



Office of Film & Literature Classification

Te Tari Whakarōpū Tukuata, Tuhituhinga

Statement of Intent 2017 - 2021

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**Presented to the House of Representatives pursuant to
s149 of the Crown Entities Act 2004**

Our Vision

New Zealand is a global leader in achieving a balance in media access between freedom and protection from harm, reflecting our values as a nation

We are here to ...

Reduce the harm to New Zealanders, particularly children and young people, from exposure to potentially harmful content such as sex and violence - while recognising the diverse views of all Kiwis and upholding our right to freedom of expression

FOREWORD

What kind of society do we want in New Zealand?

More specifically – how do we want to manage extreme or potentially harmful content in the media we consume? What about our freedom of speech, and our ability to choose for ourselves?

For this Statement of Intent, the question for a regulatory body such as the Office of Film and Literature Classification is how classification and regulation of the content we as New Zealanders view will make sense in 2021. How we access and view content is undergoing massive change. The possibility of viewing nearly anything we want, whenever we want is tantalisingly close.

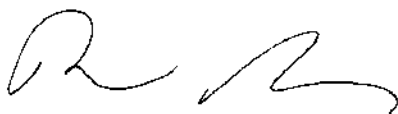
Here is what we know now:

- The case for effective regulation, education and self-management around what we view and what we allow our children to view has never been stronger. The research evidence is compelling about the harm and loss of empathy generated by exposure to violent media. The impact of what we consume on our sexual attitudes and behaviour is becoming clear.
- In order to make good policy in this area we need more strong research from a Kiwi perspective. This Office has been a leader in this area and will continue to drive robust, informative research that addresses the real questions. An important guiding principle will continue to be the need to provide a voice for New Zealanders and their whanau.
- Our legislation, while written for a different era (1993) provides us with fundamental principles that remain strong. In particular, it provides for the Office as regulator to explicitly balance competing interests, including the need for protection (particularly for the young), freedom of speech and artistic expression. This provides a sound foundation for a system that can meet current and future challenges.
- One recent and dramatic change to how we access and view content has arrived with commercial video on-demand services, such as Netflix. In response to this and other digital convergence changes the Government has announced a number of reforms, including bringing this type of streaming service under the Broadcasting Act regulatory regime. This Office is committed to working with participants to help ensure that these reforms work for industry, regulators and consumers.

The future is always uncertain, but from here to 2021 it seems likely that content choice and platforms will continue to expand, games and technology will only get more immersive, and providers will be incentivised to provide edgy and controversial material. Unfortunately, there will also likely continue to be a market for criminal, exploitative and extreme material.

In order to meet these challenges we need an approach that is balanced and flexible. Our approach needs to be based on strong research and evidence, and shaped by listening to Kiwis. This Office is committed to meeting the challenge, and to collaborating across industry, government and communities. Putting New Zealanders at the centre of this discussion will help us deliver the results that we all need, and have the right to expect in this increasingly important area.

*Ma whero, ma pango, ka oti ai te mahi - If everyone does their part, the work will be complete.
Ngā mihi nui.*



David Shanks
Chief Censor

THE NATURE AND SCOPE OF OUR ACTIVITIES

The Role of the Office

New Zealand's classification system is established by the Films, Videos, and Publications Classification Act 1993 (the Classification Act). The Ministry of Justice has responsibility for administering the Classification Act.

New Zealand's classification system aims to protect the public from content that is considered to be injurious to the public good, and to provide guidance to families about what they choose to view or play. The Office of Film and Literature Classification (the Classification Office) is the government body responsible for classifying films, games and other publications that may need to be restricted or banned to prevent this injury. A classification is a legal statement about who can have access to a publication.

The Classification Office is responsible for classifying a wide variety of publications. The definition of a 'publication' in the Classification Act is broad and includes:

- Films or games;
- Computer files, or something which stores electronic data such as a CD, DVD, Blu-ray or hard drive;
- Books, newspapers, magazines, or any other print or writing;
- Sound recordings;
- Pictures, photographs, or anything with words, images, or symbols printed on it - such as a billboard, artwork or item of clothing; and
- a 'thing' on which is recorded or stored information that, by the use of a computer or other electronic device, is capable of being reproduced.

Publications can be submitted to the Office by the Film and Video Labelling Body, the Secretary for Internal Affairs, the Comptroller of Customs, the Commissioner of Police, the Courts, commercial distributors/publishers and members of the public. A diagram of the wider regulatory environment is on page 7.

Publications submitted to the Classification Office usually describe, depict, or in some way deal with sex, horror, crime, cruelty or violence. The Classification Office assesses these publications, and will classify them as restricted or objectionable if it thinks that making the publication available to everyone would be harmful, or injurious to the public good. When deciding a classification, the Office must consider the New Zealand Bill of Rights Act, so that any restriction is reasonable, demonstrably justifiable, and the minimum required to prevent harm.

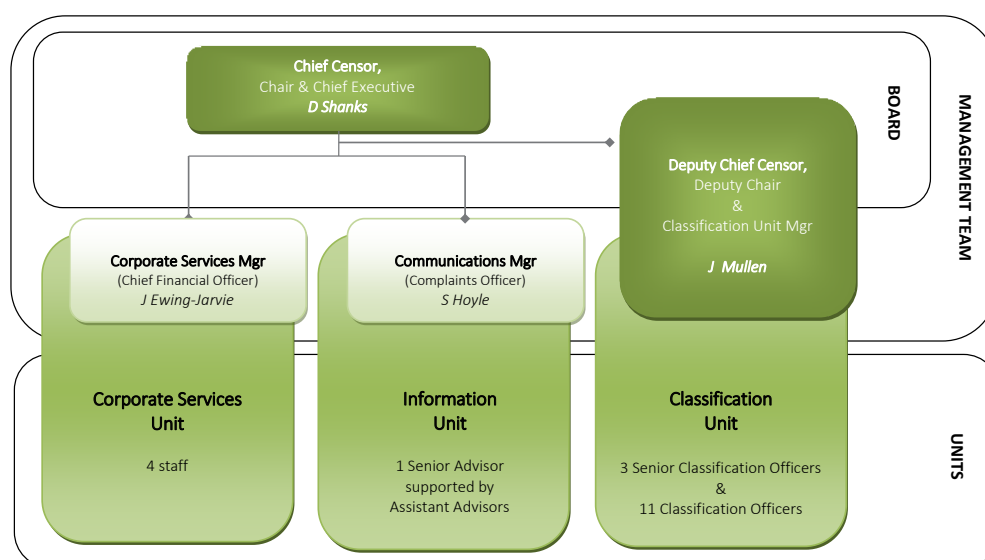
The Structure of the Office

The Classification Office has a Board which consists of the Chief Censor and the Deputy Chief Censor, who are chairperson and deputy chairperson respectively. The Chief Censor is also the Office's Chief Executive.

The Chief Censor and the Deputy Chief Censor are appointed under the Crown Entities Act by the Governor-General, on the recommendation of the Minister of Internal Affairs acting with the concurrence of the Minister of Women's Affairs and the Minister of Justice.

The Office is structured into two units responsible for each of the two main activities of the Office, the Classification Unit and the Information Unit. The functions of these units are set in the Classification Act. The functions of the Information Unit are to disseminate to the public information about the classification system, to receive complaints and inquiries, and to provide research services to the Classification Unit and the Office. Support functions are provided by Corporate Services. The Chief Censor, Deputy Chief Censor, Communications Manager and Corporate Services Manager form the Office's management team.

Figure 1: Classification Office Organisation Chart



Accountability and Governance of the Office

The Classification Office is an independent Crown entity. As a Crown entity the Office is subject to the public management and accountability requirements established by the Crown Entities Act 2004 (CE Act).

The Minister of Internal Affairs is the responsible Minister in accordance with the Crown Entities Act, and the Department of Internal Affairs is the monitoring department. The Ministry of Justice is responsible for the administration of the Classification Act.

The Chief Censor is constitutionally accountable directly to the Minister of Internal Affairs for the financial and non-financial performance of the Office.

Funding of the Office

The Classification Office receives Crown funding under Vote: Internal Affairs, Non-Departmental Output Expense 'Classification of Films, Videos, and Publications' and fees from the submission of commercial publications to the Office for classification.

Figure 2: Explanation of the Classification Process

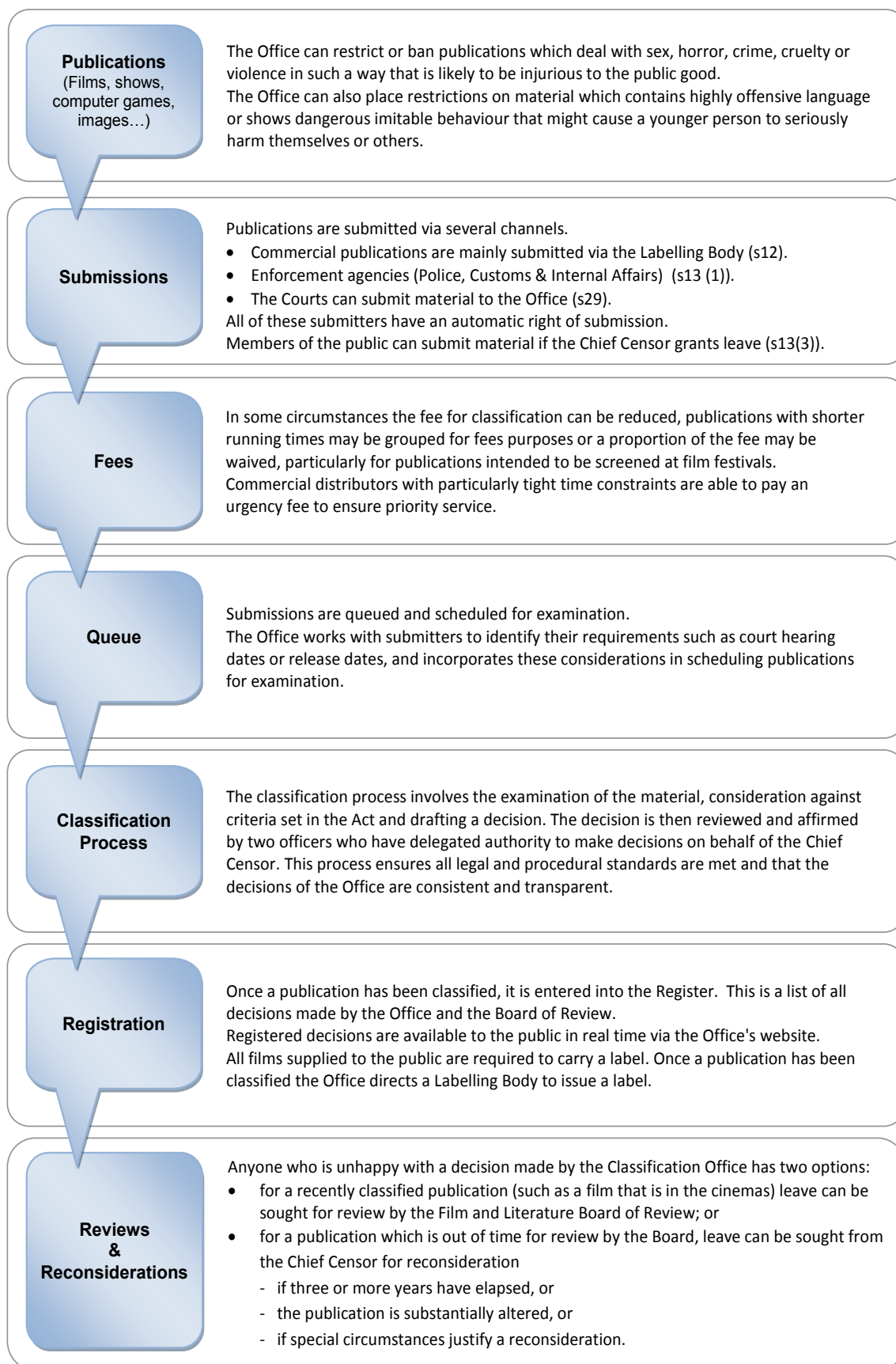
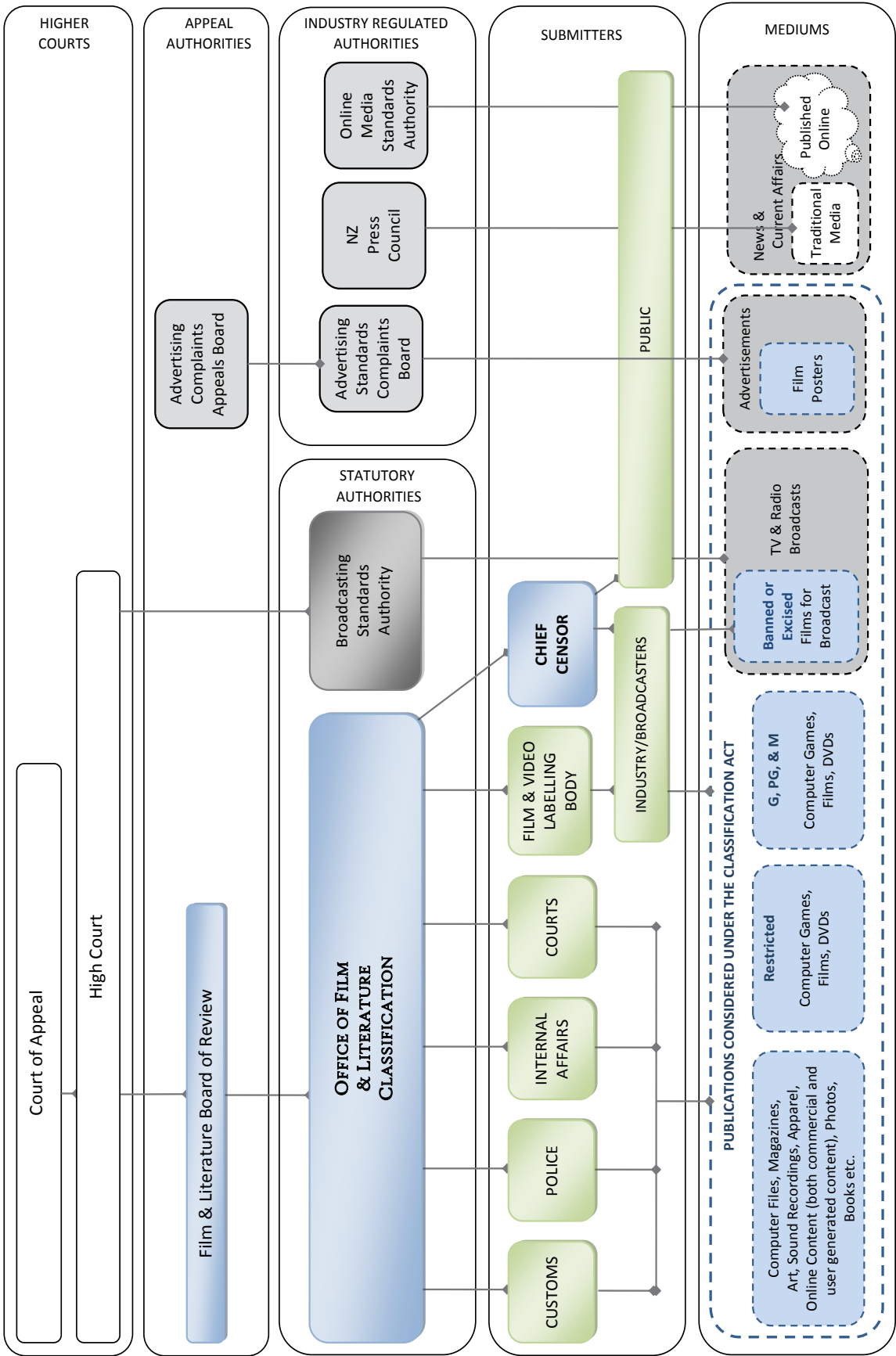


Figure 3: Regulatory Environment



THE MANAGEMENT OF THE OFFICE

The legal, political, technological and social environments in which the Classification Office operates significantly affect our work. This section sets out how the Office will use its resources to do its job in the current environment, and reflect the Government's priorities.

The Government's Priorities

The annual letter of expectations from the Minister of Internal Affairs sets out the Government's core accountability expectations of Crown entities, and priorities that relate to the work of the Classification Office.

Crown entities are expected to deliver high quality services and achieve demonstrable results for New Zealanders. Entities are expected to be open and transparent, and look for ways to deliver better value for money.

Within the Justice sector the government has a wide range of initiatives to reduce crime, keep people safe and modernise the justice system. Initiatives in the area of family violence and sexual violence aim to stop violence from occurring, reduce the harm it causes, and break the cycle of re-victimisation and re-offending. The work is also focused on improving and co-ordinating existing services and changing long-standing behaviours and attitudes.

Within this context, the Minister's specific priorities for the Office (per his 2017 letter of expectations) are to:

"Manage short term financial performance to achieve as close to break-even as possible.

Work closely with the Department of Internal Affairs on options for improved longer term financial sustainability, particularly in light of video on-demand providers no longer submitting material for classification.

Maintain strong levels of service performance, in the face of significantly varying workload demands.

Continue to support the Minister of Broadcasting-led work on regulatory changes for a converged digital environment, in particular working collaboratively with other agencies on changes to the Films, Videos, and Publications Classification Act 1993.

Continue, as resources allow, to promote public understanding of the New Zealand classification system with the aim of supporting safe, well-informed, content consumption."

Regulatory Environment

The current regulatory environment in which the Office operates is complex and outdated. The Government has reviewed content regulation and in August 2016 announced some changes that could help to reduce harm to Kiwis and somewhat simplify and update the law.

While this work is ongoing the Office has increased its focus on producing information which helps New Zealanders to make wise choices about what they, and the ones they care for, are watching. We are also working with entertainment providers so they understand the law as well as the type

of information the public expects. The Office has adopted a number of strategies to achieve its mandate to minimise the risk to New Zealand society.

Legislative and Regulatory Reform

We will assist government to develop and implement a content regulation system which is consistent with the following principles:

- Reduces the harm to New Zealand families from exposure to potentially harmful entertainment media;
- Supports the right of Kiwis to make an informed choice about what they and those they care for watch and play;
- Supports the right to freedom of expression, and
- Reflects the attitudes and values of our nation.

Connecting with the communities we serve

To support the work of the Office and inform our policy advice to Government, we will connect with our communities. This will involve:

- Ensuring the voices of young Kiwis are heard and respected by content regulators, including the Classification Office.
- Understanding the needs and concerns of New Zealand parents and supporting them to protect the children they care for.
- Actively engaging with organisations and community groups that support young people.
- Maintaining relationships with organisations and community groups that deal with the impact of sexual and family violence in our communities.

Compliance

The third strategy is to work with entertainment providers and the public to improve confidence in, and compliance with, the classification system and to address issues raised by developments in media technology and by the challenging global environment.

Understanding the Classification System - the public's perspective

During 2016 we carried out our 5-yearly research into the public's understanding of the classification system. This research was last done in 2011 and since then New Zealand has seen the rollout of high speed, cost-effective internet. This has enabled the establishment of online, on-demand services, which are available to increasing numbers of people.

In response to this changing landscape we have bracketed the 5-yearly research with a number of smaller surveys. These have helped us develop a sound understanding of our environment and how it is changing. This is valuable information directly from the public of New Zealand about how they view and use the classification system. This guides our work and informs our policy advice to Government.

These surveys show that despite the proliferation of entertainment options available most Kiwis get the majority of their content from mainstream providers, most of the time.

What Type of Media Content Most Concerns New Zealanders?

- New Zealanders are concerned about media content.
- 76% of New Zealanders are concerned about children and teens' exposure to content in entertainment media. Those with dependent children are more likely to be concerned (84%).
- Levels of concern about specific content were sometimes higher: 85% were concerned about violence; 83% about sexual content.
- Kiwis are also concerned about offensive language and horror.

(Source: Results are from the December 2016 UMR Online Omnibus survey.

This was a nationally representative survey of 1,000 New Zealanders 18 years of age and over (the margin for error is $\pm 3.1\%$). The survey was conducted from 1-15 December 2016.)

How do Kiwis Use Media?

- 92% of New Zealanders think classifications are important when choosing entertainment media for children and teens.
- Only 16% said they watch movies or shows at least weekly from an illegal torrent site.
- 47% regularly watch shows and movies from an online, on-demand service.
- 65% regularly watch feature films.
- 76% of Kiwis regularly watch free-to-air broadcast television.

(Source: Understanding the Classification System: New Zealanders' Views (June 2016),

Prepared with Colmar Brunton based on a survey sample of 1,000. The margin of error is $\pm 3.1\%$)

What do Kiwis Think About Different Labels on Different Content?

- 83% of New Zealanders think classifications should be the same for entertainment content like a movie, TV show or video game, regardless of where/how you access it (e.g. in a cinema, on DVD/Blu-ray, on broadcast television, or online streaming services).
- Of this number, 66% would prefer the classifications assigned under the Films, Videos, and Publications Classification Act to be used for movies, TV shows and video games, regardless of where/how they access them.
- 63% of Kiwis want all computer games to have NZ classification labels.

(Source: Results are from the January 2016 UMR Online Omnibus survey.

This is a nationally representative survey of 1,000 New Zealanders 18 years of age and over (the margin for error is $\pm 3.1\%$). The survey was conducted from 29 January to 14 February 2016.)

The Current Fiscal Environment

The entertainment industry is larger and more profitable than ever. Digital interactive games are one of the fastest growing sectors of entertainment. Unlike feature films, popular titles can have hours – or days of immersive gameplay and reach larger audiences (and more members of a household). Currently the sale of interactive computer games is largely unregulated in New Zealand. Games are submitted for classification in NZ (and labelled) only if the distributor identifies restrictable content.

Following the establishment of online on-demand, the Government's August 2016 announcement that online content was not covered by any current regulatory regime resulted in the withdrawal of key entertainment providers from all regulatory oversight.

The Classification Office will continue, within its limited resources, to work with film distributors, digital storefronts and game publishers to identify, examine and classify some of the most harmful games, movies and series¹. This is a stopgap measure at best given the limited resources the Office has to carry out these activities.

Organisational Health and Capability

Financial Health of the Office

The most significant factor affecting the financial health of the Classification Office is the outdated funding model and fees regulations. This is aggravated by:

- a) baseline Crown funding remaining at the level set in 1998/99;
- b) fees for classification unchanged since 1997;
- c) reducing third party revenue, as a result of lower levels of commercial submissions.

The Office's deficit is eroding the Crown's equity in the Office and we are projecting a negative cash flow from operating activities for 2017/18 and out years. The Classification Office has sufficient cash reserves to continue to operate until 2020. There are significant issues with the current funding and fees model, which has not kept pace with changes in the entertainment marketplace. We are working with the Department of Internal Affairs on options for improving the longer term financial sustainability of the Office.

Personnel expenditure makes up 60 - 65% of total expenditure. Staff numbers have been reduced in response to falling submission levels, however the Information Unit requires additional investment to provide the public with the information they need to make wise choices.

The focus for cost savings during the term of this SOI will be on aligning the capability of the Office to meet the demand for its services and ensure it is well placed to use technology to increase productivity.

Classification Activity

Over the last four years there have been significant changes in the nature of publications submitted for classification. In 2013 the main distributor of adult DVDs withdrew from the New Zealand market as they diversified into other products. 2014 saw the development of the video on-demand market with New Zealand distributors submitting large numbers of TV shows and online films for classification. During 2015 Netflix and other international distributors entered the New Zealand market. Within this context in September 2015 a discussion paper *Content Regulation in a Converged World* noted that relevant Government agencies considered that on-demand content does not fall within either the provisions of the Broadcasting Act or the labelling provisions of the Classification Act. As per the Minister of Culture and Heritage's press release in August 2016 the Government determined that video on-demand content would be captured under an extension of the Broadcasting Act and it would be made clear that the Classification Act would not apply. Work is continuing on the review of content regulation, and the Office will contribute information

¹ Examples of material which the Chief Censor has called in under s13(3) during 2016/17 include the computer game *Hatred*, the film *Suicide Squad* and the series *13 Reasons Why*.

and expertise as appropriate. All on-demand distributors have withdrawn from the classification system, leaving this entertainment content largely unregulated until statutory changes are made. The power of the Chief Censor to call in material for classification is the only public safeguard at present.

Cinematic films and computer game submissions remain strong. However distributors are increasingly price sensitive, with a greater demand for the Office to exercise its limited discretionary power in applying the fees regulations for the remaining DVD market and for niche films. These discretionary powers are set in regulation, and establish what and how criteria are to be applied when considering waiving or reducing fees. As the profit margin for these products diminish, the risk increases that distributors will no longer make this material available to New Zealand communities.

In the background to these changes in the commercial sector, the volume of Crown submissions to the Office has increased. For the six years to 2016 the Crown was responsible for approximately 14% of submissions to the Office (averaging 300 publications a year). During the first nine months of 2016/17 over 700 submissions were received from Crown agencies, making up over 40% of publications examined by the Office. A similar volume is forecast for 2017/18.

There has been strong public interest in the classification system amid rising awareness and concern about sexual violence in the wider society. This concern has been reflected in the level of public engagement in high profile decisions such as *Into the River*, the *Wicked Camper* vans and the Netflix series *13 Reasons Why*. There is also a rise in popularity of youth film making competitions and the organisers view the classification process as a valuable learning experience for the participants. As a result there is a trend of increasing submissions from the community under section 13(1)(c), as well as the number of publications called in by the Chief Censor under s13(3).

Health of our Staff

Despite the ongoing challenges in the Office's external environment staff morale remains stable. The Office has a high level of union membership and the Office has a constructive relationship with PSA delegates. Health, safety and wellness continue to be key issues for the Office.

The Office values the commitment staff have made to help the Office address the issues associated with operating in a fiscally tight environment. The Office is rebuilding its Information Unit, with the support of classification staff. This has the benefit of maintaining capacity and flexibility within the Classification Unit, building capability within the Information Unit as well as providing a healthy work balance for staff.

The nature of the publications requiring classification is, by definition, demanding on staff. There is a risk of harm to staff who work in an environment where they are exposed to objectionable material. In order to assist staff to maintain their mental and emotional wellbeing we continue to ensure that staff receive suitable peer and professional support. We encourage staff to pursue interests outside of the workplace and assist them in developing their skills and experience to enable them to pursue other careers in the future. The Office and the PSA have agreed to form a working party to explore how staff are being affected by objectionable material, considering the frequency and severity of exposure and the changing balance of Crown and commercial work.

The Office monitors a range of indicators of staff health and wellbeing including leave usage, uptake supervision (EAP) services and other workplace safety programmes.

The Office is mindful of how important it is for staff to take time away from the Office. Staff are actively encouraged to use their leave entitlement and applications for extended leave (be it paid or unpaid leave) are supported. Staff are also encouraged to make full use of flexible and family-

friendly work conditions and the Office has recently introduced a long service leave provision, which will allow long term staff time to reflect and return refreshed.

The Office considers the average length of service as an indicator of the health of its staff. An unstable workforce with a high turnover is also expensive in terms of recruitment costs, productivity, and loss of corporate experience. The average length of service at the Office is 11 years. The average age of staff of the Office is 48 years and 41% of staff are in their 50's and beyond. This increases the need to maintain a work environment which is both forward thinking and technically innovative.

The Office will ensure it meets its obligations as a good employer under the Crown Entities Act. There is a good level of staff participation in health and safety in the workplace and the Office continues to work constructively with PSA delegates both on issues of concern to staff and building a positive and inclusive place to work. In 2016 a new 3-year collective agreement was negotiated between the Office and the PSA and the Office has agreed to work with the PSA to explore gender equality in pay at the Office.

Management of Significant Relationships

The Minister of Internal Affairs is the Minister responsible for the Classification Office for the purposes of the Crown Entities Act 2004. The Chief Censor is constitutionally accountable directly to the Minister for the performance of the Office. The Ministry of Justice is responsible for the administration and amendment of the Films, Videos, and Publications Classification Act 1993 and associated regulations.

The Office will continue the mutual “no surprises” approach that has characterised our relationship with the Minister. It ensures that the Minister and officials are informed in a timely manner of both positive and negative issues that may attract public attention and that the Minister is well briefed on censorship matters. Such an approach also ensures that the Minister and officials inform the Classification Office in a timely manner of any matters of significance to the Office.

Commercial Distributors

The Office takes an early intervention approach with commercial distributors. This includes working with them so that they understand the New Zealand classification system and that the Office understands their business drivers as it relates to classified material. The Office strives for consistency and transparency in its decisions and provides sound and logical reasons for classifications, particularly in relation to material that has or is likely to be excised. This allows submitters to make commercial decisions and maintains good working relationships.

The Office recognises that delays in the availability of classification decisions have a direct financial impact on distributors, who are unable to label or distribute their product until this process is complete, while the classification fee is required to be paid when a publication is submitted. Therefore, the time between submission of a publication and the availability of the classification decision is critical to commercial submitters.

The Office will continue to work with commercial submitters to understand and incorporate their needs into our business processes.

Labelling Body

The Labelling Body is the main submitter of commercial material to the Office, and is an intermediary between the Office and commercial distributors. It works with the Office to administer labelling aspects of the classification system and has made a major commitment to ensuring commercial distributors comply with the law. The Office will maintain a close working relationship with the

Labelling Body which includes daily contact to manage submissions, responding to complaints and inquiries from distributors, retailers and consumers, and the interpretation and application of the regulations.

Censorship Compliance Unit (DIA)

The Department of Internal Affairs (DIA) is responsible for the enforcement of the Classification Act. The Censorship Compliance Unit within DIA is focused on the most serious offending in terms of objectionable material. This is an understandable focus but means that there is a reduced focus on other compliance issues, such as effective labelling of content, which is of concern to the wider public.

The Office will continue to work with the Department of Internal Affairs and the Censorship Compliance Unit to support this work.

Integrity of the Classification System

To achieve a society protected from harm, the Office must, on a daily basis, place reasonable limits on the freedom of expression.

This means that New Zealanders need to have confidence in both the integrity of the classification system, and in the Classification Office as an effective and impartial provider of classification and information services.

There is much that we as the Classification Office can do to build confidence in our effectiveness. Key to this is performing our functions to a high standard and in a transparent, legal and accountable manner. Recent surveys¹ confirm that the public trusts our office and largely agree with our classifications. We will look to build on these results.

There will be challenges in building confidence in the integrity of the classification system as a whole. The system necessarily involves trade-offs, and not everyone will be satisfied with every decision made. However, this Office has a vital role in advocating for a fair and balanced system, taking due account of the perspectives of industry, agencies and evidence-based research. It will also be important for us to bring the diverse views of everyday New Zealanders, including rangatahi and tamariki, into discussions on how we might improve the system.

¹ Colmar Brunton: Understanding the Classification System – New Zealanders' Views (June 2016)

MEASURING OUR PERFORMANCE

The role of the Office is to reduce the harm to New Zealanders, particularly children and young people, from exposure to potentially harmful content such as sex and violence while recognising the diverse views of all Kiwis and upholding our right to freedom of expression.

In order to achieve this purpose, publications must be appropriately classified, the public must have confidence in the classification system, and they must be well informed about the classification system.

New Zealanders value their freedom of expression, but also recognise that freedom is not without limits. The limits must be reasonable, clearly defined in law, and demonstrably justifiable in a free and democratic society.

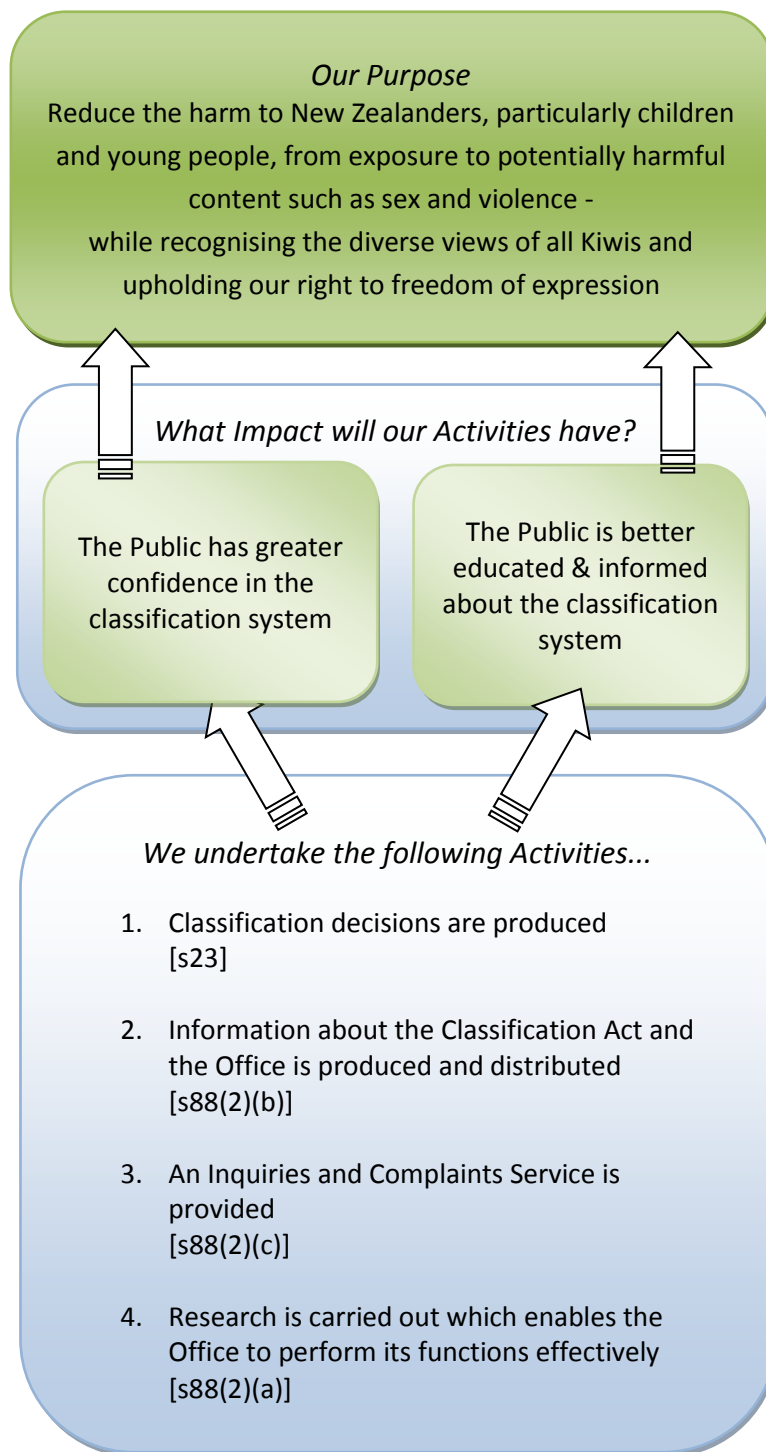
Restricting the availability of material that would otherwise make communities less safe is a demonstrably justifiable and reasonable limit on the freedom of expression. For example, children are safer as a result of the imposition of restrictions on the availability of publications that are likely to have a harmful effect on the development of sexual behaviour and attitudes, or have the potential to disturb or shock young viewers. For this reason, such restrictions are a reasonable limit on the freedom of expression.

The public good as well as individuals are also protected from harm by the banning of publications that actively promote or support matters such as the exploitation of children for sexual purposes, sexual violence and torture.

Parliament has given the Classification Office the responsibility of using the law to determine precisely where these limits on our freedom of expression rest. The Office's work then inevitably takes it to the margins of expression. The job of the Classification Office is to protect the public good from injury by illuminating the often foggy boundary between what is and is not legally acceptable expression.

Figure 4 shows the intended impacts of the activities carried out by the Office, and how these contribute to the purpose set by Parliament.

Figure 4: Performance Framework



Evaluation of our Purpose

Currently, the Office uses results from the Local Government Quality of Life Survey, showing how safe New Zealanders feel in their communities, as a proxy for assessing the contribution of the Office in reducing harm to the community from media.

These are not ideal measures as a relationship between the work of the Office, and the measures contained in the Quality of Life Survey are tenuous at best. However, the Office is looking to develop more useful measures to evaluate our impact over time based on our research programme. Some interesting findings from our recent research are that:

- 84% of those with dependent children are guided by age restrictions on labels most or all of the time
(*Attitudes towards classification labels*, UMR research, 2015)
- 92% of those who have chosen a movie or game for a child or young person think classifications are important when deciding on what to view or play
(*Understanding the classification system: New Zealanders' views*, Colmar Brunton, 2016)
- 76% of New Zealanders are concerned about children and teens' exposure to content in entertainment media. Those with dependent children are more likely to be concerned (84%).
(*Children and teen exposure to media content*, UMR research, 2016)

These findings reveal the importance of classifications for making wise viewing choices – particularly for families and those who care for children.

In the longer term, the Office expects that its work should lead to an increase in steps taken by parents and caregivers to monitor the media use of children and young people and, over time, a reduction in levels of concern regarding the negative effects of media on children and young people. Measurement of these, and related factors should provide a much better indication of the degree to which the Office is achieving its purpose.

The Office will refine its survey tools and develop a better measure that more accurately reflects its efforts to reduce the impact of harmful media and will have this in place when our SOI is next updated.



Evaluation of our Impact

The public good is best protected when people trust the classification system, are able to make informed viewing decisions, and when the Classification Office operates in a transparent manner.

The extent to which the public has confidence in the classification system and is well educated and informed about censorship can be assessed through quantitative indicators such as website visits or inquiries answered. It can also be assessed qualitatively by responses to information initiatives and formal feedback on public presentations.

The extent to which our activities have had the desired result of preventing injury to the public good can be assessed by internal measures such as quality and timeliness standards and by external standards such as consistency between the decisions of the Classification Office and decisions of the Film and Literature Board of Review, and publicly surveyed confidence in the system.

Logically, if our activities are assessed as meeting targets and they are having the intended impact, there is a greater likelihood that the harm has been reduced.

The following indicators assist the Office with understanding our progress towards having an impact on individuals' decision making, ultimately achieving our purpose.

Impact A: Public has greater confidence in the classification system

Surveys to understand public knowledge and use of the classification system are carried out in association with Research under Activity 4 (discussed on page 24). This assists in evaluating the extent to which our activities have contributed to public confidence in the classification system. The Office conducts these surveys every 5 years.

When this research was carried out in 2006 we found that:

- 64% of those surveyed were happy with the classification system.
- 25% felt it was too lenient.
- 11% felt the system was too strict.

In the survey carried out in 2011 we found that:

- 69% percent said the system was 'about right'.
- 23% believed the system was too lenient.
- 8% believed the system was too strict.

In the survey carried out in 2016 we found that:

- 73% percent said the system was 'about right'.
- 18% believed the system was too lenient.
- 9% believed the system was too strict.

The Office also investigated participants' use of the classification system. Almost two thirds of participants said that they have chosen, or have helped to choose, a film, DVD, or game for a child or young person. We then asked these participants to indicate how important classifications and descriptive notes are when they were making these choices.

Figure 5 sets out our findings in relation to the degree to which consumers rely on classification information.

Figure 5: Importance of classification information in viewing decisions

Viewing decisions for children and young people	2006	2011	2016
Classifications	85%	92%	92%
Descriptive Notes	85%	90%	91%

Views on Restrictions

We asked people whether children under 16 years of age should be able to view films or play games with content that is currently classified R16 if they are accompanied by, or have the approval of, a parent or guardian. The weight of opinion favours not allowing children under the age of 16 years to view R16 films and games

Labelling of Games

Under New Zealand's current classification law, games don't have to have New Zealand classification labels on them unless they are restricted (e.g. R13, R16, and R18). This means that many games are sold in shops with overseas classification labels. We sought to gauge New Zealanders' opinions of this system, and whether they think it should change.

Consistent with 2011, the 2016 data shows that a majority (63%) would prefer that this system change so that all games sold in New Zealand are required to have a New Zealand classification label.

We will have achieved our target if:

- 60% or more of those surveyed indicate that they are satisfied with the classification system because they are of the view that it is neither too lenient nor too strict;
- an increasing proportion of those surveyed indicate that they use classification information when making viewing choices for children.

Among those who feel they know enough about the Office to say, 82% of people believe that we are doing a 'good' or 'excellent' job. Those who thought we were doing an excellent job were those more likely to be aged 18 to 29, those who were more knowledgeable about the Office, frequent players of video games, and those with someone under the age of 18 years living in the home.

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

The Office undertakes a range of activities to increase public understanding of the classification system and engagement with censorship issues. We provide tailored information to key groups such as industry, young people and parents through dedicated sections of the Office websites and through other communications with these groups such as school visits, a youth engagement programme, and our 'Censor for a Day' secondary school programme. The Classification Office provides speakers on request to educational institutions and community groups, as well as having speakers talk to our staff on topics relevant to censorship and seeking views on specific classifications via structured or informal consultations.



The effectiveness of these strategies has been demonstrated by an increase in informed queries received from members of the industry regarding technical compliance issues (such as labelling requirements), requests from libraries and retailers for additional copies of brochures, pamphlets and posters from libraries and retailers, and individuals subscribing updates and newsletters which are targeted to their sector.

During the survey of public understanding conducted in 2016 we investigated participants' understanding of classification labels. 57% of those surveyed were able to correctly identify the meaning of at least six out of seven classification labels (G, PG, M, RP13/RP16, R13, R16, R18).

We will have achieved our target if:

An increasing proportion of those surveyed correctly identify at least six out of seven labels.

Overall, the 2016 survey shows a decrease in understanding classification labels. Lower general understanding of labels may relate to the proliferation of alternative labelling systems for movies, television shows and games, particularly in the online space, coupled with a decreasing proportion of popular content covered by recognisable labels.

Evaluation of Activities

Activity 1 - Classification Decisions are Produced

Description:

This activity is concerned with the examination and classification of publications in accordance with the law.

Context:

A classification is a legal statement about the status of a publication that may place limits on its availability or invoke criminal sanctions. It is essential that classifications are carried out in a robust decision-making environment to ensure that consistent, impartial and lawful decisions are made. Classification decision-making is informed by research, expert advice and public consultation.

Quantity of Classifications

The number of classifications registered varies each year, and is largely a demand-driven activity. The leave of the Chief Censor is not required for the bulk of submissions and classification is compulsory for films, DVDs, and for electronic games that contain content that may be restricted.

Each financial year the Classification Office estimates the number of publications it expects to receive. This is done on the basis of trends in the level of activity of previous years and discussion with submitters on the number of publications they expect to submit in the upcoming year. On the basis of this estimate, the Office establishes targets for the number of publications which will be classified. The Office expects to meet demand.

Quality of Classifications

The Office measures and reports on the three aspects of the quality of our decisions.

The Office's Practice Manual sets out all the relevant sections of the Classification Act and the New Zealand Bill of Rights Act, as well as setting out processes which must be followed in the classification of publications. Compliance with this quality standard is reviewed via sampling on a monthly basis across all submission channels and reported internally and externally.

A representative sample of decisions is independently reviewed, usually by a specialist in classification law to ensure that the decisions apply all relevant legislative criteria, are soundly reasoned and accessible to a range of readers.

A classification decision may be reviewed. Correct and consistent application of the law should result in similar classification by the Office and the Board of Review. We monitor Board of Review decisions to identify any significant differences, in either the classification itself or the rationale for the decision. A divergence could indicate that publications were not appropriately classified.

Timeliness of Classifications

Section 23 of the Classification Act requires the Office to examine and classify publications as soon as practicable. The Office has set the timeliness targets at the minimum level acceptable with existing resources and assumes that the numbers of submissions are within the estimated range. The Office closely manages its queue of publications waiting examination, and scheduling of work is reviewed weekly. This includes consideration of the needs of various submitters and distributors. The Office liaises with the Film and Video Labelling Body, distributors, Crown agencies and other submitters on scheduling matters.

Activity 2 - Information about the Classification Act and the Office is produced and distributed

Description:

Section 88(2)(b) of the Classification Act requires the Classification Office's Information Unit to disseminate information about the functions, powers and procedures of the Office.

This activity is concerned with public engagement and the production and distribution of information about the Classification Act and the Classification Office.

Further details of these activities are discussed under Impact B on page 20.

Context:

The public good is protected when people understand the classification system, are able to make informed viewing decisions, and when the Classification Office operates in a transparent manner. In order for this to occur, the public must understand the classification system and the potential for harm caused by the availability of such material.

Activity 3 - An Inquiries and Complaints Service is provided

Description:

This activity is concerned with the provision of the inquiries and complaints service required under s88 of the Classification Act.

Context:

Censorship places limits on the individual's right to free expression. For this reason, it is important that people are able to seek information about the classification system, and able to register their satisfaction or dissatisfaction with it.

For each financial year the Office estimates, on the basis of previous trends, the number of complaints and inquiries likely to be received. From this estimate the Office establishes Quantity targets for the number of inquiries the Office will answer. The Office expects to meet demand. As discussed under Impact B, the Office responds to trends in complaints and inquiries with targeted information. This strategy has been effective as demonstrated by a reduction in complaints and inquiries over time.

The Office monitors and reports monthly on inquiries and complaints received, both internally and externally.

Activity 4 - Research is carried out which enables the Office to perform its functions effectively

Description:

Section 88(2)(a) of the Classification Act requires the Classification Office's Information Unit to provide research services to enable the Office to perform its functions effectively.

Research which helps inform the wider public about censorship issues is published and made available on the Classification Office's website. It is also used to inform our work, contribute to debate, foster further research on censorship issues and provide an evidentiary base for censorship policy making.

The research we do will be rigorous, ethical, of high quality, and when appropriate, reviewed by an external expert.

Context:

Research undertaken by the Office falls into three categories:

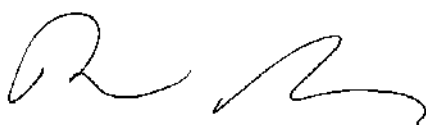
- To inform the wider public about censorship issues. This research assists in understanding people's attitudes and behaviours, fosters debate and provides an evidence base to censorship policy making.
- To inform the classification decision making process in relation to a specific publication or range of publications.
- To provide qualitative and quantitative measurement of the impact of the work of the Office.

STATEMENT OF RESPONSIBILITY

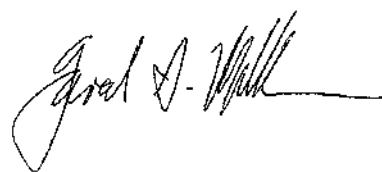
The Statement of Intent for the Office of Film & Literature Classification presented in this report for the years ending 30 June 2018 to 30 June 2021 has been prepared in accordance with section 38 of the Public Finance Act 1989 and the Crown Entities Act 2004.

This Statement is to be read in conjunction with the Classification Office's Statement of Performance Expectations for the relevant year, which provides specific performance measures and associated financial information.

The Chairperson and Deputy Chairperson of the Board of the Office of Film and Literature Classification acknowledge, in signing this statement, that they are responsible for the information contained in this Statement of Intent.



D Shanks
Chairperson



J S Mullen
Deputy Chairperson

On behalf of the Board of the Office of Film & Literature Classification

Dated: 30 June 2017

Office of Film & Literature Classification

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