

# **Office of Film & Literature Classification**

*Te Tari Whakarōpū Tukuata, Tuhituhinga*

## **Statement of Intent 2014 - 2018**

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

## PURPOSE AND VISION

### ***Our Purpose***

To provide and communicate impartial classification decisions and information services.

### ***Our Vision***

New Zealand society is protected from the harm caused by the unrestricted availability of restricted and objectionable publications.

*We will achieve this by balancing the values inherent in freedom of expression with the need to protect society from injury.*

## FOREWORD

The Chief Censor and Deputy Chief Censor are independent statutory officers holding office under warrants from the Governor-General. The roles required of them are prescribed in the Films, Videos, and Publications Classification Act 1993. They are supported in exercising their statutory functions by the Office of Film and Literature Classification.

Reflecting the independent, apolitical and quasi-judicial roles performed by the Chief Censor and Deputy Chief Censor, the Office of Film and Literature Classification is an Independent Crown Entity. The administrative requirements of the Office are governed by the Crown Entities Act 2004.

The Films, Videos, and Publications Classification Act 1993 requires the Office of Film and Literature Classification to provide impartial classification decisions, to conduct such research as may be necessary to perform its functions, to disseminate information about classification and the Classification Office, and to address inquiries and complaints about the classification system.

The context within which the Classification Office performs these functions is dictated by the right to freedom of expression, reflected domestically in s.14 of the New Zealand Bill of Rights Act 1990, and by Government policy. The Government's core accountability expectations are that the Office should provide

- effective self monitoring
- transparency of performance and
- better public services.

I was appointed Chief Censor from 7 March 2011.

By performing my statutory classification and information related duties I will help to make New Zealanders, especially children, safe from the harm caused by the unrestricted availability of restricted and objectionable publications.

I will continue to focus on strategies to manage the impact of international classification developments, the world economic environment, domestic enforcement issues and technological change on New Zealand's classification system. I will identify areas where legislative or regulatory reform is needed to effectively respond to these challenges, reduce the costs of doing business in New Zealand and make New Zealanders safer.

I will also engage with other agencies (both public and private) in the media regulation sector to explore opportunities for improved service and reduced cost through better use of technology and collaboration. In particular I will focus on two issues. The first is to modernize the way the Classification Office is funded to meet the needs of consumers better and to deal with issues facing the businesses which supply them. The second is to work with industry and the public to address compliance issues. These two strategic foci will contribute to reducing the costs of doing business in New Zealand, help develop better and more agile public services and make New Zealanders safer.

This Statement of Intent shows how the Classification Office intends to meet its statutory duties over the next four years, and the intended value to government and other stakeholders.



*Dr Andrew R Jack*  
Chief Censor

# THE NATURE AND SCOPE OF OUR ACTIVITIES

## *The Role of the Office*

New Zealand's censorship system is established by the Films, Videos, and Publications Classification Act 1993. The censorship system is designed to protect the New Zealand public from material that is likely to be harmful, or injurious to the public good. The Classification Act defines what is considered harmful, and establishes criteria for rating, classifying and labelling films and other publications.

The Classification Office is one of four bodies established by the Classification Act. Also established are the labelling body (currently the Film and Video Labelling Body Inc.), the Film and Literature Board of Review and Inspectors of Publications. Each body plays a separate role in the classification system. The functions of the Classification Office are to determine the classification of any publication submitted to it, to disseminate to the public information about the classification system, to receive complaints and inquiries, and to provide research services to the Office.

Publications submitted to the Office usually contain text or images that include 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; and that in accordance with the New Zealand Bill of Rights the restriction is reasonable, demonstrably justifiable, and the minimum required to prevent injury.

There are a number of words and phrases that have specific meaning in terms of the Classification Act.

A **publication** is any printed, recorded or stored image or text. This includes films, videos, books magazines, posters and computer discs.

A **classification** is a legal statement about who can view a publication. The Classification Office is responsible for classifying all publications that may be harmful and need to be restricted or banned.

**Ratings** provide consumer advice about the audience for which a film is suitable. Ratings are not legally enforceable.  
(Further definitions are provided in the Glossary).

Submissions to the Office can be made by the Film and Video Labelling Body, the Secretary for Internal Affairs, the Comptroller of Customs, the Commissioner of Police, the Courts and members of the public.

The Office can classify any written, recorded or stored information or image. Since it first opened in 1994, the Office has classified many types of publications including:

- Films, Videos & DVDs
- Books & Magazines
- Music CDs
- Computer games, discs & files
- TV On Demand
- Screen-printed t-shirts

Jigsaws & Playing cards  
 Billboards  
 Artworks & Photographs  
 Weekly newspapers

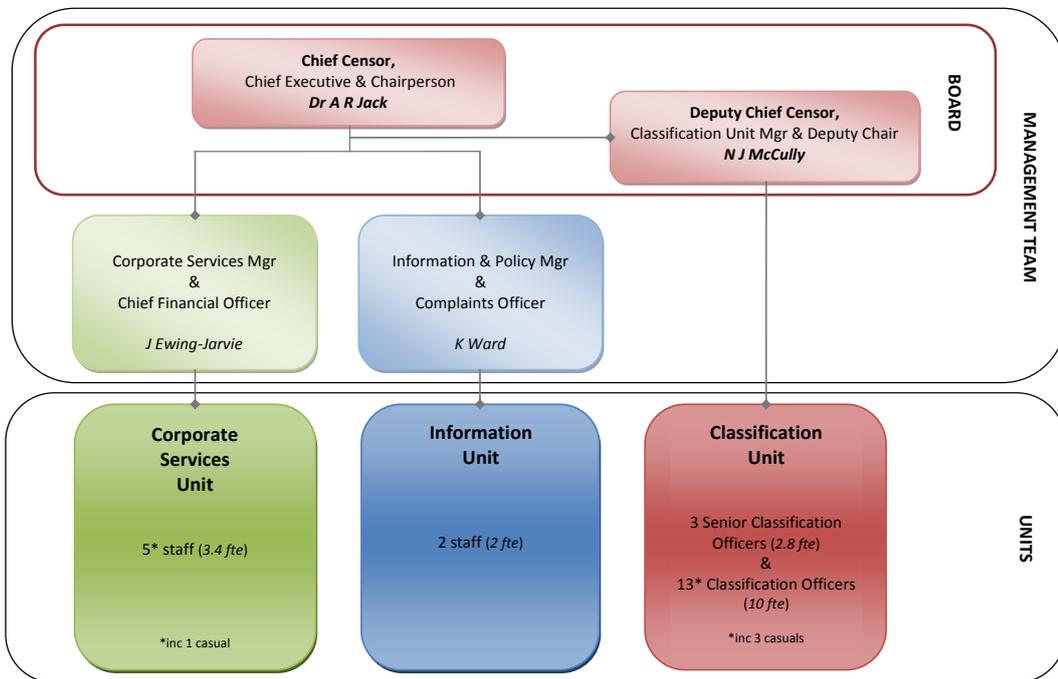
## The Structure of the Office

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, Information 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 CE Act, and the Department of Internal Affairs is the monitoring department. The Ministry of Justice is responsible for the administration of the Classification Act.

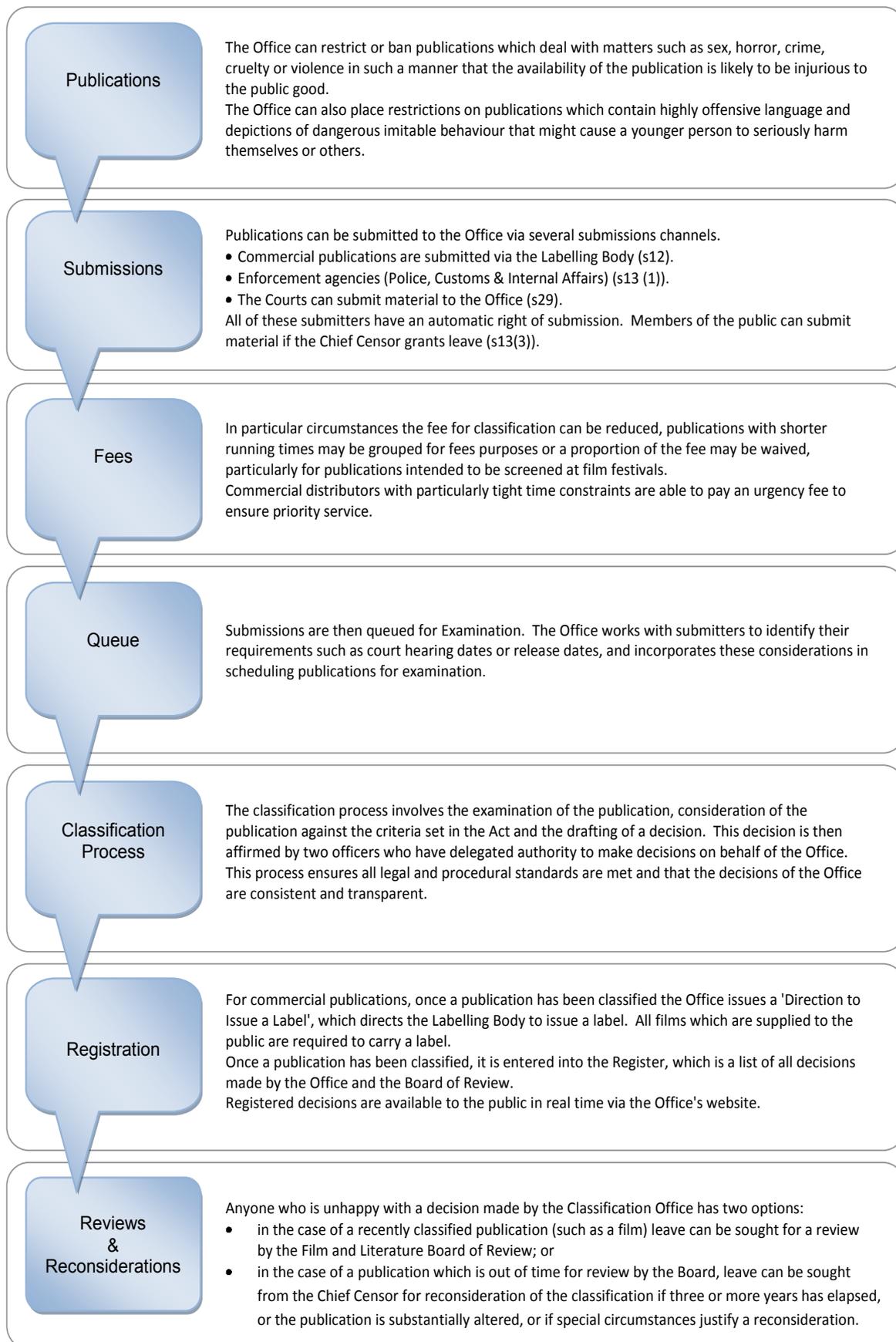
The Chief Censor is constitutionally accountable directly to the Minister of Internal Affairs for the financial and non-financial performance of the Office.

A Memorandum of Understanding is in place between the Minister (on behalf of the Crown) and the Chief Censor (as Chair of the Board of the Classification Office). It reflects the standards set in the Statement of Intent (SOI) and Statement of Performance Expectations (SPE), as well as establishing a quarterly reporting regime.

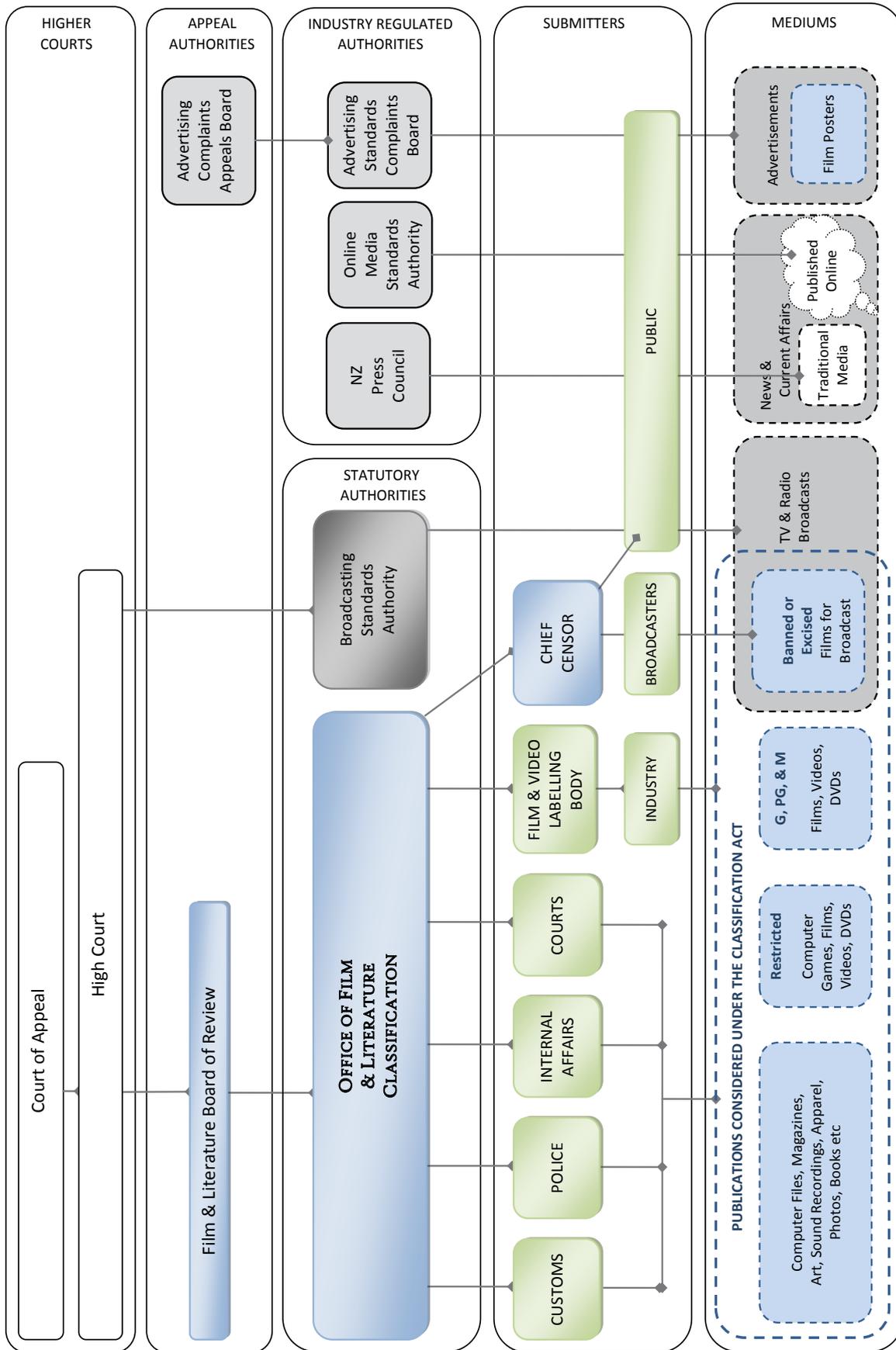
## ***Funding of the Office***

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 achieve its purpose and undertake its activities 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 focus on operating in a prudent and efficient manner to deliver high quality services that contribute to New Zealander's wellbeing, whether social, physical or economic.

The specific priorities for the Office are to:

- address the forecast deficits and achieve sustainable break-even financial performance as soon as possible.
- continue to work with the Department of Internal Affairs on a review of classification fees and provide comprehensive advice on fee modernisation.
- maintain strong levels of service performance in the face of shifting workload demands, including having a focus on a flexible, well-trained work force and ensuring demand forecasting is accurate.
- make use of central resources, such as those developed by the Chief Information Officer and All-of-Government procurement services, to help deliver more effective, cost-efficient services.

### Regulatory Environment

The Films, Videos, and Publications Classification Act 1993 (the Act) governs censorship in New Zealand. The primary function of the Classification Office is to determine the classification of any publication submitted to it. Under the Act a publication is objectionable if it describes, depicts or otherwise deals with matters such as sex, horror, crime, cruelty or violence in such a way that the unrestricted availability is likely to be injurious to the public good. Figure 2 provides an explanation of the key stages of the classification process.

In addition to regulation by government agencies, self-regulation is assisted by the Classification Office's provision of information. Industry and public preference for digital technology continues unabated and enforcement of the law in terms of limiting the availability of injurious publications is the responsibility of many individuals and groups, including parents, libraries, teachers, retailers and consumers.

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

### *Managing Digital Technology*

The first strategy is to manage challenges and opportunities raised by digital technology with other regulators and content providers. Such management involves the identification of overlapping jurisdictions, or gaps in jurisdiction, and informing providers of digital content of their legal obligations. The Office maintains regular dialogue with the Film and Video Labelling Body, Inspectors of Publications at the Department of Internal Affairs, New Zealand Customs Service, New Zealand Police, and distributors with respect to issues raised by digital technology.

### *Legislative and Regulatory Reform*

The second strategy is to identify areas where legislative or regulatory reform is needed. The primary focus of this strategy is to work with the responsible department to modernise the way the Classification Office is funded to meet the needs of consumers better and to deal with issues facing the businesses which supply them.

### *Compliance*

The third strategy is to work with industry and the public to enhance compliance with the classification system and to address issues raised by developments in media technology and by the challenging global economic environment.

### *Sector Reform*

The approaches noted above remain sound and will prove effective, but the wider media regulatory environment remains fragmented, and there remains opportunities for further performance improvement and additional value for money.

The Law Commission's Report 128 on proposed changes to the regulatory environment for news and current affairs made a range of observations and recommendations with wider relevance to the entertainment (non news and current affairs) environment. This report provides an excellent starting point for the development of a wider, coherent and content-focused regulatory framework.

Therefore a fourth strategy is to work with other sector agencies to seek out opportunities to build on the opportunities identified in the Law Commission's report

## **The Publications Marketplace**

With changing technology, new challenges face the classification system. Changes in the way publications are conveyed to consumers have brought benefits to end-users and new entrants into the marketplace. This has created the need for renewed focus on encouraging and facilitating compliance. By collaborating with other state sector agencies, and with the distribution industry, the Office has adopted a range of strategies which widen the scope of the Office's education activities, especially focusing on school-aged children and their parents.

## **Public Knowledge and Understanding of the Classification System**

The Classification Office conducted research during 2010 and 2011 into public understanding of New Zealand's classification system, and confidence in the work of the Classification Office. The Office published two reports: "Understanding the Classification System – New Zealanders' Views" and "Guidance & Protection: What New Zealanders want from the classification system for films and games".

The findings of this research showed that the public have high levels of understanding of most classification labels, and that parents in particular find them useful for making viewing choices for

their children. The general public is well aware of the work of the Office and mainly considers that the classification system is operating well. We will check in with New Zealanders on these topics again in 2016.

In the shorter term, in 2015 we will repeat our “Younger Peoples Use of Entertainment Mediums “ study. We conduct this inquiry into younger people’s experiences of the classification system every 5 years, publishing findings in 2006 and 2010. This year we wish to explore the impact for younger people of content that is available without restriction on the internet, alongside the impact that traditional classification restrictions have on them.

In 2013 we undertook a strategic communications review and produced a plan to guide information resource development and dissemination over the coming three to five years. We identified the following objectives in our communications strategy. To:

1. Inform the public about the protective purpose of the classification system.
2. Educate the public about the harms from restricted/objectionable material.
3. Enhance focus on the classification system’s purpose to keep children safe from harm.
4. Ensure people understand how to comply with the classification system, and why they should.
5. Engage with people about how we can apply the classification system’s protective intent in new technologies’ delivery of publications.

This year we have been developing new resources along a theme of making ‘wise choices’ when deciding what content is good to view – for yourself or others. New audio-visual and print resources encourage people of all ages to use the classification system of restrictions and descriptive notes to help inform such ‘wise choices’. In the past, we focused on improving understanding that red labels represent legal age restrictions, and we are reasonably confident that this message is now well-understood. Providing compelling reasons for complying with restrictions has now become our focus.

## **The Current Fiscal Environment**

The Office has responded positively to the current financial issues facing New Zealand, conducting annual line-by-line reviews of expenditure, has an embedded culture of fiscal restraint and participates in a number of All-of-Government procurement contracts. The Office continues to have serious concerns that further cost reduction will not be possible without significant reduction in service delivery and risks increased harm to the community.

Submission activity is the main driver of third-party revenue and since 2008/09 the number of submissions from the Labelling Body has been dropping. As a consequence, the Classification Office has been operating with a deficit since this time and is forecasting a deficit for the years covered by this SOI. Steps have been taken to significantly reduce the forecast deficit including reducing accommodation costs by 50%. Further initiatives are being actively pursued regarding modernising the classification funding model; however these require changes in fee regulations.

The Classification Office currently has sufficient cash reserves to cover the forecast budget shortfall however this does not address what the Office views as serious issues with the current funding and fees model, which has not kept pace with changes in the entertainment marketplace.

## Organisational Health and Capability

### *Financial Health of the Office*

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

- a) baseline Crown funding remaining at its 1998/99 level without adjustment for inflation;
- b) fees for classification unchanged since 1997;
- c) reducing third party revenue, as a result of lower levels of commercial submissions.

The Office has been operating at a deficit, which has been eroding the Crown's equity in the Office. However, since 2012/13 the Office has generated a positive cash flow from operating activities. While still operating at a deficit, the size of the deficit has been reduced from \$325K in 2010/11 to a forecast deficit of \$30K for 2013/14.

Staff numbers were reduced in response to falling submission levels and process improvements. As a result of reduced staff numbers, the Office has been able to reduce the floor space leased and has achieved significant savings. The focus for cost savings during the term of this SOI will be on 'right sizing' the staff of the Office to meet the demand for its services and ensuring it is well placed to use technology to increase productivity, and achieve savings through uptake of All-of-Government offerings.

### *Classification Activity*

Reducing (and fluctuating) levels of submissions of private sector, fee-bearing publications has been attributed to the unfavourable economic conditions and to technological changes. The Office has conducted a review of volume drivers to understand the drivers of submission activity and how pressure on one part of the system (for example fees or enforcement activity) impacts on other areas. Enforcement activity has a much wider impact on submissions to the Office than just changes in the number of Crown submissions. Voluntary compliance is high if it is both easy and cheap to comply, and there are significant risks and costs associated with non-compliance.

Other factors also drive submission activity. The challenges posed by technological changes in how entertainment is supplied and exhibited to the public were partly addressed by the digital labelling provisions which form Part 5 of the Regulatory Reform Act 2010. Lowering compliance costs is expected to result in increased voluntary compliance.

The market has become increasingly price sensitive, with a greater demand for the Office to exercise its limited discretionary power in applying the fees regulations. These 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 product diminishes, the risk increases that distributors will no longer import material for the New Zealand marketplace. This suggests a fee structure which is linked to the size of the market for publications would impact positively on voluntary compliance and submission volumes.

The current fee structure is unfair, inequitable and inconsistent with the state sector fee setting principles established by the Auditor-General and State Services Commission. Again this suggests that a fair, equitable and principled fee structure may positively impact on submission volumes.

Priority work has been carried out to determine what drives the volume of commercial submissions. Based on this work, changes to the Office's cost/revenue model will be developed to ensure the

Office's funding model is fair and principled, and a range of strategies can be developed to better manage and respond to submission volumes.

### *Health of our Staff*

In response to reduced and fluctuating submissions and process improvements, a policy of attrition was put in place in 2010 and 6 positions have been disestablished. The Office is now in the process of rebuilding its classification staffing levels in a manner which is more flexible and responsive to the nature and volume of submissions received by the Office.

In recognition of the financial position of the Office, the PSA and the Office agreed to no general increase in salaries between September 2009 and September 2012. The Office is keenly aware of the pressure these employment conditions put on staff, and values the commitment staff have made to helping the Office address the issues associated with operating in a fiscally tight environment.

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 well-being 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 is mindful of how important it is for staff to take time away from the Office. The Office actively encourages staff to use their leave entitlements, approves applications for extended leave (be it paid or unpaid leave) and encourages staff to make full use of flexible and family-friendly work conditions.

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 10 years. The average age of staff of the Office is 45 years and 46% of staff are in their 50's and beyond. This creates interesting challenges to maintain a work environment which is both forward looking and technically innovative, while catering for the needs of staff with increasing commitments for elder care and a range of health, safety and wellness issues. The Office has a high level of union membership and the Office has a constructive relationship with PSA delegates. Health, safety and wellness will be key issues for the Office over the next 4 years.

The Office's EEO Committee disbanded in 2014 and the Office is reviewing its approach to staff participation in the workplace. The Office will ensure it meets its obligations as a good employer under the Crown Entities Act, has a high level of staff participation in health and safety in the workplace and continues to work constructively with PSA delegates both on issues of concern to staff and building a positive and inclusive place to work.

### *Website*

In 2013, our main website's navigation and content was re-focused on the needs of specific groups seeking information about the classification system.

In 2014, we are redesigning our student website [www.censor.org.nz](http://www.censor.org.nz), first created in 2010, to reinvigorate it with learning material appropriate to younger people. The purpose of the classification system is of great interest to young people, who also demonstrate a keen appreciation of the balance between their right to be protected from content that might shock or disturb or otherwise negatively affect them, and their right to freedom of expression.

## 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 the ministry 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 characterized 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 sound 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 to the Office, as the 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 Inspectors of Publications of the Censorship Compliance Unit have a clearly delineated responsibility for the enforcement of the Classification Act. A recent review of its compliance model has seen its efforts refocused on the most serious offending in terms of objectionable material.

The Office will continue to work with the Censorship Compliance Unit to support that work.

## Goodwill

To achieve a society protected from harm, the Office must, on a daily basis, limit one of the touchstones of western democracies that New Zealanders hold dear, the freedom of expression.

The impact our work has on the freedom of expression increases the importance of maintaining the Office's reputation as a respected and impartial provider of classification and information services.

Damage to the Office's reputation will adversely affect the confidence New Zealanders have in our ability to apply the law impartially and in a manner that balances the freedom of expression with Parliament's intention to protect the public good from injury.

The Classification Office can do much to protect its reputation by performing its functions to a high standard and in a transparent, legal and accountable manner. The Office is, however, less able to protect its reputation from external sources of damage. Therefore, ongoing ministerial and official support of the Office, and our work, is essential to the maintenance of public faith and confidence in the Classification Office and the classification system.

## MEASURING OUR PERFORMANCE

The purpose of the Classification Office as established by Parliament is that the harm to our society, which is caused by the availability of restricted and objectionable publications, is reduced.

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.

The public values freedom of expression, but also recognises that freedom is not without limits. The limits must be reasonable, clearly defined in law, and demonstrably justifiable in a free and democratic society.

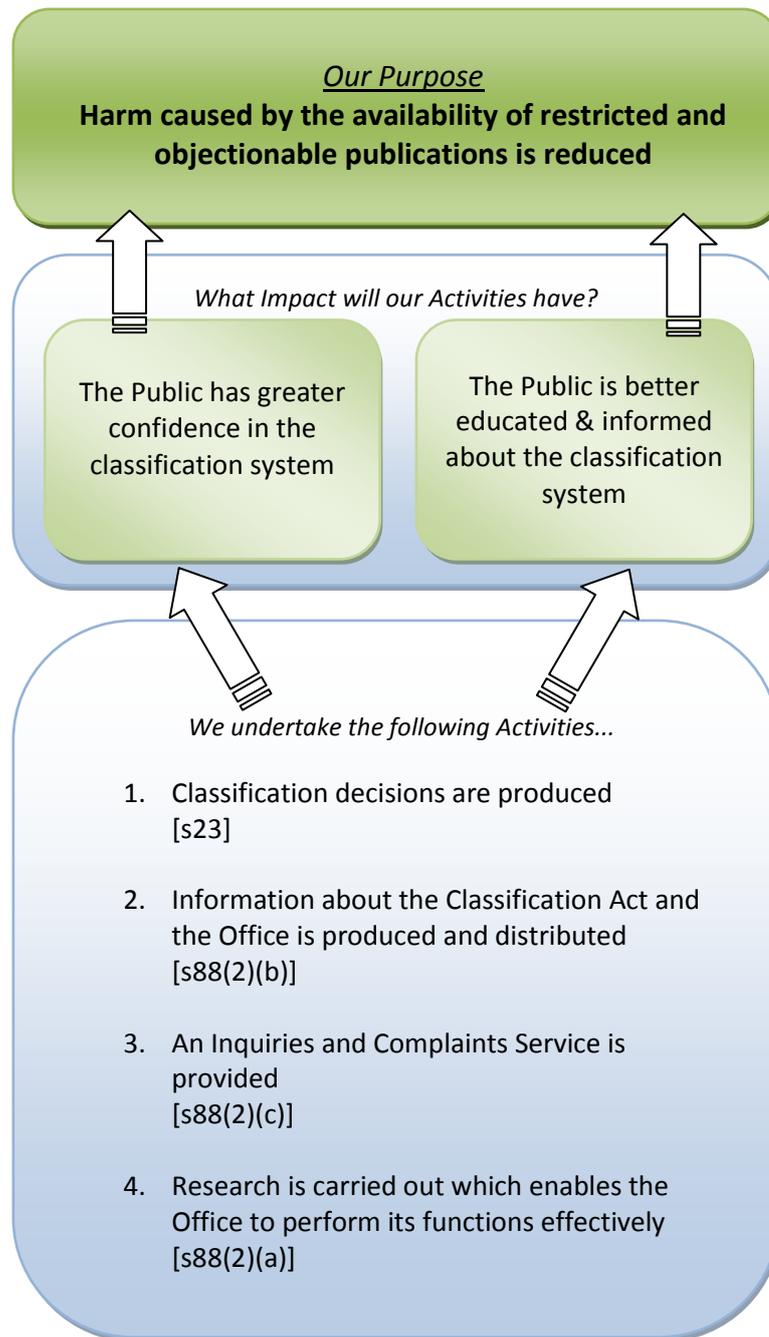
Restricting the availability of material that would otherwise make communities less safe is a demonstrably justifiable and reasonable limit on the freedom of expression. For example, children are safer as a result of the imposition of restrictions on the availability of publications that are likely to 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 lie. 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

The Office's work contributes to reducing harm to the public good which can be caused by the availability of restricted and objectionable publications.

The idea of 'public good' and how this may be 'harmed' are fairly intangible concepts and measuring such things is fraught. It is far more than physical or emotional injury to an individual, it includes changes in attitudes, behaviour and beliefs and it includes how these changes affect other members of our society, either directly or indirectly.

It is difficult to assess the extent to which we have achieved or contributed to our purpose. The Office's performance on our impact measures and activities obliquely measure whether or not the Office activities have had the intended consequences.

A number of measures could be used, however many are inherently ambiguous. Take, for example, quantitative trends over time. An increasing number of inquiries could mean either an increased awareness of, and confidence in, our decisions. Alternatively they could indicate increased concern about the availability of objectionable and restricted material. Likewise, an increasing number of publications submitted by the Crown or the number of convictions under the Act could indicate either an increase in criminal activity related to objectionable publications, or that greater resources have been allocated to enforcing and prosecuting such activity.

It is arguable that because 'public good' is intangible, the perception of danger or risk is as indicative as actual danger or risk. For this reason we have selected how safe (or unsafe) people feel they and their children are, in their homes and neighbourhoods, as an indicator of harm to the public good (as measured by the *Quality of Life* survey). Ultimately the work of the Office should contribute to all people feeling safer.

In 2012

90% feel safe in their home after dark.

71% rated the safety of unsupervised children in their local area as very safe or fairly safe.

In 2010

94% feel safe in their home after dark.

76% rated the safety of unsupervised children in their local area as very safe or fairly safe.

In 2008

93% feel safe in their home after dark.

71% rated the safety of unsupervised children in their local area as very safe or fairly safe.

In 2006

91% feel safe in their home after dark.

69% rated the safety of unsupervised children in their local area as very safe or fairly safe.

## EVALUATION OF OUR IMPACT

The public good is best protected when people understand 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 public good has been better protected.

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. 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.

Figure 5 sets out our findings in relation to the degree to which consumers rely on classification information. In the 2006 and 2011 public surveys, the Office investigated participants' use of the classification system. More than three quarters of participants said that they have chosen, or have helped to choose, a film, DVD, video 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: Importance of classification information in viewing decisions**

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

A supporting qualitative questionnaire provided useful guidance to understand the statistical findings of the primary study.

On the whole, participants agreed that one of the classification system’s primary purposes is to protect children and young people from being exposed to harmful content. Another is to provide guidance for people making viewing and gaming decisions for themselves and for young people.

Some participants felt confused at times about why a film was given a particular classification. Often this discussion included reference to unrestricted films, such as those with an ‘M’ classification, which have received their classifications as a result of the cross-rating system. This is the system by which unrestricted classifications given to films by Australia or Britain (if no Australian classification exists) are adopted in New Zealand.

Most participants supported restrictions in the public sphere and some wanted them to apply in the home.

While some participants felt that they personally didn’t benefit all that much from having a classification system, the majority expressed appreciation of the benefits of the system to New Zealand at a societal level.

**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.

The survey of public knowledge and use of the classification system is scheduled to be repeated in 2016.

## *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 censorship issues. The Office provides targeted information to key groups such as industry, young people and parents through dedicated sections of the Office website and through other communication with these groups such as school visits, responding to inquiries, and our 'Censor for a Day' high schools' programme. The Classification Office also provides speakers on request to educational institutions, community groups, the publications industries and other groups.

Increasingly, mechanisms other than face-to-face interaction have been adopted to educate consumers about the classification system. This has included the production of an educational DVD based on the 'Censor for a Day' experience, monthly newsletters for games retailers and libraries, and seasonal mail outs of posters and pamphlets to DVD retailers.

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 for additional copies of brochures, pamphlets and posters from libraries and retailers, and requests from individuals to be added to updates and newsletters which are targeted to their sector.

During the survey of public understanding conducted in 2011 the Office investigated participants' understanding of classification labels. 63% 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.

## 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, and, when appropriate, by expert advice and public consultation.

#### *Quantity of Classifications*

The number of classifications registered varies each year, and is 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 videos, and for electronic games that contain content that may be restricted.

Each financial year the Classification Office determines an estimated range of 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 quality of a classification decision has three components and each of these components are monitored and measured.

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 by a specialist in classification law to ensure that the decisions apply all relevant legislative criteria and are soundly reasoned.

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. The Classification Office monitors Board of Review decisions to identify and report on any significant divergence in classifications and/or rationale of classification decisions between the Office and the Board of Review, as this 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 achievable with existing resources and assumes that the numbers of submissions are within the estimated range. The Office closely manages its queue of publications awaiting examination, and scheduling of work is reviewed on a weekly basis. 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 educational presentations 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 21.

### **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 injury 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:**

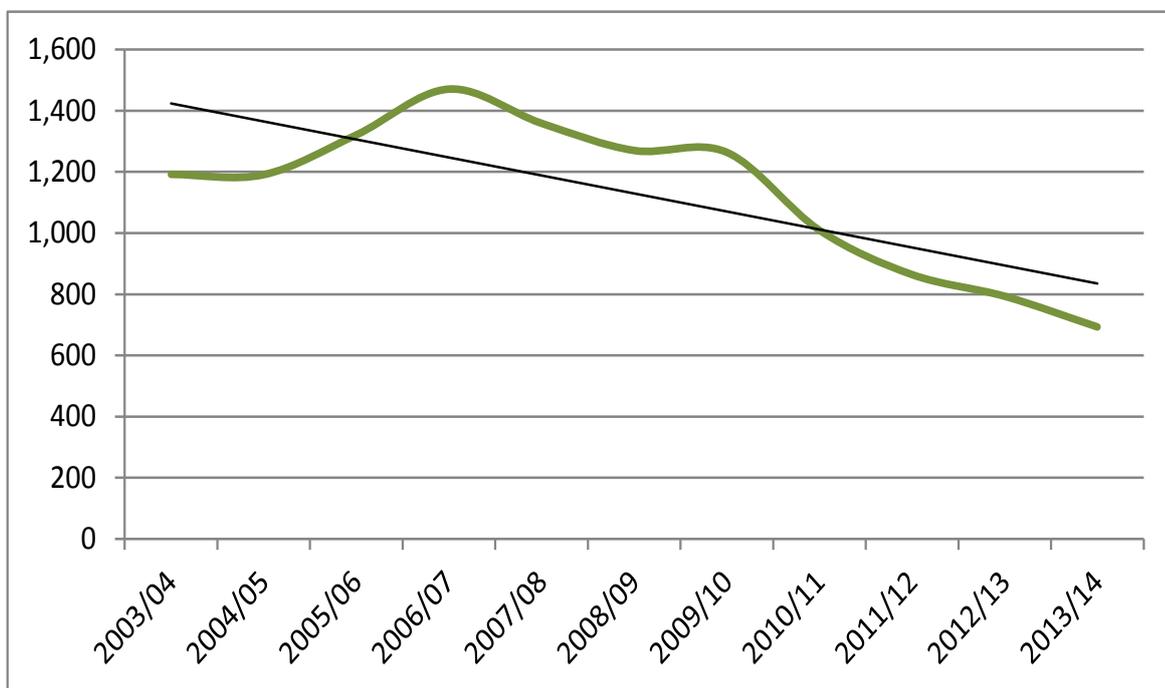
Censorship places limits on the individual's right to free expression. For this reason, it is important that people are able to seek information about the classification system, and able to register their satisfaction or dissatisfaction with it.

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 the reduction in complaints and inquiries over time.

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

An improved Quality performance measure which focuses on the public's experience of the service should over time allow us to refine the nature and content of responses to public queries.

**Figure 6: Complaints and Inquiries by Year**



## *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

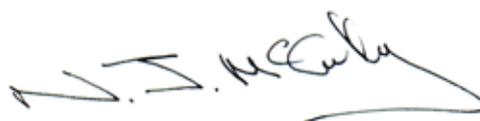
The Statement of Intent for the Office of Film & Literature Classification presented in this report for the years ending 2014 to 2018 has been prepared in accordance with section 38 of the Public Finance Act 1989 and the Crown Entities Act 2004.

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.



Dr A R Jack  
*Chairperson*



N J McCully  
*Deputy Chairperson*

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

*Dated: 30 June 2014*

Office of Film & Literature Classification

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