

# Classification Office

TE MANA WHAKAATU



# Annual Report

2024/25

# Classification Office

TE MANA WHAKAATU

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 2025.

Yours sincerely,



**Caroline Flora** – Chief Censor



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# Chief Censor's Foreword

CHIEF CENSOR CAROLINE FLORA, CLASSIFICATION OFFICE – TE MANA WHAKAATU

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## A modern regulator with tools that have real-world impact.

### Innovation

Turning 30 is a memorable moment, and this year I was proud to be the Chief Censor cutting the cake on the Classification Office's [birthday milestone](#). It was a timely opportunity to pause and look back at how far we've come from those early days when physical media dominated the entertainment landscape.

As I complete my first three-year term I can confidently say that we are a modern regulator that continues to adapt to the changing ways that media is consumed, and we are equipped with tools that have an impact for New Zealanders. In many respects, the core elements of our 30-year-old legislation have stood the test of time, and the overarching reason for our existence – to protect the public from harm while upholding freedom of expression – is enduring. In 2025 it's a reality that content, including harmful content, is more accessible than at any other time in history. It's not feasible or reasonable to think we can classify every piece of content before it's seen, but we can equip people with what they need to keep themselves and their whānau safe online. And, we can respond to the worst of the worst content to help our colleagues in the wider system to get it removed and hold offenders accountable.

We have taken time in the last year to review and refine our operating model – by doing our work efficiently and to a very high standard it means we've been able to focus our skilled and experienced staff on the growing demand for forensic classification work. This is where we have an impact, by addressing the publications with the most potential for harm – whether it be classifying objectionable content for judicial processes or responding quickly to content that circulates online after a violent attack. We're also introducing new technology to support our staff and to make our services more accessible to law enforcement agencies.

We continue to produce ratings, information and resources about entertainment content, such as detailed impact guides and information for parents about popular game titles, so that whānau are empowered to make the right viewing choices for their household. Our website is consistently a go-to resource for people wanting to check whether a film, show or game is going to be appropriate for their child, and we provide tips and conversation starters for those times when the content is a little too strong for the viewer. It can be hard to navigate, particularly with so much variety on streaming services, so we break it down and make it easy for parents to make the choices that are right for them.

### Community Engagement

Community leaders have told us that they are concerned about the content their young people are seeing online, not only because of the harm it can do, but because they are largely unaware that extreme content can also be illegal. We agree, and this year we travelled around the country talking with groups of young people about their experiences with extreme content online. They told us that it's a common experience to see extremely harmful content, even if they weren't looking for it. Content appears in social media, but also in group chats or may be sent to them directly. And young people today are the same as young people generations before them – they are curious. This is a natural part of growing up, but today their curiosity may lead them directly to extremely harmful content that leaves a lasting impression. They asked for supportive, non-judgemental conversations with the adults in their lives about what they're seeing. I'm sincerely grateful to the young people that spoke with us and generously opened up about their experiences. We've highlighted their voices in our report released in May, *Content that Crosses the Line*.

## Our Impact in the Real World

It was a big year for research for our team – as well as *Content that Crosses the Line* we released youth-focused research about body image in conjunction with Netsafe, and we surveyed the public about their understanding of the New Zealand classification system. All of this research informs our day-to-day work, and we now turn our attention to the 'so what?' We're responding to community concerns and the voices of young people by developing training for educators, professionals and community leaders, so they might harness the knowledge and tools we have to support their own young people to stay safe online.

The work of the Classification Office to uphold freedom of expression while protecting New Zealanders from harm is vitally important. I'm proud to continue to lead a wonderful team of experts who do some of the most challenging work I've seen in my career. Challenges continue apace and the Office has proven to be responsive, nimble, and resilient in the content environment. We do our best to take modern, reasoned approaches to modern, complex demands. Continuing to listen to communities about what they need, how they're navigating the tough stuff, and how we can help, will mean a positive future for viewers across the country.

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



**Caroline Flora**  
Chief Censor

# Our Purpose

## THE STRATEGIC DIRECTION FROM THE BOARD

**We 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.**

### Our Impacts

- The public is better educated & informed about the classification system.
- The public has less exposure to harmful material.
- The public has greater confidence in the classification system.

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.

### Our Priorities

- Doing our core business well.
- Te ao Māori.
- Modernising our services.

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.

In the last year we have reviewed our operating model and invested in modernising tools and systems, allowing us to focus our expertise on the forensic service we provide for law enforcement agencies. We improved our collaboration and document management tool, implemented digital fingerprinting of publications (hashing), scoped an IT upgrade of our case management system and focused on staff wellbeing. 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 values our work and sees classification information as important for making safe choices, with most parents saying they're essential when choosing movies, shows, and games.

**85%** of New Zealanders expressed concern about kids being exposed to harmful content on social media and other online platforms.

**61%** helped choose a movie, TV show or video game with a young person in the past year. And of that group:

**79%** think age ratings are important.

**84%** think content warnings are important.

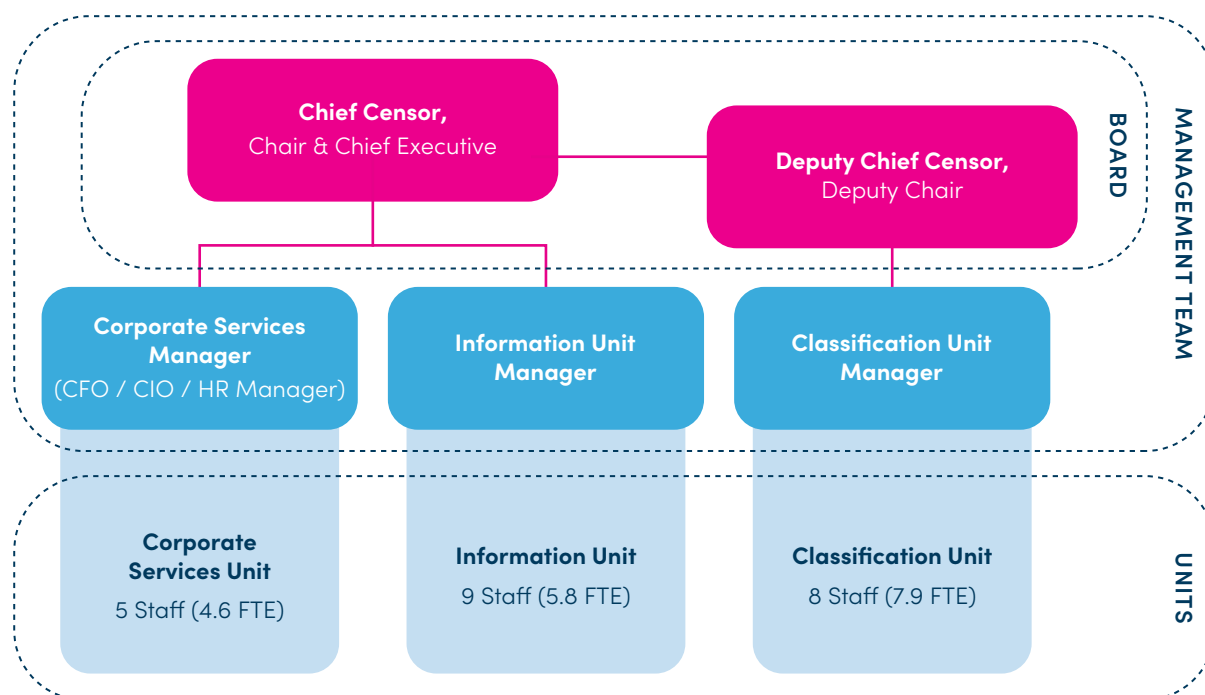
\* Results in this report (2024) are based upon questions asked in AKR's nationwide online omnibus survey of n=1,000. The online survey was conducted from the 16th of October to the 22nd of October 2024.

**By staying informed and making use of available resources, parents and caregivers can take small but meaningful steps to protect their whānau in an ever-changing digital landscape.**



## Our Structure

Figure 1: Classification Office Organisational Chart



### Our Primary Activities

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

### Structure and Role of the Office

We were established by the Films, Videos, and Publications Classification 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, and in March 2025 was confirmed for a second three-year term. Our Deputy Chief Censor Rupert Ablett-Hampson was appointed in October 2021, and reappointed in 2024.

The organisation is structured into three units to deliver on these activities: the Classification Unit, the Information Unit and the Corporate Services Unit.

- The Classification Unit is a team of experienced classification advisors who are responsible for examining publications that are submitted for classification. The unit is also responsible for supporting streaming providers who are included in the commercial video on-demand (CVoD) regulatory regime.
- The Information Unit's functions under the Classification Act are to conduct research, inform and educate the public, and manage complaints and inquiries.
- The Corporate Services Unit works with stakeholders to receive publications for classification. The unit maintains databases and systems and leads the corporate functions for the Office.

These teams work together across projects.

# Our Core Functions

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**We 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.**

Our core functions are set out in legislation. These are categorised into five areas of mahi which guide us to deliver the best possible outcomes within the current legal framework.

Our team of 24 FTEs deliver these functions from our office in Wellington.

We exist to ensure the public has less exposure to harmful material, is better educated and informed about the classification system, and has greater confidence in the classification system.

Under the Classification Act we are responsible for:

- the classification of publications received from the entertainment industry for rating and those submitted to determine their legality – which we call forensic classifications – usually from the Department of Internal Affairs (DIA), Police, the Courts, and Customs,
- the production and distribution of information about the Classification Act and the Office,
- providing an inquiries and complaints service,
- carrying out research which enables the Office to perform its functions effectively,
- supporting and facilitating the development of self-rating systems used by streaming providers (CVoD).

In this report we have grouped these by functions by classifications (including CVoD), research and consultation, and public engagement.





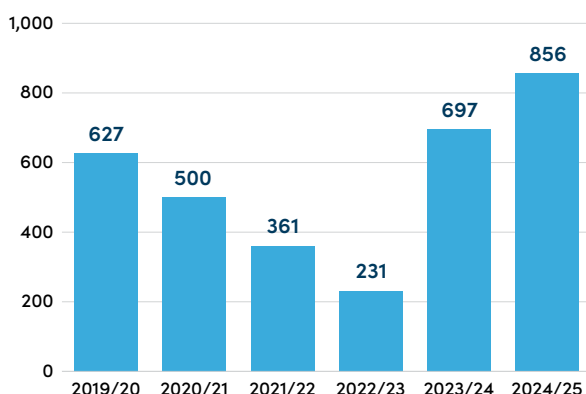
# Classification: Forensic

**In 2024/25 we saw, as with last year, an ongoing increase in forensic classifications. Forensic classification numbers again surpassed entertainment publications coming through the Office.**

We classified a total of 1,501 publications, of which 856 were forensic and 645 were entertainment.

The Chief Censor called in or granted leave for 56 publications to be classified, we undertook 5 reconsiderations, and 1 section 46E(3) CVoD submission.

**Figure 2: Forensic classifications over the past five years**



Child Sexual Exploitation Material (CSEM) makes up a significant portion of forensic classifications in the 2024/25 year, a trend that has continued on from previous years.

## Challenges from New Technologies

### AI and Child Sexual Exploitation

This year we received a number of CSEM publications that appeared to be computer-generated images (CGI) and/or were created by Artificial Intelligence. While some publications had traits which evidenced that they were artificial (such as additional, missing, or distorted body parts) the publications still reached the level that they were deemed to be objectionable for promoting and supporting the sexual exploitation of children. The promotional effect of the content was not diminished by the fact that it was computer-generated rather than a photograph, for example. We expect to see significantly more of this artificially generated content, or images altered by AI, in the future.

### 3D-Printed Firearms

This year New Zealand Police approached us to determine the classification of instructions on how to create 3D-printed firearms. The unlawful manufacture of 3D-printed firearms is an issue that had been the subject of investigations and prosecutions (under the Arms Act 1983) by the New Zealand Police during 2024.

We do not have internal expertise in New Zealand firearms law and manufacture, 3D-printed or otherwise. As part of our classification decision process we consulted with a range of people with relevant expertise and experience. This included legal expertise in New Zealand firearms legislation, academic expertise in 3D printing design, and commercial expertise in private 3D printing. We also consulted an authorised firearms collector, and two international academic experts in the field of violent extremism and terrorism.

In 2025 we classified four 3D firearms-related publications. We restricted those publications to holders of New Zealand firearms licences. This classification reflects the fact that New Zealand has a firearms licensing regime run by the Firearms Safety Authority within New Zealand Police. Those licence holders can be expected to only construct firearms lawfully. It is not for the Office to establish a secondary form of firearms regulation.

### Publication Volumes

When the Act was first passed, Parliament could not have envisaged the amount of text, images and video (all publications) that technology would allow people to create in 2025. Due to the ubiquity of publication, it is not unusual for law enforcement investigations to identify thousands of publications in the possession of the person they are investigating.

In order to deal with the volume of material requiring classification we have invested in improved technology and classification systems and capability.

### Digital Hashing

To administer the Act it is necessary for the Office to determine whether any publication has already been classified. We have introduced capability to use hashing technology, an internationally recognised method for producing what is essentially a digital fingerprint. This capability allows us to immediately identify whether a publication already has a classification, even when presented with thousands of publications.

This system saves our own resources “double classifying” publications and also helps eliminate unnecessary delay to investigations and court proceedings.

We are now working on a system to allow law enforcement and other agencies to identify if a publication has an existing classification in as close to “real time” as possible.

### Modernising our Forensic Service

In order to manage a larger volume of forensic submissions we have made operational changes to modernise our forensic classification service. These include:

- codifying classification practice,
- adopting a new forensic workflow which shortens classification times and allows for flexibility,
- utilising our new collaboration and document management tool to produce decisions for many publications at once.

We have also started identifying our business requirements as a first step toward replacing our outdated case flow management system called ‘CDA’.

These changes have reduced the time it takes to classify forensic publications, so we can manage greater volumes, faster.

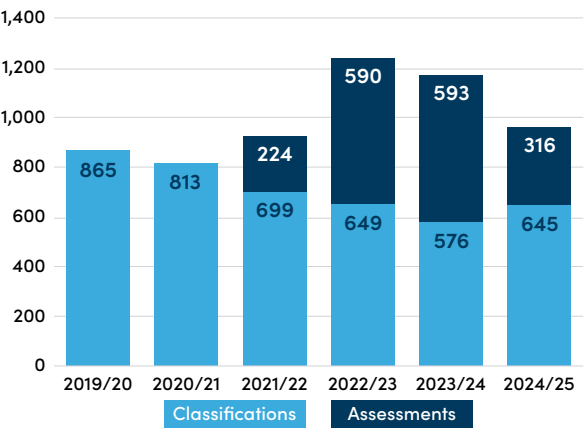
# Classification: Entertainment

COMMERCIAL, GAMING, AND COMMERCIAL VIDEO ON-DEMAND

Our entertainment classification work includes films that you might see in the cinema or content you see on a streaming platform, and video games released into the New Zealand market. In addition, we support the self-rating systems of approved streaming platforms.

The number of entertainment classifications we classified was similar to 2022/23.

**Figure 3: Entertainment classifications and assessments over the past five years**



The majority of films and programmes that are watched by New Zealanders and are labelled under the Act are not classified by us, they are labelled by approved CVoD providers. Over the same period we received approximately 30,000 ratings from CVoD providers.

The CVoD system is now well embedded and functioning as expected and this was reflected by all approved providers being assessed as adequately self-rating in the 2024/25 year. The number of CVoD assessments we needed to complete was scaled back accordingly.

## Reaching More Audiences With Self-Rating

We worked with streaming providers to refine the latest version of the Self Rating Guide. The Self Rating Guide is essential to ensure providers self-rate content consistently for New Zealand viewers. We appreciate their support of and their commitment to helping New Zealanders navigate streaming services safely with accurate labels.

On 1 July 2025, the updated version of the Office's Self Rating Guide was published.

Six of the eight providers listed on Schedule 4 operate approved self-rating systems – these represent major commercial streaming services that New Zealanders use and recognise, so it's important that they can self-rate accurately. NZ On Air's 2024 research report [Where Are The Audiences?](#) shows that 56% of New Zealand audiences view content on streaming platforms on a daily basis.

## Films of Interest

Several cinema releases came to our attention during the year due to inadequate content warnings or age ratings.

### *It Ends with Us*

*It Ends with Us* was a cinema release title starring Blake Lively and Justin Baldoni that was a complex drama depicting love, trauma, and the cycle of domestic abuse. After a lot of publicity and online commentary, the Chief Censor called it in. It had been cross-rated by the Film and Video Labelling Body from Australia's classification of M: Domestic violence and sexual violence references. The film contains a sexual assault scene – going beyond sexual violence references. We were comfortable with the M rating but changed the note to include 'sexual violence' to reflect this scene. Working with young people, including our Youth Advisory Panel and students from Censor for a Day, we know that they want this kind of specific warning when tough topics like sexual assault and violence are used in entertainment.

[🔗 \*It Ends with Us\* rating](#)



Image courtesy of Sony Pictures

### *Gladiator II*

*Gladiator II* was initially labelled with a New Zealand rating of M. It had been cross-rated from an Australian rating. The Australian rating had been issued via a self-rating scheme available in Australia, and the Australian Classification Board (ACB) was reviewing that rating. As the ACB would not have completed the review in time for the New Zealand release of the film, the Chief Censor decided to call the film in for classification. The film is age-restricted in other countries, including a 15 rating in the UK and an R rating in the US. We classified the film R16 due to its violence and cruelty. There are several scenes that combine brutal fighting with bloody and sometimes gory injuries. These are likely to be shocking to many viewers, of all ages, but the level of violence and the often cruel way it is depicted is likely to be disturbing to children and younger teens.

[🔗 \*Gladiator II\* rating](#)



Poster courtesy of Paramount Pictures

## Violence and Sexual Violence Depicted in Online Games

We identified international publicity about the promotion of sexual violence and rape gameplay in two games. The Chief Censor decided to call in *No Mercy* and *Wolf on Rail*. Both were classified objectionable and DIA requested the distributor Valve remove the games from the online retail platform Steam. *No Mercy* was voluntarily removed by the makers.

Eight computer games were classified as Objectionable that were created by third parties to be used with the game *Garry's Mod*. *Garry's Mod* is a 'sandbox' game heavily based on the sci-fi shooter *Half-Life 2* (R16). *Garry's Mod* integrates with the Steam Workshop where players can download or share a wide range of custom content. The publications were identifiable representations of sites of real-world attacks, and all were first-person shooters. The eight publications were made Objectionable because they promote and encourage acts of terrorism by allowing the player to engage in representations of real-world attacks.

Online games have no requirement to be labelled in New Zealand under current legislation. As such there is no pre-release classification (unlike films) and no self-rating (like streaming platforms). But the Chief Censor can intervene if a member of the public raises concerns.

In relation to more traditional gaming a member of the public requested a reconsideration for the 2006 video game *Reservoir Dogs*. The game was originally classified Objectionable and following this review was re-classified as R18.

## Case Study: Adolescence

In March, we received a complaint about the age rating for *Adolescence*, the Netflix limited series. We did assess it and agreed with Netflix's self-rated age rating of 13. Our only recommendation was to add 'Sexual themes' to the content warnings.

This title has proven popular around the world and sparked global debate. It explores misogyny, online spaces, and the manosphere, subjects that Te Mana Whakaatu actively encounters in several of our workstreams: CVoD, forensic classification, and the Information Unit's research function. Our research [Online Misogyny and Violent Extremism](#), released in May 2024, goes into detail about the realities of the themes portrayed in *Adolescence*. [Adolescence rating](#)



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© Netflix 2025



# Classification Figures

**Table 1. Publications Classified by Channel and Medium 2024/25**

	ADVERTISING FOR PUBLICATIONS	OTHER MATERIAL	MAGAZINES / BOOKS	VIDEO FILES	IMAGE FILES	DIGITAL GAMES	DVDS	FILMS & FILM TRAILERS	VIDEOS	TOTAL
Section 12(1) Labelling Body	89	0	0	0	0	40	92	417	0	638
Section 13(1)(a) Comptroller of Customs	0	0	0	0	7	0	0	0	0	7
Section 13(1)(ab) Commissioner of Police	11	0	1	166	180	0	0	0	0	358
Section 13(1)(b) Secretary for Internal Affairs	0	0	0	66	362	8	0	0	0	436
Section 13(1)(c) Chief Censor Grants Leave	0	0	1	0	0	0	0	0	0	1
Section 13(3) Chief Censor's Own Motion	0	0	23	13	7	5	0	7	0	55
Section 29(1) Courts	0	0	0	0	0	0	0	0	0	0
Section 41(3) Reconsiderations (Courts)	0	0	0	0	0	0	0	0	0	0
Sections 42(1), (2) and (3) Reconsiderations	0	0	4	0	0	1	0	0	0	5
Section 46E(3) Commercial Video on Demand	0	1	0	0	0	0	0	0	0	1
Regulation 27 Film Poster Approvals	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>100</b>	<b>1</b>	<b>29</b>	<b>245</b>	<b>556</b>	<b>54</b>	<b>92</b>	<b>424</b>	<b>0</b>	<b>1,501</b>

**Table 2. Comparison of Publications Classified 2016–2025**

	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19	2017/18	2016/17	2015/16
Section 12(1) Labelling Body	<b>638</b>	556	635	695	790	814	1,000	1,109	1,327	2,219
Section 13(1)(a) Comptroller of Customs	<b>7</b>	1	2	4	0	33	10	8	10	9
Section 13(1)(ab) Commissioner of Police	<b>358</b>	564	161	219	464	504	269	586	344	111
Section 13(1)(b) Secretary for Internal Affairs	<b>436</b>	53	7	48	23	1	4	17	509	39
Section 13(1)(c) Chief Censor Grants Leave	<b>1</b>	9	2	1	21	49	48	49	99	5
Section 13(3) Chief Censor's Own Motion	<b>55</b>	79	9	5	3	3	24	14	24	8
Section 29(1) Courts	<b>0</b>	0	51	85	10	86	111	39	95	0
Sections 42(1), (2) and (3) Reconsiderations	<b>0</b>	8	12	3	3	3	1	3	3	4
Sections 41(3) Reconsiderations (Courts)	<b>5</b>	0	1	0	0	0	0	0	0	0
Section 46(E) Commercial Video On-Demand <sup>1</sup>	<b>1</b>	3	0	0	-	-	-	-	-	-
Regulation 27 Film Poster Approvals	<b>0</b>	0	0	0	0	0	1	0	0	0
<b>Total</b>	<b>1,501</b>	1,273	<b>880</b>	<b>1,060</b>	<b>1,314</b>	<b>1,493</b>	<b>1,468</b>	<b>1,825</b>	<b>2,411</b>	<b>2,395</b>

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

# Our Research

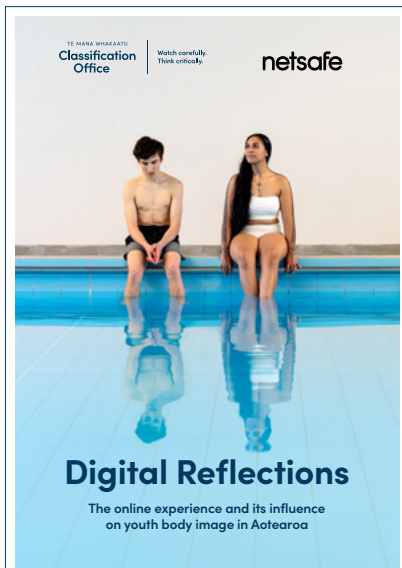
It is important for us to stay informed about academic and public understanding of censorship and media, which is why we regularly conduct research into areas relevant to our work.

Our research and consultations inform the daily work by our Classification and Information Units, adapting our classification approach, and the way we communicate and develop educational resources, to better suit New Zealand audiences.

## Digital Reflections

In July 2024 we launched our research collaboration with Netsafe, *Digital Reflections: The Online Experience and its Influence on Youth Body Image in Aotearoa*. The research aimed to help us understand the complex online experiences influencing the mental and emotional wellbeing of young people, as told to us directly by rangatahi. This work has informed our subsequent consultation report work *Content that Crosses the Line*.

[!\[\]\(cbe2492b119e39e02a1dab2af4a4b296\_img.jpg\) Digital Reflections: The Online Experience and its Influence on Youth Body Image in Aotearoa](#)



## On Our Screens

In December 2024 the results from our latest survey of public opinion about the New Zealand classification system highlighted the desire for more information about the challenging topics that are appearing on our screens. *On Our Screens* is a report based on questions included in a national omnibus survey which is carried out by AK Research. 85% of participants expressed concern about kids being exposed to harmful content on social media and other online platforms, and most were also concerned about video games (74%) and movies or TV shows (65%).

[!\[\]\(870f5d5e9c0d57485634be3ecf52f3ca\_img.jpg\) On Our Screens – Survey Snapshot](#)

## Content that Crosses the Line

In May 2025 we released our latest consultation report based on conversations with young people in Aotearoa about extremely harmful online content. *Content that Crosses the Line* shows that encountering extreme – sometimes illegal or banned – material is part of life online for many rangatahi. The consultation involved 10 groups of young people from across Aotearoa, who provided valuable insights into the experiences of young people and highlighted both their resilience and also the serious challenges they face online, and the support they seek from trusted adults.

[!\[\]\(b792654f2cef9719eabeb6c5be00811e\_img.jpg\) Content that Crosses the Line](#)

### Some Key Findings from *Digital Reflections: The Online Experience and its Influence on Youth Body Image in Aotearoa New Zealand*

[Read the full summary of Key Findings online](#)

- Young people are seeing and engaging with a variety of body image content, often from an early age.
- Young people think the influence of body image content is a big issue.
- Young people use social media to express themselves and connect with friends, but they face significant challenges managing unwanted and harmful content.
- Young people can find both helpful and harmful online content, but algorithms sometimes make it hard to get positive and reliable information.
- Body image content impacts young people differently depending on their personal experience, self-confidence, and emotional state.
- The impact of body image content can be both positive and negative.
- Young people want more understanding and supportive dialogue from adults.
- Young people want better educational resources and support.



### Key insights from *Content that Crosses the Line*

Insights are based on what young people shared during consultations. While they don't speak for all young people, they're consistent with what we've heard in our previous work and offer valuable insight into how young people experience harm online.

- Young New Zealanders are seeing extremely harmful content online.
- Extremely harmful content can be difficult to avoid for some.
- Curiosity is a key driver for engaging with content.
- Real-world graphic violence was the most common type of extremely harmful content mentioned by young people.
- Young people associate this content with a variety of harmful impacts.
- Young people want guidance and support.

# Public Engagement

Public outreach and engagement about the classification system and the work of the Office is one of our core functions under the Act. This includes managing a complaints and inquiries service, communication and engagement through our website and social media channels, public outreach with community groups and stakeholders, and facilitating our Youth Advisory Panels. We also consult with individuals and groups who may be able to help the Office with specific publications.

## Students Became Censors for a Day

We host these events to teach rangatahi about our mahi, including how we classify films, games, books, and other publications. We explain the application of the [Films, Videos, and Publications Classification Act 1993](#), and then ask them to take a turn classifying a current release themselves. We show them a film that encourages critical thinking and great conversations about the types of themes on screen. We discuss how these themes inform age ratings and content warnings.

Nearly 500 media studies students took part in Upper and Lower Hutt, Palmerston North, New Plymouth and Napier. *Dream Scenario* starring Nicolas Cage was our movie of choice, which is rated R13 with a warning note for Bloody violence, offensive language, sexual material and content that may disturb.

Censor for Day events are about empowering rangatahi with the knowledge and skills to critically evaluate media content. From intense discussions about the themes of *Dream Scenario* to reminiscing about the first films that gave them the chills, the students dove deep into the world of film classification. It's always fascinating to hear their perspectives and their thoughts about age ratings and content warnings.

"The reason why ratings are important is to guide children not to watch things that they aren't capable of handling."

Student, 17, Heretaunga College

"I think the most important thing in *Dream Scenario* is the violence which is why it probably got an R rating."

Student, 17, Hutt International Boys' School



## Outreach in the Community

In addition to Censor for a Day we conducted 22 presentations, webinars, and speaker series talks in the community. Our small team has expertise in education and sexual violence prevention, and are backed by our ongoing research and consultation programme with young people.

The LoopEd in Wellington was a highlight of the 2024/25 public outreach programme. Our lead presenter delivered the Amplifying Youth Voice workshop to 80 educators, counsellors, and school leaders. The workshop focused on the power of listening to youth voices in responding to online harms and drew on Classification Office research into pornography, body image, and the [Content that Crosses the Line](#) report.

Participants found the session relevant, actionable, and well-structured, with many highlighting the inclusion of student voice and the balance of research and practical tools. Educators left feeling better equipped to support student wellbeing and help young people navigate what they see and experience online.

"Excellent to have stuff we can use directly in our teaching - always the best PD!"

"Really good to hear student voices in the context."

"Awesome delivery having structured tasks and not just being talked at all day!"



## Our Website and Socials

Our website [classificationoffice.govt.nz](https://classificationoffice.govt.nz) and social media channels on [Facebook](#), [LinkedIn](#) and [Instagram](#) (@NZOFLC) are our main communication channels for sharing a wide range of resources, research and detailed information about classification to the public.

Our Find a Rating page was the most popular section of the website, providing a searchable database of every New Zealand film and series rating and classification as well as featured decisions for popular entertainment titles. Featured decisions are classification decisions in plain English, providing media literacy for audiences wanting more information about their entertainment choices.

*The Substance*, a body horror movie starring Demi Moore, was the most sought-after featured decision on our site for the year with over 10,000 impressions for people searching for “trigger warnings” for this title. A detailed impactful content guide for *It Ends with Us* starring Blake Lively was the most viewed blog post on the site.

During the year we launched our [Gaming Resource Hub](#) and gaming blog series aimed at helping parents and caregivers to better understand the popular video games their rangatahi might be playing. Our first blog in the series [‘What is Fortnite and how can I talk with my child about the game?’](#) was the most viewed during the year. Other games profiled included *Roblox* and *Minecraft*, and game-aligned platforms Discord and Twitch.

Our three most popular Facebook posts for the year were all gaming-related; our *Minecraft* blog ‘How to talk with your children about *Minecraft*’, our Gaming Resource Hub, and a post about a blog on YouTube gaming videos had a combined organic reach of over 70K.

## Complaints and Inquiries

We received 309 queries in 2024/25, a decrease on the previous year but within the expected range for our Office. As in previous years the queries vary widely, from complaints about inappropriate trailers being screened ahead of movies for younger viewers at the cinema, Official Information Act (OIA) requests, requests for reconsiderations, and concerns about a variety of publications.

# Collaborations: Youth Advisory Panel

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**Our Youth Advisory Panel (YAP) was established in 2018 as part of a wider youth engagement strategy. Rangatahi are among the most impacted by the work that we do, so it just makes sense to involve them in New Zealand's classification system.**

During the year our YAP met seven times, to discuss a diverse range of topics from coded language, AI-generated content, body image resources, and imitable behaviour in entertainment. These meetings inform our daily work and in the past year have directly aided us to understand the impact of various forms of context, scoped our consultation with young people, and supported 12 classification screenings in the cinema and the office. They also contributed to gaming blogs focused on the platforms Twitch and Discord, and informed our thinking around detailed impactful content guides for the films *Blink Twice* and *Joker: Folie à Deux*.

Our Youth Advisory Panel currently includes 15 members, representing 10 different ethnic communities. The average age is 19, with members at various stages of high school and tertiary education.

In April and May 2025, one member took part in the Global Online Safety Regulators Network's special project, Youth Dialogues. This involved 19 youth ambassadors, aged 18 to 24, from nine countries around the world in a special project. Participants shared their culture and heritage, insights from their experience as youth advocates, and explored the common challenges young people face globally in digital environments.

Our August meeting focused on updating advice received from previous YAP members on 'teen sex comedies' and drug use. This feedback was used to inform our classification practice. A subsequent meeting topic focused on horror.

At May's meeting we talked with the YAP about "coded language," including slang, abbreviations, emojis, and online trends that may have hidden meanings. Netflix's limited series *Adolescence* has raised the profile of coded language and we greatly appreciate our YAP's honesty in sharing their experiences with coded language here in Aotearoa. We discussed the kinds of language that can be humorous and creative, and language that can carry harmful meanings, like misogyny, racism, or links to extremist ideology.

# Wellbeing at Work

## HOW WE LOOK AFTER OURSELVES

**We're often asked about the welfare of our kaimahi. Our team is watching tough things in their daily mahi to protect New Zealanders. Their work requires them to watch distressing content and then consider the classification decision. Not only are they having to watch something, but they also then must write about it and consider it in detail.**

Research has found that some people who spend time working with disturbing material and/or who are indirectly exposed to other people's trauma are at risk of suffering vicarious or secondary trauma and burnout. Negative impacts can be immediate and cumulative. To support our staff and ensure they stay safe, we revisited our wellbeing programme in 2024/25 to ensure we have a solid range of measures in place to look after our people.

Te Mana Whakaatu provides a suite of wellbeing options for staff, as we know that it's not a one-size-fits-all situation for how people manage and handle stress. Our employee support framework has expanded into a wellbeing programme that includes counselling, coaching and supervision.

Our framework guides everything from recruitment to the way the Office is designed to the protocols for viewing and discussing content.





# Financial Performance and Statements of the Classification Office

Te Mana Whakaatu

**FOR THE YEAR ENDED 30 JUNE 2025**



# Statement of Responsibility

FOR THE YEAR ENDED 30 JUNE 2025

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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 2025.

On behalf of the Board of the Classification Office,



A stylized, handwritten signature in black ink.

**Caroline Flora**  
Chairperson

31 October 2025



A stylized, handwritten signature in black ink.

**Rupert Ablett-Hampson**  
Deputy Chairperson

31 October 2025

# Independent Auditor's Report

## To the readers of Office of Film and Literature Classification's Annual Financial Statements and Statement of Performance for the year ended 30 June 2025

The Auditor-General is the auditor of Office of Film and Literature Classification (the Office). The Auditor-General has appointed me, Lianne Austin, using the staff and resources of Ernst & Young, to carry out, on his behalf, the audit of:

- the annual financial statements that comprise the statement of financial position as at 30 June 2025, 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 that include accounting policies and other explanatory information on pages 36 to 50; and
- the statement of performance for the year ended 30 June 2025 on pages 28–35.

### Opinion

In our opinion:

- The annual financial statements of the Office:
  - fairly present, in all material respects:
    - its financial position as at 30 June 2025; 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 Tier 2 PBE Standards with Reduced Disclosure Regime.
- The statement of performance fairly presents, in all material respects, the Office's service performance for the year ended 30 June 2025. In particular, the statement of performance:
  - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Office for each class of reportable outputs, in accordance with generally accepted accounting practice in New Zealand; and
  - fairly presents, in all material respects, for each class of reportable outputs:
    - the actual performance of the Office,

- the actual revenue earned; and
- the output expenses incurred,

as compared with the forecast standards of performance, the expected revenues and the proposed output expenses included in the Office's statement of performance expectations for the financial year; and

- complies with generally accepted accounting practice in New Zealand in accordance with Tier 2 PBE Standards with Reduced Disclosure Regime.

Our audit was completed on 31 October 2025. This is the date at which our opinion is expressed.

### 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, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* 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 statement of performance

The Board is responsible on behalf of the Office for preparing:

- annual financial statements that fairly present the Office's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.

- a statement of performance that:
  - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Office for each class of reportable outputs, determined in accordance with generally accepted accounting practice in New Zealand;
  - fairly presents, for each class of reportable outputs:
    - the actual performance of the Office,
    - the actual revenue earned; and
    - the output expenses incurred,
 as compared with the forecast standards of performance, the expected revenues and proposed output expenses included in the Office's statement of performance expectations for the financial year; and
  - complies 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 a statement of performance that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, and a statement of performance, the Board is responsible on behalf of the Office for assessing the Office's ability to continue as a going concern.

The Board's responsibilities arise from the Crown Entities Act 2004.

### Responsibilities of the auditor for the audit of the financial statements and the statement of performance

Our objectives are to obtain reasonable assurance about whether the annual financial statements, and the statement of performance, 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 the financial statements, and the statement of performance.

For the budget information reported in the annual financial statements, and the statement of performance, 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 statement of performance.

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 annual financial statements, and the statement of performance, 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 whether the statement of performance:
  - provides an appropriate and meaningful basis to enable readers to assess the actual performance of the Office. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and

- fairly presents the actual performance of the Office for the financial year.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board.
- We evaluate the overall presentation, structure and content of the annual financial statements, and the statement of performance, including the disclosures, and whether the financial statements, and the statement of performance 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 all of the information included in the annual report, but does not include the annual financial statements, and the statement of performance, and our auditor's report thereon.

Our opinion on the annual financial statements, and the statement of performance 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 annual financial statements, and the statement of performance, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the annual financial statements, and the statement of performance 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) 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.



**Lianne Austin**

Ernst & Young

On behalf of the Auditor-General  
Wellington, New Zealand

# Statement of Performance

FOR THE YEAR ENDED 30 JUNE 2025

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 2024/25 for this output class is \$3,278,000. The scope of the appropriation is:

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

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

RESOURCES EMPLOYED \$'000	ACTUAL 2025	BUDGET 2025	ACTUAL 2024
Crown Appropriation	3,278	3,278	3,478
Third Party Revenue	410	376	383
Interest & Sundry Revenue	617	545	601
Total Revenue	4,305	4,200	4,462
Expenses	4,167	4,261	3,727
Surplus/(Deficit)	138	(62)	735



# Classification Services

## REPORT AGAINST STATEMENT OF PERFORMANCE EXPECTATIONS 2024/25

### Activity 1 – Production of Classification Decisions

#### CLASSIFICATION DECISIONS ARE PRODUCED

QUANTITY	NOTES	ESTIMATES	ACTUAL 2025		ACTUAL 2024
1.1 Number of entertainment publications classified	1	499–685 each year	645	✓	576
1.2 Number of forensic publications classified	1, 2	180–388 each year	856	✓	697
QUALITY	TARGETS		ACTUAL 2025		ACTUAL 2024
1.3 Classification decisions					
a. Classification decisions are written in a style that is accessible to a range of readers, and	3	Our most complex decisions are reviewed throughout the year to provide an assessment of Adequate/Inadequate, and commentary with recommendations for improvements	See Note 3	✓	82%
b. The analysis supports the classification decision so that the reader understands the reasoning for the decision.					
TIMELINESS	TARGETS		ACTUAL 2025		ACTUAL 2024
1.4 Entertainment classification					
Percentage of standard s12 submissions that are classified within 30 working days of receipt	4	90%	99.5%	✓	98%
1.5 Forensic classification					
Percentage of s13 submissions that are classified within 55 working days of receipt, where statutory obligations enable this	4	70%	98.1%	✓	81%

#### Notes

- These are demand-driven activities.
- Number of forensic publications classified – Target exceeded**  
In 2024/25 the Classification Office implemented a range of operational improvements to modernise our forensic service. We worked with enforcement

agencies, and streamlined submission and classification processes to allow for the timely classification of high-volume submissions. As a result, the Classification Office received and classified significantly higher volumes of forensic submissions than forecast.

### 3. 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 148 publications. These decisions were selected because they represent a cross-section of subject matter, submission channels, medium and classifiers, across the year. This sampling method provides vastly more value than random sampling, given the nature of material processed by the Classification Office.

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 introduced three standards:

- Writing Standard: The decision can be read and understood by the general public
- Reasoning Standard: The rationale of the decision logically supports its conclusion
- Legal Standard: The decision reasonably addresses all expected legal considerations

Of the 11 decisions considered, all were assessed as Adequate, across all three standards. The reviewer also identified both specific and general areas for improvement, along with recommendations for how these could be addressed.

### 4. Timeliness Definitions:

- a. Timeliness targets are set by the Office, not in legislation. The Act requires publications be examined 'as soon as practicable'.
- b. These measures incorporate time for submissions by interested parties, where statutory obligations require this.
- c. Timeliness Performance is calculated on publications which have been registered during the reporting period.
- d. Publications requiring assistance under s21 of the Act and s29 (Crown) submissions are excluded from timeliness measures.

# Information Services

REPORT AGAINST STATEMENT OF PERFORMANCE EXPECTATIONS 2024/25

## Activity 2 – Dissemination of Information

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

QUANTITY	NOTES	TARGETS	ACTUAL 2025		ACTUAL 2024
2.1 Number of visits to the Classification Office website	1	350–450 (average per day)	1,234	✓	693
2.2 Number of public engagement activities		15–25 (each year)	23	✓	34
QUALITY		TARGETS	ACTUAL 2025		ACTUAL 2024
2.3 Website is regularly updated with editor- and moderator-approved content	1	10 (average per month)	39	✓	21
2.4 Responses to client satisfaction surveys 'Very Good' or better	2	80%	100%	✓	93%

Notes

1. Measures 2.1 (Website visits) and 2.3 (Updated web content) – Targets exceeded

Performance on measures 2.1 (Website visits) and 2.3 (Updated web content) both exceed targets. Web traffic has been steadily increasing over the last year, largely due our Find a Rating page which includes a database of films and content we produce such as parental guides, blogs and content breakdowns. This additional content provides age ratings, content warnings and spoiler-free breakdowns and is accessed by both national and international audiences. Some content attracts a high volume of international traffic which enhances our visibility on Google, making our content more accessible to domestic audiences. This traffic was supplemented by the release of three research reports throughout 2024/25 and ongoing engagement with previously published reports.

2. Quality Measure 2.4 (Public Engagement Activities)

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 2024/25 the response rate to this survey was 91%, with 33 survey requests resulting in 30 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

QUANTITY	NOTES	ESTIMATE	ACTUAL 2025		ACTUAL 2024
3.1 Inquiries and complaints answered		275–375 each year	309	✓	823
QUALITY		TARGET	ACTUAL 2025		ACTUAL 2024
3.2 Responses to 'Request for Feedback' on Inquiries and Complaints Service are 'Satisfied with Service'	1	80%	97%	✓	100%
TIMELINESS		TARGETS	ACTUAL 2025		ACTUAL 2024
3.3 Inquiries and complaints responded to promptly		80% within five working days	92%	✓	95%
		100% within 20 working days	100%	✓	100%

### Notes

#### 1. Inquiries and Complaints – Quality Measure

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 19%, with 31 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

QUALITY	NOTES	TARGETS	ACTUAL 2025	ACTUAL 2024
4.1 Annual Research Report published each year	1	1	3 ✓	1
4.2 Published research helps inform the public, policy makers and others about content harms and classification issues	2	<p>A quantitative analysis is conducted and assesses the degree to which our annual research project achieves one or more of the below criteria:</p> <ul style="list-style-type: none"> <li>Media coverage in mainstream outlets (within two weeks of publication).</li> <li>Report downloads and/or unique web content views of 30–50 per month.</li> <li>Research is used or cited/referenced in other publications, external resources or policy documents (over the year following publication).</li> </ul>	See Note 2 ✓	NA (see 2023/24 Annual Report for qualitative analysis of prior published report)

#### Notes

##### 1. 4.1 Annual Research published

The Office published the following reports during 2024/25:

[Digital Reflections: Youth Body Image in Aotearoa](#) was conducted in 2023/24 and published in July 2024.

[On Our Screens – Survey Snapshot](#) was published in December 2024.

[Content that Crosses the Line: Conversations with young people about extremely harmful content](#) was conducted over 2024/25 and published in May 2025.

##### 2. 4.2 Research Quality

Published research helps inform the public, policy makers and others about content harms and classification issues. We have assessed the quality of our research published during 2024/25 through a review of external engagement with reports published on our website.

‘[Digital Reflections: Youth Body Image in Aotearoa](#)’ was published on 30 July 2024. Over the course of the year the report was downloaded (including unique views) 835 times. This is an average of 70 times a month. Download figures were highest in the 2 months following the date of publication however interest remained high throughout the year. In the two months following publications

4 mainstream media outlets interviewed the Chief Censor.

‘[Content that Crosses the Line: Conversations with young people about extremely harmful content online](#)’ was published on 6 May 2025.

In the two months following publication the report was downloaded 683 times, well in excess of our target. During the month the Chief Censor was interviewed by seven mainstream media outlets including 1News, TVNZ, RNZ, Newsroom and the Post.

‘[On Our Screens – Survey Snapshot](#)’ was published on 16 December 2024. While public and media interest was lower than our primary research reports, interest has been surprisingly stable with the report being downloaded/viewed on average 16 times each month throughout the year. This is our 3<sup>rd</sup> annual survey and helps us stay in touch with New Zealander’s experiences and attitudes toward age ratings and content warnings, and supports the Office with our performance reporting.

We monitor access to all research available on our website. This indicates our research continues to be considered useful resource, achieving downloads and access of 230 each month. Media engagement throughout the year included the series [Growing Up with Porn](#) (2018–2020) and [Online Misogyny and Violent Extremism – Understanding the Landscape](#) (2024).

## Activity 5 – Self-Rating Systems

### APPROVE, REVIEW AND SUPPORT THE DEVELOPMENT OF SELF-RATING SYSTEMS USED BY SPECIFIED COMMERCIAL VIDEO ON-DEMAND (CVOD) PROVIDERS

QUANTITY	NOTES	TARGET	ACTUAL 2025		ACTUAL 2024
5.1 Number of publications assessed, using an appropriate sampling methodology		150–200 per year	316	✓	593
QUALITY		ESTIMATE	ACTUAL 2025		ACTUAL 2024
5.2 All approved self-rating systems are reviewed annually, using an appropriate review methodology	1	Number of systems reviewed: 5–7 per year	6	✓	5
TIMELINESS		TARGET	ACTUAL 2025		ACTUAL 2024
5.3 Approved self-rating systems are reviewed within three months following the anniversary of the date on which the system was originally approved		75%	100%	✓	80%

#### Notes

1. This measure is subject to changes made to the number of providers listed on Schedule 4 of the Films, Videos, and Publications Classification Act 1993, and the number of providers that elect to operate a self-rating system.

During 2024/25 eight providers were listed on Schedule 4 of the Classification Act, of which six providers self-rate their content.



## Activity 6 – Countering Violent Extremism

### SUPPORT NEW ZEALAND'S RESPONSE TO ONLINE VIOLENT EXTREMIST CONTENT

QUANTITY	TARGETS	ACTUAL 2025		ACTUAL 2024
<b>6.1 Speakers' Programme:</b> Host subject matter experts to speak with agencies with significant interest in online violent extremism	2 each year	2	✓	2
<b>6.2 Training Programme:</b> Deliver training to enforcement agencies on the classification framework as applied to violent extremist material	2 each year	2	✓	3
QUALITY		ACTUAL 2025		ACTUAL 2024
<b>6.3</b> A qualitative analysis is conducted to review 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 2024/25 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 2024/25. These takedown notices related to 20 publications and 10 online content hosts.

- 90% of take down notices relate to content which has been classified as Objectionable under the Classification Act (two publications have not been classified).
- The vast majority of takedown notices relate to violent extremist content.

Since Part 7D provision was enacted in 2022, 81 takedown notices have been issued for a total of 36 unique publications, hosted by 44 content hosts. Five publications have not been submitted for classification.

# Financial Statements

## Statement of Comprehensive Revenue and Expense

FOR THE YEAR ENDED 30 JUNE 2025 (IN NEW ZEALAND DOLLARS)

REVENUE	NOTES	ACTUAL 2025 \$'000	BUDGET 2025 \$'000	ACTUAL 2024 \$'000
Revenue from the Crown	2	3,278	3,278	3,478
Labelling Body Revenue		410	376	382
Other Fee Revenue		-	-	1
<b>Total</b>		<b>3,688</b>	<b>3,654</b>	<b>3,861</b>
<b>OTHER REVENUE</b>				
Interest Revenue		159	87	143
Sundry Revenue		458	458	601
<b>Total</b>		<b>617</b>	<b>545</b>	<b>458</b>
<b>TOTAL REVENUE</b>		<b>4,305</b>	<b>4,200</b>	<b>4,462</b>
<b>EXPENSES</b>				
Administrative Expenses	3	71	60	60
Depreciation, Amortisation & Impairment	7, 8	49	175	72
Lease & Rental Costs		235	241	235
Other Operating Expenses		895	873	695
Personnel Costs	4	2,917	2,912	2,665
<b>Total Expenses</b>		<b>4,167</b>	<b>4,261</b>	<b>3,727</b>
Surplus/(Deficit) for the Year		138	(62)	735
Other Comprehensive Revenue and Expenses		-	-	-
<b>Total Comprehensive Revenue/(Expense) for the year</b>		<b>138</b>	<b>(62)</b>	<b>735</b>

### Note

Explanations of major variances are provided in note 19. 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 2025 (IN NEW ZEALAND DOLLARS)

		ACTUAL 2025 \$'000	BUDGET 2025 \$'000	ACTUAL 2024 \$'000
<b>CURRENT ASSETS</b>				
Cash & Cash Equivalents	5	661	116	862
Investments	10	1,400	300	1,050
Debtors & Other Receivables	6	121	129	104
<b>Total Current Assets</b>		<b>2,182</b>	<b>545</b>	<b>2,016</b>
<b>NON-CURRENT ASSETS</b>				
Property, Plant & Equipment	7	47	88	54
Intangible Assets	8	120	454	146
<b>Total Non-Current Assets</b>		<b>167</b>	<b>542</b>	<b>200</b>
<b>TOTAL ASSETS</b>		<b>2,349</b>	<b>1,087</b>	<b>2,216</b>
<b>CURRENT LIABILITIES</b>				
Creditors & Other Payables	11	193	154	233
Employee Entitlements	12	363	337	328
<b>Total Current Liabilities</b>		<b>556</b>	<b>491</b>	<b>561</b>
<b>TOTAL LIABILITIES</b>		<b>556</b>	<b>491</b>	<b>561</b>
<b>EQUITY</b>				
General Funds		1,793	596	1,655
<b>TOTAL EQUITY</b>	16	<b>1,793</b>	<b>596</b>	<b>1,655</b>
<b>Total Liabilities And Equity</b>		<b>2,349</b>	<b>1,087</b>	<b>2,216</b>

### Note

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 2025 (IN NEW ZEALAND DOLLARS)

	NOTES	ACTUAL EQUITY \$'000	BUDGET EQUITY \$'000
Balance as at 1 July 2024		1,655	658
Surplus/(deficit) for the year		138	(62)
Total Comprehensive Revenue/(Expense)		138	(62)
Balance as at 30 June 2025	16	1,793	596
Balance as at 1 July 2023		920	
Surplus/(deficit) for the year		735	
Total Comprehensive Revenue/(Expense)		735	
Balance as at 30 June 2024	16	1,655	

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

FOR THE YEAR ENDED 30 JUNE 2025 (IN NEW ZEALAND DOLLARS)

		ACTUAL 2025 \$'000	BUDGET 2025 \$'000	ACTUAL 2024 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>NOTES</b>			
<i>Cash was provided from:</i>				
Cash Receipts from Customers		824	829	806
Interest Received		165	88	125
Net GST Received		-	-	19
Cash Receipts from the Crown		3,278	3,278	3,478
		<b>4,267</b>	<b>4,195</b>	<b>4,428</b>
<i>Cash was distributed to:</i>				
Net GST Payment		(17)	(4)	-
Cash Paid to Suppliers & Employees		(4,060)	(4,089)	(3,657)
		<b>(4,077)</b>	<b>(4,093)</b>	<b>(3,657)</b>
<b>Net Cash from Operating Activities</b>		<b>190</b>	<b>102</b>	<b>771</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<i>Cash was provided from:</i>				
Maturity of term deposits		-	400	-
		-	400	-
<i>Cash was distributed to:</i>				
Acquisition of property, plant and equipment		(16)	(44)	(10)
Acquisition of intangible assets		(25)	(437)	(72)
Investment in term deposits		(350)	-	(1,050)
		<b>(391)</b>	<b>(481)</b>	<b>(1,132)</b>
<b>Net Cash to Investing Activities</b>		<b>(391)</b>	<b>(81)</b>	<b>(1,132)</b>
Net Movements in Cash & Cash Equivalents		(201)	21	(361)
Cash & Cash Equivalents at 1 July		862	95	1,223
<b>Cash &amp; Cash Equivalents at 30 June</b>	<b>5</b>	<b>661</b>	<b>116</b>	<b>862</b>

### 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 Financial Statements

FOR THE YEAR ENDED 30 JUNE 2025

## 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 Office of Film and Literature Classification. 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 Office of Film and Literature Classification are for the year ended 30 June 2025. They were authorised for issue by the Classification Office's Board on the date shown on page 1.

### 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 15.

### 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.

### Use of judgements 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 second-hand 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 accounting judgements 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 2025:

### LEASE CLASSIFICATION

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

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

	2025 \$'000	2024 \$'000
Funds received from Vote: Internal Affairs regarding the Estimates of Appropriations	3,278	3,478
	<b>3,278</b>	<b>3,478</b>

### 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 (2024: 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

	2025 \$'000	2024 \$'000
Audit fees for audit of financial statements	40	41
Insurance costs	11	11
Legal fees	20	8
	<b>71</b>	<b>60</b>

## Note 4: Personnel Costs

	2025 \$'000	2024 \$'000
Salaries and Wages	2,823	2,613
Employer contributions to defined contribution plans	59	61
Increase/(decrease) in employee entitlements (Note 12)	35	(9)
	<b>2,917</b>	<b>2,665</b>

### SUPERANNUATION SCHEMES

#### Defined contribution schemes

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

## Note 5: Cash & Cash Equivalents

CURRENT ASSETS	2025 \$'000	2024 \$'000
Cash at bank and on hand	661	862
	<b>661</b>	<b>862</b>

### 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

	2025 \$'000	2024 \$'000
Trade Debtors	46	19
Prepayments	63	67
Accrued interest	12	18
	<b>121</b>	<b>104</b>

### 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 2025 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

<b>COST</b>	<b>COMPUTER HARDWARE \$'000</b>	<b>FIT OUT \$'000</b>	<b>FURNITURE &amp; FITTINGS \$'000</b>	<b>OFFICE EQUIPMENT \$'000</b>	<b>OTHER EQUIPMENT \$'000</b>	<b>TECHNICAL EQUIPMENT \$'000</b>	<b>TOTAL \$'000</b>
Balance at 1 July 2024	268	369	280	35	25	33	1,010
Additions	12	1	1	-	2	-	16
Disposals	-	-	-	-	-	-	-
<b>Balance at 30 June 2025</b>	<b>280</b>	<b>370</b>	<b>281</b>	<b>35</b>	<b>27</b>	<b>33</b>	<b>1,026</b>

### DEPRECIATION & IMPAIRMENT LOSSES

Balance at 1 July 2024	(242)	(368)	(257)	(35)	(21)	(33)	(956)
Impairment loss	-	-	-	-	-	-	-
Depreciation for the year	(16)	-	(5)	-	(2)	-	(23)
Disposal	-	-	-	-	-	-	-
<b>Balance at 30 June 2025</b>	<b>(258)</b>	<b>(368)</b>	<b>(262)</b>	<b>(35)</b>	<b>(23)</b>	<b>(33)</b>	<b>(979)</b>

### CARRYING AMOUNTS

At 30 June 2025	22	2	19	-	4	-	47
<b>At 30 June 2024</b>	<b>26</b>	<b>1</b>	<b>23</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>54</b>

### 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:

The depreciation rates of property, plant and equipment are as follows:

<b>Computer hardware</b>	3-4 years	33%
<b>Fit out</b>	6 years	17%
<b>Furniture &amp; fittings</b>	10 years	10%
<b>Office equipment</b>	4-5 years	24%
<b>Other equipment</b>	4-5 years	24%
<b>Technical equipment</b>	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
<b>COST</b>				
Balance at 1 July 2024	311	1,848	72	2,231
Additions	-	-	25	25
Disposals	(65)	-	-	(65)
Transfers	72	-	(72)	-
<b>Balance at 30 June 2025</b>	<b>318</b>	<b>1,848</b>	<b>25</b>	<b>2,191</b>
<b>AMORTISATION &amp; IMPAIRMENT LOSSES</b>				
Balance at 1 July 2024	(237)	(1,848)	-	(2,085)
Amortisation for the year	(26)	-	-	(26)
Disposals	40	-	-	40
<b>Balance at 30 June 2025</b>	<b>(223)</b>	<b>(1,848)</b>	<b>-</b>	<b>(2,071)</b>
<b>CARRYING AMOUNTS</b>				
At 30 June 2025	95	-	25	120
<b>At 30 June 2024</b>	<b>74</b>	<b>-</b>	<b>72</b>	<b>146</b>

### **INTANGIBLE ASSETS POLICY**

#### **Software acquisition and development**

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

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

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

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

#### **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.

#### **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 (i.e. the difference between the cash flows due to the Classification Office in accordance with the contract and the cash flows that the Classification Office expects to receive).



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)

	2025 \$'000	2024 \$'000
Cash & Cash Equivalents	661	862
Receivables	46	19
	<b>707</b>	<b>881</b>

#### FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE

(financial liabilities held at amortised cost)

Creditors and Other Payables	150	174
	<b>150</b>	<b>174</b>

### Note 10: Investments

	2025 \$'000	2024 \$'000
Term deposit 1001		
Interest rate: 4.65%	600	600
Maturity date: 3 July 2025		
Term deposit 1000		
Interest rate: 6.10%	-	450
Maturity date: 2 Sept 2024		
Term deposit 1015		
Interest rate: 3.80%	400	-
Maturity date: 21 Nov 2025		
Term deposit 1016		
Interest rate: 3.60%	400	-
Maturity date: 22 Sept 2025		
	<b>1,400</b>	<b>1,050</b>

#### INVESTMENTS POLICY

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

### Note 11: Creditors & Other Payables

	2025 \$'000	2024 \$'000
Trade Creditors	120	121
Sundry Creditors	30	53
GST	31	48
Income in Advance	12	11
	<b>193</b>	<b>233</b>

#### 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

	2025 \$'000	2024 \$'000
Accrued annual leave	236	221
Provision for staff accrued personnel costs	123	105
Long service leave	4	2
	<b>363</b>	<b>328</b>

#### 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 \$4,410 was owing as at 30 June 2025 (2024: \$2,388).

## Note 13: Operating Leases

At 30 June 2025, the future minimum lease payments under non-cancellable leases were payable as follows:

	2025 \$'000	2024 \$'000
Less than one year	137	239
Between one and five years	–	137
	<b>137</b>	<b>376</b>

The Classification Office has a long-term lease on its premises in Wellington. The lease was renewed on 31 January 2023 for three years and will 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 14: Related Parties

### 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 15: Key Management and Employee Remuneration

### KEY MANAGEMENT PERSONNEL

	2025 \$'000	2024 \$'000
Salaries and other	583	566
Post-employment benefit	1	11
<b>Total key management personnel compensation</b>	<b>584</b>	<b>577</b>
Full-time equivalents	2	2

The key management personnel in the 2025 year were the Chief Censor and the Deputy Chief Censor (2024: Chief Censor and Deputy Chief Censor).

### EMPLOYEE REMUNERATION

TOTAL REMUNERATION AND BENEFITS	2025	2024
100,000-109,999	5	7
110,000-119,999	2	2
120,000-129,999	–	1
130,000-139,999	1	–
150,000-159,999	–	1
160,000-169,999	1	–
170,000-179,999	1	–
260,000-269,999	–	1
270,000-279,999	1	–
310,000-319,999	–	1*
320,000-329,999	1*	–

\*Refers to Chief Executive's remuneration

### SEVERANCE PAYMENTS

During the year ended 30 June 2025 no employees received compensation in relation to cessation (2024: nil).

No Board members received compensation or other benefits in relation to cessation (2024: nil).

## Note 16: Equity

	2025 \$'000	2024 \$'000
Balance at 1 July	1,655	920
Surplus for the year	138	735
<b>Balance at 30 June</b>	<b>1,793</b>	<b>1,655</b>

## Note 17: 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 (2024: nil).

## Note 18: Subsequent Events

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

## Note 19: Variances

### REVENUE FROM THE CROWN

#### 2024/25 compared to Actual 2023/24

Crown revenue was 6% (\$200K) lower than 2023/24 Actual. The Office received one-off supplementary funding from the Department of Internal Affairs in June 2024, which was in addition to the Office's baseline funding provided for in the 2023/24 Estimates.

### LABELLING BODY REVENUE

#### 2024/25 compared to Actual 2023/24 and to Budget

Labelling Body revenue was 7% (\$28K) higher than 2023/24 and 9% (\$34K) 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. However, the well-established downward trend of reducing volumes of, and revenue from, commercial submissions has plateaued.

### INTEREST REVENUE

#### 2024/25 compared to Actual 2023/24 and to Budget

Revenue in the form of Interest earnings was 11% (\$16K) more than the prior year and 83% (\$72K) more than forecast. 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:

- increased funds were able to be invested due to savings against budget in 2023/24, and
- delay in the initiation of the project to scope the requirements for the replacement of the Office's core workflow and case management system (the CDA).
- improved cashflow allows funds to be invested at better terms.

### EXPENSES

#### Administrative Expenses

#### 2024/25 compared to Actual 2023/24 and to Budget

Administrative expenditure in 2024/25 was 18% (\$11K) more than 2023/24 and budget.

This expenditure is typically stable and low, and this variance was due to spend on legal fees during 2024/25.

#### Depreciation, amortisation and impairment Expenses

#### 2024/25 compared to Actual 2023/24 and to Budget

Depreciation expenditure is 32% (\$23K) lower than 2023/24 and is 72% (\$126K) less than forecast.

This is the combined effect of a delay in the initiation of the project to scope the requirements for the replacement of the Office's core workflow and case management system (the CDA) as well as the write off of an early release of the Self Rating tool following replatforming (reflected as a disposal in Note 8).

## OTHER OPERATING EXPENSES

### *2024/25 compared to Actual 2023/24*

Other operating expenditure in 2024/25 was 29% (\$200K) more than 2023/24. This variance was largely due to general low levels of expenditure in the prior year and represents a return to the 2022/23 level of expenditure.

In 2023/24 significant savings were made to spend on research activities, as we partnered with another agency and reduced public engagement activities.

## PERSONNEL COSTS

### *2024/25 compared to Actual 2023/24*

Personnel costs in 2024/25 were 9% (\$252K) more than 2023/24. As with Other Operating Expenses, this variance was largely due to general low levels of expenditure in 2023/24 and represents a return to the 2022/23 level of expenditure.

In 2023/24 the Office took a range of measures to generate savings including seeking short-term secondment opportunities for staff, enabling staff to take unpaid leave and holding vacancies unfilled in both the short and long term.

## Note 20: 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 2025.

A photograph of two young children, a boy and a girl, looking at a smartphone held by the boy. The boy is in the foreground, wearing a blue t-shirt, and the girl is slightly behind him, wearing a light blue t-shirt. They are both smiling and looking at the phone. The background is a bright, out-of-focus outdoor setting with some greenery and a warm light source, possibly the sun, creating a bokeh effect.

# Management of the Classification Office

# Organisational Health & Capability

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## 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 wellbeing 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 2025 we had 27 staff (24 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 and pay equity

During 2024/25:

- 63% of our staff are women and 37% are men.
- Among the classification team (Classification Advisors, Senior Classification Advisors, Chief Censor and Deputy Chief Censor), 50% are women and 50% are men.
- 80% of our senior management team are women.
- 30% of our staff work less than full-time and 38% of these are men.

Analysis of our gender pay gap is regularly conducted on the basis of median salaries across the organisation, using the Human Rights Commission recommended formula. We initially measured our gender pay gap in 2017. This showed there was no gender pay gap at that point in time. During 2025 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.

### Ethnicity

93% of our staff identify as NZ European/Pākehā. In addition, 8% identify as Māori and 15% 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.

### 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 early 20s to early 70s, and the average age is 43.5. 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.

Ten percent 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 8.4 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, social activities, 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 development 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 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 Wellbeing Programme that provides all employees with access to clinical psychologists and counsellors, and ergonomic workspace assessments.

# Classification Office

TE MANA WHAKAATU