification approaches to niche content; for example, when considering on-screen drug use from a country where the drug is legal versus our jurisdictional difference here in New Zealand.

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

In 2023/24 we assessed 593 pieces of content on CVOD platforms. Since the inception of this regime, over 55,000 titles have been self-rated by CVOD providers.



Classifying Publications (Forensic)

A significant aspect of our mahi is the classification of publications that Crown agencies or the Courts want classified for the purpose of criminal investigations or court proceedings.

The number of publications submitted by Crown agencies and the Courts was higher in 2023/24 than in the previous year. We received 559 publications compared with 294.

This year saw an increase in the number of publications depicting New Zealand subjects submitted by Police, with 145 being classified compared to 22 in the previous year. Of these, all but six were submitted as potential child sexual exploitation material. The remainder involved teenagers who filmed themselves carrying out physical assaults on men. Of these 145 publications, 83 were classified objectionable, 10 received unrestricted classifications and the remainder were restricted to the subject of the images.

Twenty-four text files relating to suicide were classified as objectionable. In Aotearoa New Zealand it is illegal to incite, counsel, procure, aid or abet any person to

commit suicide¹. Suicide is a serious concern for our communities. The Suicide Prevention Office – Manatū Hauora Ministry of Health submitted eight text files comprising discussion threads from a web forum devoted to suicide. This forum provides detailed counsel on methods of suicide and has been linked to the deaths of four New Zealanders².

A member of the public drew our attention to the content of a website based in the United Kingdom that dealt with suicide. As a result, the Chief Censor called in 16 text files of content from the website, each of which provided significant detail about methods of suicide. These publications either counsel a person to commit suicide or provide sufficient information to enable someone to counsel a person to commit suicide. The Department of Internal Affairs subsequently issued takedown notices to remove this content.

Case Study: Consulting with Experts for Explosive Texts

This year Police submitted six text files dealing with the criminal manufacture of weapons, ammunition, explosives, and incendiary devices. Of these, three were published in book form in the 1990s. Five are by authors known for their work in this area and one is by a group involved in economic sabotage and guerrilla warfare. These files have notoriety and appeal because of their association with specific criminal and terrorist activity. The last publication was a roughly compiled text file by various unknown people. All six publications were available online.

The manufacture of the items outlined in these publications is illegal or heavily regulated in Aotearoa New Zealand. Each publication contains a high level of detailed instruction on creating items from easily obtainable materials, often using household equipment. Some also include information on how to avoid detection when making and deploying these devices to cause maximum damage and harm.

As part of the classification process, we consulted with an academic from the School of Chemical and Physical Sciences at Te Herenga Waka – Victoria University of Wellington. They provided useful insight into the efficacy of the recipes, the characteristics of the ingredients and compounds and the volatile nature of the substances involved.

There is extreme risk of harm to the public from these files being available to those with malicious intent. There is also significant risk to younger people who may not fully recognise the danger of attempting to follow the instructions. These six files were classified as objectionable because the very high risk of harm cannot be mitigated by an age restriction.

¹ [Crimes Act 1961 No 43 \(as at 13 April 2023\), Public Act 179 Aiding and abetting suicide – New Zealand Legislation](#)

² [Four NZ suicides linked to poison selling Canadian chef | Stuff](#)

Countering Violent Extremism

We've built our knowledge and expertise in violent extremism since the 2019 Mosque attacks in Christchurch.

We use research, education and outreach relating to extremist content to respond to the real-world terrorist attacks this content inspires. We're using this knowledge and expertise to classify a growing category of forensic content. Specialist knowledge and stakeholder relationships support the Office's classification function in its independent decision-making.

In the event of terrorist attacks, prompt classifications of the terrorist propaganda produced by the attackers are used by agencies in New Zealand and overseas to reduce the spread of that material; the team has a truly international impact.

Conflict Footage

We observed a significant increase in the dissemination of online content related to ongoing conflicts, including the war in Ukraine and the conflict in Israel and Gaza. Concerned community members reported these publications through the appropriate channels at the Department of Internal Affairs (DIA), and we were able to respond quickly. Classifying materials emerging from current conflicts can be challenging, and we balance the need to safeguard freedom of expression while protecting the public from harm. A small number of publications were found to be objectionable, however some of the most distressing content that we examined, including explosion aftermath footage, was not classified as objectionable. We recognised that these publications still had the potential to greatly shock and disturb social media users including young people. Through our education and awareness channels, we provided the community with tools and advice about how to keep themselves up to date with current events without engaging with distressing content they wished not to see.

Expert Consultations

We routinely consult with subject matter experts to assist with classifications, under s21 of the Classification Act. In late 2023 we received several publications concerning the construction and use of explosives and improvised weapons. To assess the efficacy of these 'recipes', we consulted with a chemist from Te Herenga Waka – Victoria University of Wellington. We also engaged with media scholars from Massey University to discuss the concepts of fame, infamy, and the significance of conflict related images, which are crucial factors when evaluating publications under section 3(4) of the [Classification Act](#).

Crocus City Hall

We have the tools and expertise to respond quickly when terror events occur. On Tuesday 26 March 2024 the Crocus City Hall attack video was called in under section 13(3) of the Classification Act by the Chief Censor, with the DIA obtaining and submitting the publication. The video, which is one minute and 31 seconds long and shows graphic violence from the attackers' perspectives, was released by a news agency affiliated with the Islamic State – Khorasan Province (ISKP), which also claimed responsibility for the attack. The publication was deemed objectionable under section 3(2)(f) of the Classification Act for promoting extreme violence. Following the attack, the Global Internet Forum to Counter Terrorism (GIFCT) activated the "incident" level of its response framework, and Tech Against Terrorism (TAT) utilised the Terrorist Content Analytics Platform to notify other online service providers hosting the content, so that it can be removed.

Table 1. Publications Classified by Channel and Medium 2023/24

	ADVERTISING FOR PUBLICATIONS	OTHER MATERIAL	MAGAZINES / BOOKS	VIDEO FILES	IMAGE FILES	DIGITAL GAMES	DVDS	FILMS & FILM TRAILERS	TOTAL
Section 12(1) – Labelling Body	89	4	0	0	0	35	60	368	556
Section 12(3) – Labelling Body	0	0	0	0	0	0	0	0	0
Section 13(1)(a) – Comptroller of Customs	0	0	0	0	0	1	0	0	1
Section 13(1)(ab) – Commissioner of Police	0	0	0	179	385	0	0	0	564
Section 13(1)(b) – Secretary for Internal Affairs	0	0	0	30	23	0	0	0	53
Section 13(1)(c) – Chief Censor Grants Leave	0	0	1	0	8	0	0	0	9
Section 13(3) – Chief Censor's Own Motion	0	24	35	1	16	0	0	3	79
Section 29(1) – Courts	0	0	0	0	0	0	0	0	0
Section 41(3) – Reconsiderations (Courts)	0	0	0	0	0	0	0	0	0
Sections 42(1), (2) and (3) – Reconsiderations	0	0	1	0	0	3	1	3	8
Section 46E(3) – Commercial Video On-Demand ¹	0	3	0	0	0	0	0	0	3
Regulation 27 – Film Poster Approvals	0	0	0	0	0	0	0	0	0
Total	89	31	37	210	432	39	61	374	1,273

¹ Section 46E(3) submissions are made by online streaming services if they identify commercial video on-demand content as potentially being objectionable.

Table 2. Comparison of Publications Received 2015–2024

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Section 12(1) Labelling Body	563	646	699	791	748	1,065	1,114	1,195	2,315	1,852
Section 13(1)(a) Comptroller of Customs	1	2	4	0	33	10	8	6	13	5
Section 13(1)(ab) Commissioner of Police	420	268	230	346	502	458	536	401	131	127
Section 13(1)(b) Secretary for Internal Affairs	55	11	41	30	2	3	17	474	78	146
Section 13(1)(c) Chief Censor Grants Leave	9	2	0	22	46	49	51	101	4	7
Section 13(3) Chief Censor's Own Motion	83	10	7	4	3	9	29	24	9	1
Section 29(1) Courts	0	4	89	55	80	136	39	89	6	16
Sections 42(1), (2) and (3) Reconsiderations	9	8	7	3	3	1	3	3	1	2
Sections 41(3) Reconsiderations (Courts)	0	1	1	0	0	0	0	0	0	0
Section 46E(3) Commercial Video On-Demand ¹	3	0	0	-	-	-	-	-	-	-
Regulation 27 Film Poster Approvals	0	0	0	0	0	1	0	0	0	0
Total	1,143	952	1,078	1,251	1,417	1,732	1,797	2,293	2,557	2,156

¹ This channel was introduced following 2020 amendments to the Classification Act. It was not available as a submission channel until 2021/22.

Table 3. Comparison of Publications Examined 2015–2024

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Section 12(1) Labelling Body	554	632	693	786	809	1,011	1,100	1,323	2,220	1,955
Section 13(1)(a) Comptroller of Customs	1	2	4	0	33	10	8	6	13	5
Section 13(1)(ab) Commissioner of Police	565	118	222	416	512	370	537	396	131	173
Section 13(1)(b) Secretary for Internal Affairs	53	6	43	28	2	3	18	486	65	183
Section 13(1)(c) Chief Censor Grants Leave	9	2	0	22	47	50	49	100	4	7
Section 13(3) Chief Censor's Own Motion	79	11	6	4	3	20	18	24	8	1
Section 29(1) Courts	0	51	69	26	86	111	39	95	0	16
Sections 42(1), (2) and (3) Reconsiderations	8	8	7	3	3	1	3	3	4	15
Sections 41(3) Reconsiderations (Courts)	0	0	1	0	0	0	0	0	0	0
Section 46(E) Commercial Video On-Demand	3	0	0	-	-	-	-	-	-	-
Regulation 27 Film Poster Approvals	0	0	0	0	0	1	0	0	0	0
Total	1,272	830	1,045	1,285	1,495	1,577	1,772	2,433	2,445	2,355

Table 4. Comparison of Publications Classified 2015–2024

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16	2014/15
Section 12(1) Labelling Body	556	635	695	790	814	1,000	1,109	1,327	2,219	1,958
Section 13(1)(a) Comptroller of Customs	1	2	4	0	33	10	8	10	9	5
Section 13(1)(ab) Commissioner of Police	564	161	219	464	504	269	586	344	111	173
Section 13(1)(b) Secretary for Internal Affairs	53	7	48	23	1	4	17	509	39	183
Section 13(1)(c) Chief Censor Grants Leave	9	2	1	21	49	48	49	99	5	7
Section 13(3) Chief Censor's Own Motion	79	9	5	3	3	24	14	24	8	1
Section 29(1) Courts	0	51	85	10	86	111	39	95	0	16
Sections 42(1), (2) and (3) Reconsiderations	8	12	3	3	3	1	3	3	4	18
Sections 41(3) Reconsiderations (Courts)	0	1	0	0	0	0	0	0	0	0
Section 46(E) Commercial Video On-Demand	3	0	0	-	-	-	-	-	-	-
Regulation 27 Film Poster Approvals	0	0	0	0	0	1	0	0	0	0
Total	1,273	880	1,060	1,314	1,493	1,468	1,825	2,411	2,395	2,361

Public Engagement

Students became Censors for a Day around the motu once again with our travelling workshop-style events in 2023/24, held in local cinemas for high school media studies students.

We ran Censor for a Day workshops in six towns and cities, presenting to and engaging with over 550 students and teachers. These sessions took place in Porirua, Lower Hutt, New Plymouth, Palmerston North, Napier, and Auckland. We screened new release *Dream Scenario*, which we had classified R13 with a warning note for bloody violence, offensive language, sexual material and content that may disturb.

Public engagement and outreach about the classification system and the work of the Office is one of our core functions under the Classification Act. This includes administering a complaints and inquiries service, public outreach with local communities and stakeholders, online engagement through our website and social media channels, as well as coordinating and facilitating our Youth Advisory Panel.

Through our public talks programme we undertook 34 engagements in 2023/24. We facilitated professional learning development sessions with teachers and teachers in training around the motu, high school student workshops, and Ministry of Education sessions about changing the conversation about porn. The Chief Censor presented at a National Council of Women of New Zealand webinar where she spoke about the online misogyny and violent extremism research findings. We also provided information sessions about classification mahi for the Treasury, the Office of the Chief Coroner, and the Library and Information Association of New Zealand Aotearoa (LIANZ).

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

In 2023/24 the YAP assisted us with the classification of nine commercial titles, as well as providing youth perspective for our research launches. They provided consultation for the DIA, New Zealand Police, Netsafe, and the Institute for Strategic Dialogue, panel engagement with the Department of the Prime Minister and Cabinet, and helped the Office shape an upcoming campaign for youth about objectionable material.

Regular YAP meetings covered a variety of classification topics such as true crime, sextortion, how we classify anime, Censor for a Day feedback, and what 'objectionable material' means to a young person.

In February we re-examined the 24-episode fantasy action anime series *The Seven Deadly Sins* after our YAP advised that the warning note "sexual themes" was vague and didn't adequately warn viewers about the sexual harassment and threat that occurs in some of the episodes. We amended the warning note for all episodes to R13 with content warnings for bloody violence and sexual harassment.

We received 823 queries in 2023/24. These queries varied widely, from complaints about inappropriate trailers being screened at cinemas, to Official Information Act (OIA) requests, and concerns about a range of content – films, games, shows, websites, books, magazines, and more. Consistent with previous years, we received a number of requests to reconsider previously classified titles. These included the films *Alien* and *All the President's Men*, and the games *Manhunt 2* and *Grand Theft Auto III*.

Age-Appropriate Trailers at the Cinema

One email stuck with us, received from a 12-year-old boy who attended the movies with his younger brother, aged 9. The cinema screened the trailer for *Ghostbusters: Frozen Empire* ahead of the movie they were there to see. This trailer had some scary scenes, which weren't what the brothers had expected. We took a look at the trailer, spoke with the Film and Video Labelling Body, and responded with some information and useful links. Cinemas are reminded each school holiday season to ensure the trailers they screen ahead of movies are age-appropriate for those attending the film they're ticketed to see.

Our Website and Socials

During the year we continued to focus on classification decision breakdowns for our website and social media audiences. These featured decisions can be found in our [Find a Rating](#) search. They provide a plain English explanation of popular entertainment titles and the most impactful content to be aware of. For very popular titles we also publish blogs and detailed impact guides. Through search engine optimisation and social media activities we connected with audiences seeking out information about the content in the films and series they wanted to watch.

Our most viewed section of the website for the year was Find a Rating, at 140,000 views, nearly four times more popular than our home page.

A blog titled "*Can your kids watch the new Wonka film?*" was our fourth most viewed page of the year. The blog provided a staff member's personal experience of considering the new release film for her children at different ages and also explained more about the PG versus the M rating in our classification system. The Google search term 'Wonka age rating' was the number one search term for traffic to our site during the year.

A rating breakdown for new release Bollywood film *Jawan* was our most viewed featured decision, and '*Jawan* age rating' was in the top 10 Google search terms leading to our website in 2023/24.

Our social media on Facebook and Instagram are key communication channels for New Zealand audiences to come across our information resources.

A Facebook post about the *Barbie* movie was our most popular post of the year. The post linked to the blog on our website titled "*Can my child watch the Barbie movie?*" which provided a staff member's experience of considering the PG rated movie and its content for her eight-year-old and four-year-old, explaining how a PG film may not be suitable for all children.

An Instagram post about Youth Week 2023 and the

role of rangatahi in our mahi with the Youth Advisory Panel was our most popular post of the year. The post linked to the blog on our website titled *Leaders of tomorrow? Leaders of today!*

Making our content relevant, timely, and educational without lots of legal jargon ensures that we're delivering useful information for the New Zealand general public across different channels.

Youth Advisory Panel

We currently have 21 members on the panel, with 11 different ethnic groups represented. The average age of the panel is 18 years old, with nine secondary school students, and 10 members undertaking some form of tertiary education.

There were 10 YAP meetings in 2023/24. In addition, Panel members co-viewed nine films in the cinema in 2023/24.

Find out more about the YAP, including their annual reports, [on our website](#).



Research

In New Zealand there are no standardised methods for collecting and analysing data on online misogyny across government agencies and NGOs.

Our response to the March 15 Mosque attacks led us to deepen our expertise in terrorism, violent extremist, and extremely violent material. We commissioned this work as we have continued to observe concerning misogynist themes in extremist content since 2019. We can't restrict content solely because of misogynistic elements, but we've seen a lot of it in the type of content that is restricted or even made objectionable.

We commissioned Hate and Extremism Insights Aotearoa (HEIA) to conduct a focused literature review on online misogyny, a summary of government and social media responses to this type of content, and a content analysis of New Zealand-based posts on fringe platforms.

In May 2024 we launched *Online Misogyny and Violent Extremism: Understanding the Landscape*, our largest piece of research work since our *Growing up with Porn* series (2018–2020). The research is presented in an online resource which takes an innovative approach to sharing the wide range of information compiled, and a high-level summary of insights from the literature review.

[!\[\]\(a870788d6ed9b8fd294b7654a8c8526b_img.jpg\) Click here to visit the resource.](#)

Key Insights

- Misogyny is a common thread across various hateful and extremist ideologies.
- Algorithms amplify misogynistic and extremist content and create pathways for vulnerable individuals to be exposed to more extreme ideologies.
- There is a growing recognition of the threat posed by incel ideology, alongside the emergence of new trends in extremist beliefs.
- There is a potential link between violence against women, history of domestic abuse, hostile sexism, and support for extremist ideologies.
- Some extremist and misogynist groups use the same online platforms and networks as those distributing child sexual abuse material, and there can be crossover in these online spaces.
- Online platforms play a pivotal role in amplifying and perpetuating misogynistic attitudes and behaviours, significantly influenced by their design, algorithms, and business models.
- There are key gaps in how current systems collect and record data on online misogyny, and there are gaps in the evidence base in New Zealand.

Collaborations

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

Our collaboration with the Canadian Centre for Child Protection on their initiative Project Arachnid has continued since a one-year pilot in 2021. New Zealand's role involves assessing material that has been flagged by the web-crawling software that identifies likely child sexual abuse material (CSAM). Continuing through 2023 and 2024 we have an ongoing memorandum in place to support this international effort to remove CSAM online.

In 2024 we evolved our approach and disestablished the [Pornography Working Party](#) in favour of an information sharing annual hui open to a wider group of stakeholders.

In February 2024 we were invited to be part of the Education and Awareness Working Group (EAWG), chaired by Australia's eSafety Commissioner. This working group was formed to bring together members and observers of the Global Online Safety Regulators Network (GOSRN).

In June 2024 we joined three working groups hosted by the Global Internet Forum to Counter Terrorism (GIFCT). GIFCT is a global forum comprising agencies from the technology industry, governments, civil society, and academia focused on fostering collaboration and information sharing to counter terrorist and violent extremist activity online. The three working groups look at hash-sharing, future-proofing the incident response framework, and supporting gaming tech safety.



Statements of the Classification Office

Te Mana Whakaatu

FOR THE YEAR ENDED 30 JUNE 2024

Statement of Responsibility

FOR THE YEAR ENDED 30 JUNE 2024

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 2024.

On behalf of the Board of the Classification Office,



A stylized black ink signature of Caroline Flora.

Caroline Flora
Chairperson

30 October 2024



A stylized black ink signature of Rupert Ablett-Hampson.

Rupert Ablett-Hampson
Deputy Chairperson

30 October 2024

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 2024.

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 37 to 51, that comprise the statement of financial position as at 30 June 2024, 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 2024 on pages 26 to 36.

In our opinion:

- the financial statements of the Office:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - 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 2024:
 - 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

- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 30 October 2024. 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 26, and 52 to 58, 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 2024

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 2023/24 for this output class is \$3,278,000 plus \$200,000 supplementary funding. 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 2024	BUDGET 2024	ACTUAL 2023
Crown Appropriation	3,478	3,278	3,201
Third Party Revenue	383	330	382
Interest & Sundry Revenue	601	496	492
Total Revenue	4,462	4,104	4,075
Expenses	3,727	4,366	4,064
Surplus/(Deficit)	735	(262)	11

Classification Services

REPORT AGAINST STATEMENT OF PERFORMANCE EXPECTATIONS 2023/24

Activity 1 – Production of Classification Decisions

CLASSIFICATION DECISIONS ARE PRODUCED

QUANTITY	NOTES	ESTIMATES	ACTUAL 2024		ACTUAL 2023
1.1 Third Party – Number of publications classified		504 – 756 each year	576	✓	649
1.2 Crown – Number of publications classified		264 – 856 each year	697	✓	231
1.3 Registrations – Number of classification decisions registered		768 – 1,612 each year	1,272	✓	883
QUALITY		TARGETS	ACTUAL 2024		ACTUAL 2023
1.4 Classification decisions are consistent with standards set down in the practice manual		95%	99.8%	✓	100%
1.5 Classification decisions					
a. Classification decisions are written in a style which is accessible to a range of readers, and	1	Our most complex decisions are reviewed throughout the year to provide an assessment of Adequate/Inadequate, and a commentary with recommendations for improvements	82%		Not measured
b. the analysis supports the classification decision so the reader understands the reasoning of the decision					

Note 1: External Measure – Independent Quality Review

Eleven decisions were independently reviewed by a legal professional with public law experience. The decisions related to the classification of 73 publications. These decisions were selected because they were considered complex for a range of reasons and represent a cross-section of subject matter, submission channels and mediums, across the year.

During the review period we introduced a new decision template as well as new target and assessment criteria for this measure. The updated

assessment criteria placed a greater emphasis on whether the full written reasons for a classification decision reasonably addressed all expected legal considerations.

This quality assessment has focused on our most complex written decisions. A range of factors are used to determine the complexity of a decision. This includes:

- the level of external engagement involved in the decision (including submissions from the parties, external assistance sought by the Office and degree of public interest in the decision),

- whether the classification decision was made under the deeming provision in section 3(2) or if it was determined under section 3(3), and
- whether the decision required extensive consideration of the application of the 'gateway criteria' set out in section 3(1) or of the New Zealand Bill of Rights Act 1990.

Of the 11 publications considered, nine (82%) were assessed as Adequate in terms of writing style, decision reasoning, and application of the legal standard. Two decisions were assessed as Inadequate. The reviewer identified both specific and general areas for improvement, along with recommendations for how these could be addressed.

TIMELINESS^{4, 5}

	NOTES	TARGETS	ACTUAL 2024 %		ACTUAL 2023 %
1.6 Standard s12 & s42 Percentage of Standard s12 and s42 submissions that are classified within 30 working days of receipt		90%	99%	✓	98%
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%	96%	✓	81%

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.

Note 6: Standard 1.7 Nil Applicable

No publications which met the criteria for 'complex' were classified during 2022/23 or 2023/24.

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.
- 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.

CLASSIFICATION ANALYSIS – PERFORMANCE BY SECTION OF THE ACT AGAINST ESTIMATES

SECTION 12 – LABELLING BODY	MINIMUM ESTIMATE	MAXIMUM ESTIMATE	ACTUAL 2023/24	ACTUAL 2022/23
Publications Received	473	671	563	646
Publications Examined	473	671	554	632
Publications Registered	473	671	555	638
SECTION 13 (1) (a) – COMPTROLLER OF CUSTOMS				
Publications Received	6	18	1	2
Publications Examined	6	18	1	2
Classifications Registered	6	18	1	2
SECTION 13 (1) (ab) – NEW ZEALAND POLICE				
Publications Received	108	258	420	268
Publications Examined	108	258	565	118
Classifications Registered	108	258	564	161
SECTION 13 (1) (b) – SECRETARY FOR INTERNAL AFFAIRS				
Publications Received	12	28	55	11
Publications Examined	12	28	53	6
Classifications Registered	12	28	53	7
SECTION 13 (1) (c) – CHIEF CENSOR GRANTS LEAVE (COMMERCIAL & PUBLIC)				
Publications Received	25	67	9	2
Publications Examined	25	67	9	2
Classifications Registered	25	67	9	2
SECTION 13 (3) – CHIEF CENSOR'S OWN MOTION				
Publications Received	120	492	83	10
Publications Examined	120	492	79	11
Classifications Registered	120	492	79	9
SECTION 29 (1) – COURTS				
Publications Received	18	60	0	4
Publications Examined	18	60	0	51
Classifications Registered	18	60	0	51

SECTION 41 (3) – RECONSIDERATIONS (COURTS)

Publications Received	0	0	0	1
Publications Examined	0	0	0	0
Classifications Registered	0	0	0	1

SECTIONS 42 (1), (2) & (3) – RECONSIDERATIONS

Publications Received	6	18	9	8
Publications Examined	6	18	8	8
Classifications Registered	6	18	8	12

SECTION 46E(3) – CVOD REFERRAL

Publications Received	0	0	3	0
Publications Examined	0	0	3	0
Classifications Registered	0	0	3	0

SUMMARY

Publications Received for the Year	768	1,612	1,143	952
Publications Examined	768	1,612	1,272	830
Publications Registered	768	1,612	1,272	883

VARIANCE BETWEEN ACTUAL AND ESTIMATES

Received	49%	(29)%		
Examined	66%	(21)%		
Registered	66%	(21)%		

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 2023/24

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 2024		ACTUAL 2023
QUANTITY								
2.1.1	Number of visits to the Classification Office website	1			250-350 (average per day)	693	✓	367
QUALITY								
2.1.2	Website regularly updated with Editor and Moderator approved content	1			4 (average per month)	21	✓	17 (average per month)
ACTIVITY 2.2 PUBLIC ENGAGEMENTS								
QUANTITY								
2.2.1	Number of public engagement activities				15-25 each year	34	✓	35
QUALITY								
2.2.2	Responses to client satisfaction surveys 'Very Good', or better	2			80%	93%	✓	100%

Note 1: Website Visits

Website activity is increasing.

With the release of the current website in 2022 we established a new 'Find a Rating' functionality, which is supported by 'Quick Takes'. These provide a brief overview of classifiable content in films that have been rated or classified under the Classification Act.

Our Find a Rating page is now the most popular page on the website and interest in this content is driving up public engagement on our website.

Note 2: Public Engagement Activities – Quality Measure

We survey the organisers of formal presentations given by the Office. We ask 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.

During 2023/24 the response rate to this survey was 90%, with 44 survey requests resulting in 40 responses.

The number of surveys exceed the number of presentations as each Censor for a Day event involves several schools and therefore several organisers.

Activity 3 – Inquiries and Complaints

AN INQUIRIES AND COMPLAINTS SERVICE IS PROVIDED

	NOTES	TARGETS	ACTUAL 2024		ACTUAL 2023
QUANTITY					
3.1 Inquiries and complaints answered	1	250-350 each year	823	✓	352
QUALITY					
3.2 Responses to ‘request for feedback’ on inquiries and complaints service are ‘Satisfied with service’	2	80%	100%	✓	100%
TIMELINESS					
3.3 Inquiries and complaints responded to promptly		80% within 5 working days	95%	✓	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 the forecast. This figure was inflated due to 514 complaints and inquiries related to a book called *Welcome to Sex!* The Chief Censor granted leave for a member of the public to submit this book for classification.

See page 7 for further information.

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 25%, with 52 responses received in 2024/25.

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 2024		ACTUAL 2023
QUALITY					
4.1 Research projects published per year	1	1	1	✓	2
QUALITY					
4.2 Published research helps inform the public, policy makers and others about content harms and classification issues		A quantitative analysis is conducted and assesses the degree to which our annual research project achieves one or more criteria	See Note 2	✓	See Note 2

Note 1: Research Conducted

The Office conducted and published the following:

[🔗 Online Misogyny and Violent Extremism: Understanding the Landscape](#) – Our focus in this project was on understanding the intersections between online misogyny and violence – misogyny frequently appears in content that is restricted or even banned.

Note 2: Research Quality

In 2023/24 the target for assessing the quality of our research was updated to include three measures which indicate users find our research valuable:

- Media coverage in mainstream outlets (within two weeks of publication)
- Downloads of 30–50 per month
- Research is used or cited/referenced in other publications, external resources or policy documents (over the year following publication).

During the 2023/24 year the Office conducted and published a landscape review of online misogyny and violent extremism. We published a high-level summary report of insights in addition to a comprehensive online resource.

In the two weeks following the release of the report the Chief Censor was interviewed on TVNZ 1News.

During 2023/24, following the May release of the review, the report and resources were well accessed via our website and exceeded the target:

- May 2024 – 165
- June 2024 – 111

This includes downloads of the summary report as well as unique sessions on the comprehensive online resource.

In the prior year the download measure was exceeded, with an average of 149 monthly downloads.

Activity 5 – Self-Rating Systems

SUPPORT, APPROVE, AND REVIEW SELF-RATING SYSTEMS USED BY CVOD PROVIDERS

	NOTES	ESTIMATE TARGET	ACTUAL 2024		ACTUAL 2023
QUANTITY					
5.1 Number of publications assessed	1	140-360 per year	593	✓	590
QUALITY					
5.2 All approved self-rating systems are reviewed annually, using an appropriate review methodology	2	Estimated number of systems reviewed: 5-7 per year	5	✓	Nil applicable
TIMELINESS					
5.3 Approved self-rating systems are reviewed within 3 months of the anniversary of the date on which the system was originally approved	2	75%	80%	-	Nil applicable

Note 1: Publications Assessed

During the reporting period, the Office assessed 593 items of content across the six providers.

During this initial annual review cycle, we have been able to be more focused with our sampling and testing. This has allowed us to target areas where we know specific providers need more support. By way of example, we know which providers have difficulty with specific content warnings (such as cruelty, bullying, self-harm), and if a provider is more likely to ‘over’ or ‘under’ rate particular content.

This approach provides the Chief Censor with assurance that the self-rating system will allow a provider to continue to meet their obligations.

Note 2: Review of Self-Rating Systems

This is a demand-driven activity.

During 2023/24, the Classification Office worked with six of the eight streaming providers currently covered by the Act, to support and facilitate the ongoing development of their approved self-rating systems.

Two providers have elected to use the traditional classification process and do not have self-rating systems in place.

The current self-rating systems which are in operation were approved between June 2022 and June 2023. The annual review process is conducted over the following 12 months and targeted for completion within 3 months of the anniversary of the date on which the system was originally approved.

During 2023/24:

- The annual reviews for five providers were completed.
- Four reviews were completed within three months of the anniversary of the date of the approval of the system.
- The annual review period for one provider was extended as we required additional engagement about their self-rating system and so the review was not completed within 3 months of the anniversary of the approval of their system.
- One provider was approved in late 2022/23 and so was not due for review in the period.

Activity 6 – Countering Violent Extremism

SUPPORT NEW ZEALAND'S RESPONSE TO ONLINE VIOLENT EXTREMIST CONTENT

ACTIVITY 6. ENGAGEMENT PROGRAMME	TARGETS	ACTUAL 2024		ACTUAL 2023
QUANTITY				
6.1 Speakers' Programme: Host subject matter experts to speak with agencies with significant interest in online violent extremism	2 each year	2	✓	4*
6.2 Training Programme: Deliver training to enforcement agencies on the classification framework as applied to violent extremist material	2 each year	3	✓	4
QUALITY				
6.3 A qualitative analysis is conducted that reviews the application of s22A-D and Part 7A		See discussion below		-

Analysis of Interim Classification Assessments & Takedown Notices

INTERIM CLASSIFICATION ASSESSMENTS

Sections 22A–22D of the Classification Act came into force in February 2022 and the Chief Censor (and Acting Chief Censor) have issued three interim classification assessments since this power was enacted. These publications all subsequently received a classification of Objectionable.

During 2023/24 the Chief Censor did not exercise the discretion to issue any Interim Classification Assessments.

TAKEDOWN NOTICES

The Office receives regular notifications from the Department of Internal Affairs when they issue takedown, non-compliance, and enforcement notices.

The Department issued 29 takedown notices during 2023/24. These takedown notices related to 23 online content hosts and 15 publications.

Of the takedown notices issued during 2023/24:

- 100% related to content which has been classified as Objectionable under the Classification Act.
- 86% of the takedown notices relate to violent extremist content.
- 69% of the takedown notices related to publications associated with the March 15 Mosque attacks.
- 14% (4) publications related to suicide content (both the depiction of suicide and material which promoted suicide).
- All takedown notices issued during 2023/24 were for publications classified as Objectionable under the Classification Act, and related to violent extremism and suicide content.

* This figure varies from that reported in the 2022/23 Annual Report due to a typographical error.

Financial Statements

Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2024 (IN NEW ZEALAND DOLLARS)

		ACTUAL 2024 \$'000	BUDGET 2024 \$'000	ACTUAL 2023 \$'000
REVENUE				
Revenue from the Crown	2	3,478	3,278	3,201
Labelling Body Revenue		382	330	380
Other Fee Revenue		1	0	2
Total		3,861	3,608	3,583
OTHER REVENUE				
Interest Revenue		143	38	34
Levy & Sundry Revenue		458	458	458
Total		601	496	492
TOTAL REVENUE		4,462	4,104	4,075
EXPENSE				
Administrative Expenses	3	60	58	49
Depreciation, Amortisation & Impairment	7, 8	72	91	81
Lease & Rental Costs		235	274	237
Other Operating Expenses		695	882	841
Personnel Costs	4	2,665	3,061	2,856
Total		3,727	4,366	4,064
Surplus/(Deficit) for the Year		735	(262)	11
Other Comprehensive Revenue and Expenses		-	-	-
Total Comprehensive Revenue/(Expense) for the year		735	(262)	11

Note

Explanations of major variances are provided in note 20. 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 2024 (IN NEW ZEALAND DOLLARS)

	NOTES	ACTUAL EQUITY \$'000	BUDGET EQUITY \$'000
Balance as at 1 July 2023		920	691
Surplus/(deficit) for the year		735	(262)
Total Comprehensive Revenue/(Expense)		735	262
Balance as at 30 June 2024	17	1,655	429
Balance as at 1 July 2022		909	
Surplus/(deficit) for the year		11	
Total Comprehensive Revenue/(Expense)		11	
Balance as at 30 June 2023	17	920	

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 2024 (IN NEW ZEALAND DOLLARS)

		ACTUAL 2024 \$'000	BUDGET 2024 \$'000	ACTUAL 2023 \$'000
CURRENT ASSETS				
Cash & Cash Equivalents	5	862	444	1,223
Investments	10	1,050	-	-
Debtors & Other Receivables	6	104	130	88
Total Current Assets		2,016	574	1,311
NON-CURRENT ASSETS				
Property, Plant & Equipment	7	54	142	78
Intangible Assets	8	146	167	111
Total Non-Current Assets		200	309	189
TOTAL ASSETS		2,216	883	1,500
CURRENT LIABILITIES				
Creditors & Other Payables	11	233	164	186
CVOD Levies Received in Advance		-	-	57
Employee Entitlements	12	328	290	337
Total Current Liabilities		561	454	580
TOTAL LIABILITIES		561	454	580
EQUITY				
General Funds		1,655	429	920
TOTAL EQUITY	17	1,655	429	920
Total Liabilities And Equity		2,216	883	1,500

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 2024 (IN NEW ZEALAND DOLLARS)

		ACTUAL 2024 \$'000	BUDGET 2024 \$'000	ACTUAL 2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES	NOTES			
<i>Cash was provided from:</i>				
Cash Receipts from Customers		806	782	860
Interest Received		125	38	34
Net GST Received		19	2	-
Cash Receipts from the Crown		3,478	3,278	3,201
		4,428	4,100	4,095
<i>Cash was distributed to:</i>				
Net GST Payment		-	-	(4)
Cash Paid to Suppliers & Employees		(3,657)	(4,281)	(3,912)
		(3,657)	(4,281)	(3,916)
Net Cash from Operating Activities		771	(181)	179
CASH FLOWS FROM INVESTING ACTIVITIES				
<i>Cash was distributed to:</i>				
Purchase of Property, Plant & Equipment		(10)	(64)	(26)
Purchase of Intangibles		(72)	(29)	-
Investment in Term Deposits		(1,050)	-	-
Net Cash from Investing Activities		(1,132)	(93)	(26)
Net Movements in Cash & Cash Equivalents		(361)	(274)	153
Cash & Cash Equivalents at 1 July		1,223	718	1,070
Cash & Cash Equivalents at 30 June	5	862	444	1,223

Notes

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.

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 2024

Note 1: General Overview

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 financial statements have been prepared in accordance with the requirements of the Crown Entities Act 2004.

The financial statements and the accompanying notes summarise the financial results of activities carried out by the Classification Office. The Classification Office's primary objective is to provide public services to the New Zealand public, as opposed to 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 of Film and Literature Classification are for the year ended 30 June 2024. They were authorised for issue by the Classification Office's Board on the date shown on page 23.

Basis of preparation

These financial statements have been prepared in accordance 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.

The financial statements have been prepared on a historical cost basis unless stated otherwise.

These financial statements are presented in New Zealand dollars, which is the Classification Office's functional currency. All amounts have been rounded to the nearest thousand dollars (\$000), with the exception of employee remuneration and benefits information disclosed in notes 12 and 16.

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

The amendment for PBE IPSAS 1 Presentation of Financial Reports is effective for annual periods beginning after 1 January 2024 with earlier application permitted. The amendment, and interpretations issued, but not yet effective, have not been early adopted by the Classification Office.

Use of judgments and estimates

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 2024:

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.

Significant accounting policies

The below are significant accounting policies not otherwise disclosed within the notes to the financial statements. For all other significant accounting policies, refer to the relevant note.

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.

CHANGE IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous year.

Note 2: Reconciliation of Crown Revenue Received

	2024 \$'000	2023 \$'000
Funds received from Vote: Internal Affairs regarding the Estimates of Appropriations (net GST)	3,478	3,201
	3,478	3,201

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.

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 (2023: nil).

INTEREST

Interest income is recognised using the effective interest rate 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.

Note 3: Administrative Expenses

	2024 \$'000	2023 \$'000
Audit fees	41	39
Insurance costs	11	10
Legal fees	8	-
	60	49

Note 4: Personnel Costs

	2024 \$'000	2023 \$'000
Salaries and Wages	2,613	2,744
Employer contributions to defined contribution plans	61	65
Increase/(decrease) in employee entitlements (Note 12)	(9)	47
	2,665	2,856

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 incurred.

Note 5: Cash & Cash Equivalents

	2024 \$'000	2023 \$'000
Current assets		
Cash at bank and on hand	862	1,223
	862	1,223

CASH AND CASH EQUIVALENTS POLICY

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.

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

Note 6: Debtors & Other Receivables

	2024 \$'000	2023 \$'000
Prepayments	19	39
Trade Debtors	67	49
Accrued interest	18	-
	104	88

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.

As at 30 June 2024 all receivables have been assessed for impairment. The carrying value of receivables approximates their fair value. All receivables are resultant from exchange transactions.

Note 7: Property, Plant & Equipment

COST	COMPUTER HARDWARE \$'000	FIT OUT \$'000	FURNITURE & FITTINGS \$'000	OFFICE EQUIPMENT \$'000	OTHER EQUIPMENT \$'000	TECHNICAL EQUIPMENT \$'000	TOTAL \$'000
Balance at 30 June 2023	258	369	280	35	24	33	999
Additions	10	-	-	-	1	-	11
Disposals	-	-	-	-	-	-	-
Balance at 30 June 2024	268	369	280	35	25	33	1,010

DEPRECIATION & IMPAIRMENT LOSSES

Balance at 1 July 2023	(219)	(367)	(250)	(35)	(17)	(33)	(921)
Depreciation for the year	(23)	(1)	(7)	-	(4)	-	(35)
Disposal	-	-	-	-	-	-	-
Balance at 30 June 2024	(242)	(368)	(257)	(35)	(21)	(33)	(956)

CARRYING AMOUNTS

At 30 June 2024	26	1	23	-	4	-	54
At 30 June 2023	39	2	30	-	7	-	78

PROPERTY, PLANT AND EQUIPMENT POLICY

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.

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.

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.

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.

Note 8: Intangible Assets

	COMPUTER SOFTWARE \$'000	CLASSIFICATION DATABASE \$'000	WORK IN PROGRESS \$'000	TOTAL \$'000
COST				
Balance at 1 July 2023	311	1,848	-	2,159
Additions	-	-	72	72
Disposals	-	-	-	-
Balance at 30 June 2024	311	1,848	72	2,231
AMORTISATION & IMPAIRMENT LOSSES				
Balance at 1 July 2023	(200)	(1,848)	-	2,048
Amortisation for the year	(37)	-	-	(37)
Disposals	-	-	-	-
Balance at 30 June 2024	(237)	(1,848)	-	(2,085)
CARRYING AMOUNTS				
At 30 June 2023	111	-	-	111
At 30 June 2024	74	-	72	146

INTANGIBLE ASSETS POLICY

Software acquisition and development

Acquired computer software licenses 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.

Classification Database Application (CDA)

The 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 CDA asset was brought into production in 2008/09 and is fully depreciated.

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:

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

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The estimated amortisation rate for the 'self-rating tool' changed from 10–20% in the 2023 year (10 year to 5 year lifetime).

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

FINANCIAL INSTRUMENTS POLICY

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 (ie 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).

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

(Financial assets held at amortised cost)

	2024 \$'000	2023 \$'000
Cash & Cash Equivalents	862	1,223
Receivables	19	39
	881	1,262

FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE

(Financial assets held at amortised cost)

Creditors and Other Payables	174	150
	174	150

Note 10: Investments

	2024 \$'000	2023 \$'000
Term deposit 1001		
Interest rate: 4.55%	600	-
Maturity date: 2 July 2024		
Term deposit 1000		
Interest rate: 6.10%	450	-
Maturity date: 2 Sept 2024		
	1,050	-

INVESTMENTS POLICY

Investments are comprised of term deposits with maturity terms greater than 3 months.

Note 11: Creditors & Other Payables

	2024 \$'000	2023 \$'000
Trade Creditors	121	95
Sundry Creditors	53	55
GST	48	29
Income in Advance	11	7
	233	186

CREDITORS AND OTHER PAYABLES POLICY

Creditors and other payables are classified as financial liabilities at amortised cost. These liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. 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 12: Employee Entitlements

	2024 \$'000	2023 \$'000
Accrued annual leave	221	236
Provision for staff accrued personnel costs	105	99
Long service leave	2	2
	328	337

EMPLOYEE ENTITLEMENTS POLICY

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.

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. Long service leave of \$2,338 was owing as at 30 June 2024 (2023: \$2,130).

Note 13: Provisions

PROVISIONS POLICY

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.

Note 14: Operating Leases

At 30 June 2024, the future minimum lease payments under non-cancellable leases were payable as follows:

	2024 \$'000	2023 \$'000
Less than one year	239	239
Between one year & five years	137	376
More than five years	-	-
	376	615

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 expire 31 January 2026.

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

OPERATING LEASES POLICY

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.

Note 15: 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 16: Key Management & Employee Remuneration

KEY MANAGEMENT PERSONNEL COMPENSATION	2024 \$'000	2023 \$'000
Salaries & other	566	573
Post-employment benefit	11	16
Total key management personnel compensation	577	589
Full-time equivalents	2	2

The key management personnel in the 2024 year were the Chief Censor and the Deputy Chief Censor (2023: Chief Censor and Deputy Chief Censor).

EMPLOYEE REMUNERATION

TOTAL REMUNERATION AND BENEFITS	2024	2023
100,000-109,999	7	4
110,000-119,999	2	3
120,000-129,999	1	-
130,000-139,999	-	1
150,000-159,999	1	1
260,000-269,000	1	-
280,000-289,999	-	1
300,000-309,999	-	1*
310,000-319,999	1*	-

*Refers to the Chief Executive's remuneration

SEVERANCE PAYMENTS

During the year ended 30 June 2024 no employees received compensation in relation to cessation (2023: nil).

No Board members received compensation or other benefits in relation to cessation (2023: nil).

Note 17: Equity

	2024	2023
	\$'000	\$'000
Balance at 1 July	920	909
Surplus for the year	735	11
Balance at 30 June	1,655	920

Note 18: Commitments and Contingencies

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 are disclosed at the point when the contingency is evident.

There were no capital commitments or contingent liabilities at balance date (2023: nil).

Note 19: Subsequent Events

There have been no events subsequent to balance date that would materially affect the financial statements.

Note 20: Variances – Statement of Comprehensive Revenue and Expense**REVENUE FROM THE CROWN****2023/24 compared to Budget**

Crown revenue was 6% (\$200K) higher than forecast. The Office received one-off supplementary funding from the Department of Internal Affairs. This funding was in addition to the Office's baseline funding provided for in the 2023/24 Estimates.

LABELLING BODY REVENUE**2023/24 compared to Budget and Actual 2022/23**

Labelling Body revenue was 1% (\$2K) higher than 2022/23 and 16% (\$52K) higher than forecast. Labelling Body revenue is directly tied to the volume and nature of commercial submissions. Forecasts assumed an ongoing reduction the volume of Labelling Body (entertainment) submissions of between 10-25%, varying by medium type. While revenue from commercial submissions has continued to drop, the rate of this drop was noticeably lower than the well-established downward trend, with revenue from films offsetting the reduction in DVD submissions.

INTEREST REVENUE

2023/24 compared to Budget and Actual 2023/24

Revenue in the form of interest earnings was \$105K more than forecast and \$109K more than the prior year.

Interest revenue is derived from the short-term investment of annual revenue from the Crown, and funds which have been set aside for asset replacement. Interest revenue increased due to the combined effect of:

- higher interest rates,
- increased funds able to be invested due to savings against budget in 2022/23 and 2023/24, and
- improved cashflow allowing funds to be able to be invested at better terms.

OTHER OPERATING COSTS

2023/24 compared to Budget and Actual 2022/23

Other operating expenditure in 2023/24 was 17% (\$146K) lower than 2022/23 and 21% (\$187K) lower than budget.

Expenditure was reduced across the board. Significant savings were made in spend on research activities, as we partnered with another agency. Expenditure savings were also made with reduced public engagement activities.

PERSONNEL COSTS

2023/24 compared to Budget and Actual 2022/23

Personnel costs in 2023/24 were reduced by 7% (\$191K) from the prior year and were 13% (\$396K) lower than budget.

The Office took a range of measures to generate these savings including seeking short-term secondment opportunities for staff, enabling staff to take unpaid leave and where possible recruiting internally and holding vacancies unfilled in both the short and long term.

Note 21: 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 2024.

A photograph of two women in a modern office hallway. The woman on the left has long blonde hair and is wearing a grey and red striped sweater, smiling and looking towards the camera. The woman on the right has dark hair and is wearing a black vest over a light-colored shirt, looking away from the camera. They are standing in a hallway with a glass wall and a modern ceiling.

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 2024 we had 25 staff (23.5 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.

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 2023/24:

- 64% of our staff are women and 36% are men.
- Among the classification team (Classification Advisors, Senior Classification Advisors, Chief Censor and Deputy Chief Censor), 55% are women and 45% are men.
- 80% of our senior management team are women.
- 20% 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 2023 we had a negative gender pay gap organisation-wide and within the classification team.

Ethnicity

92% of our staff identify as NZ European/Pākehā. In addition, 13% identify as Māori and 13% identify as other ethnicities, including Pasifika and Sri Lankan. 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 2023/24 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.

Caregiver profile

Approximately 20% of our staff have caregiver responsibilities of some kind. This includes staff who have childcare responsibilities and staff who care for other dependants, primarily parents. We provide flexible working options to accommodate and support this.

Age & disability

Employee ages range from late 20s to late 60s, and the average age is 45. 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 17% 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 7.8 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.

