

*BROADCASTING STANDARDS AUTHORITY  
ANNUAL REPORT*

*FOR THE YEAR ENDED  
30 JUNE 1996*

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## MISSION STATEMENT

To establish and maintain acceptable standards of broadcasting on all New Zealand radio and television, within the context of current social values, research and the principle of self-regulation, in a changing and deregulated industry.

# CONTENTS

Foreword .....	3
Members .....	4
Formal Complaints .....	5
Code Reviews .....	7
Broadcasting Amendment Act .....	7
Children's Television Viewing .....	9
Information and Publications .....	9
Budget Variances .....	10
Statements of Service Performance .....	11
Appendices .....	16
Analysis of Decisions .....	16
Complaints Determined by the Authority .....	17
Relevant Privacy Principles .....	21
Financial Statements .....	22

# FOREWORD

This year, my first as a member and Chair of the Authority, has been one of challenge and change on the one hand, and frustration and delay on the other. The latter resulted from inadequate funding, a situation which has now been greatly assisted by the passing of the Broadcasting Amendment Act. The former is inherent in administering a regime which is charged with reflecting community standards in broadcasting in a rapidly and dramatically changing environment. Community standards must be recognised and protected consistently with the individual freedoms recognised in our Bill of Rights Act, against a background of deregulation, market competition, and extraordinary advances in technology which will ensure that the norms of the future, and even of tomorrow, are vastly different from the norms of yesterday and today.

I believe that a Standards Authority has increasing relevance in this rapidly changing environment. The Authority must remain up-to-date, forward thinking and global in its awareness, but provided it does so, it has an important role to play as we, the New Zealand community, measure and absorb the impact of technological, economic, and social change and development.

## MEMBERS

In mid-1995, Authority member Bill Fraser resigned for family reasons. The new member, Allan Martin, took up his position in January 1996 to complete the balance of Mr Fraser's term of appointment. Mr Martin has had extensive experience as a television executive, most recently with Sky. His appointment followed consultations with the broadcasting industry, the Minister of Broadcasting (Hon Maurice Williamson MP) having announced in July 1995 that one Authority member would be appointed following consultation with broadcasters. Prior to this appointment, for six months the Authority had only three members to handle an increasing flow of complaints while continuing to be financially under-resourced. This imposed a considerable burden on the existing members. I wish to pay special tribute to Lyndsay Loates and Rosemary McLeod whose aptitude, hard work and good humour saw us through.

## STAFF

Substantial changes to the Authority's executive staff have had a major impact on the Authority in the past year.

Gail Powell, appointed as the Authority's Executive Director on its establishment in 1989, completed her term this year. Following an extensive search, she was replaced on 1 April 1996 by Michael Stace. Dr Stace had been the Authority's Complaints Manager since January 1991. Ann Hensley, the Authority's Office Manager since 1989 left the Authority at the same time.

While it is relatively easy to understand the upheaval which occurs when two senior staff members leave an organisation, given the small number of the Authority's executive staff, on this occasion it involved a staff turnover in one burst of one third of the executive staff.

We were fortunate that the calibre of the remaining staff ensured a smooth transition. In April, Phillipa Ballard, formerly the part-time Complaints Executive, took up the position of Complaints Manager, and

Deborah Houston who was the Office Secretary was appointed as Office Administrator. A part-time position of Finance Controller was created and, in May, Elizabeth Wallace was recruited for that position. The Authority continues to share Madeline Palmer as receptionist with NZ On Air.

## BROADCASTERS

The success of the Authority's work is influenced by the way in which broadcasters handle complaints from the public. It is also affected by our relationships with broadcasters. With few exceptions, I believe our broadcasters respond well to viewers and listeners who lodge complaints. I am pleased also, that the Authority enjoys a good working relationship with most broadcasters. This enables Codes to be developed, updated and administered in constructive consultation with broadcasters.

## RESEARCH

The conduct of research is an essential component of the Authority's functions and the appointment of a suitable person to oversee this area of the Authority's work will have a high priority following the provision of stable funding in the forthcoming financial year. It is a matter of concern that minimal research has been conducted during the year because of lack of funding. Particularly lamentable was the deferment of the research essential to the review of the Code of Broadcasting Practice for Pay Television.

## BROADCASTING AMENDMENT ACT

A section of this Report examines the probable effects of the Broadcasting Amendment Act which, finally, was enacted on 1 July this year. The Amendment, as a Bill, was introduced into Parliament in October 1995. The Amendment included a radical alteration to the Authority's funding, so that it is now funded partly by way of a levy on broadcasters. The long time it has taken for the Bill to proceed through the parliamentary process was regrettable in that the Authority, without receipt of the levy, was severely limited in its expenditure in all areas. During this time, the Authority focused on its core function of complaints determination.

## TECHNOLOGY

Speculation about the changes which technological developments will bring to broadcasting are the focus of many discussions - from in-house chat among broadcasters to the central topic at international conferences. In the Authority's judgment, the development which is likely to have a major impact on New Zealand in the near future is the rapid development of subscriber television - whether transmitted by UHF (Sky), cable (Saturn and Telecom), or satellite (as in many parts of Europe and as is proposed by Sky). Alongside this development is the work being undertaken which involves the compression of a channel through digitalisation. This is a technology which responds to, and circumvents, the existing limits in the number of frequencies available.

While digitalisation may be some years away in New Zealand, subscriber television (whether by Sky or by a cable operator) is expanding rapidly. Cable television means that a viewer has a much larger range of channels to choose from.

Because this is a development which is taking place at present, the Authority regards the review of the Code for Pay Television as the task which must be finished reasonably promptly, and as a project which will be of great importance. Accordingly, the Authority is determined that it will be of such quality that it earns the respect of those in the industry, the political environment and of the public.

There are challenges and changes to which the Authority, to remain relevant, must acknowledge and respond. Staying in touch with the major changes - whether by way of technological development or by way of developments in our culture - will ensure that the Authority applies the directives, by way of policy and practice, contained in the Broadcasting Act 1989.

## CONCLUSION

I have completed my first year as Chair of the Authority. It was in good heart when I took up the position for which the previous Chair, Iain Gallaway, must take the credit. The functions for which the Authority is responsible are varied and inevitably stimulating. I wish to express my appreciation to those members who have served during the year, Lyndsay Loates, Rosemary McLeod, Bill Fraser, and Allan Martin. Their interest and dedication have been unflinching. I am also grateful for the exceptional ability and fortitude of the Authority's staff.

Judith Potter  
Chairperson

## MEMBERS



Allan Martin

OBE, of Auckland, a former television executive, was appointed to the Authority in January 1996. He was appointed, after consultation with the broadcasting industry, to complete the term of former member Bill Fraser. Mr Martin has wide experience in the areas of production and administration in public service and commercial broadcasting organisations, holding senior executive positions within the industry both in New Zealand and overseas.

Rosemary McLeod

A Wellington-based journalist, was appointed to the Authority in May 1995. She has won numerous journalism awards for investigative reporting, feature writing, and column writing. She has also had extensive experience as a television drama script writer and editor and has worked as a news reporter for both television and radio.

Lyndsay Loates

Auckland, began her term on the Authority in July 1994. She has worked as a professional journalist both in New Zealand and overseas and has won several national journalism awards. After a period as deputy editor and senior feature writer with *More Magazine*, she has worked as a freelance journalist.

Judith Potter

CBE, LL.B, a senior commercial partner in the Auckland office of the law firm Kensington Swan and past president of the New Zealand Law Society 1991-94, was appointed Chairperson of the Authority in June 1995. She is a director of ECNZ and The NZ Guardian Trust, a member of the Securities Commission and chaired the working party which reviewed the Advertising Standards Authority liquor advertising code.

# FORMAL COMPLAINTS

The number of decisions released in the previous year is the perennial feature of this section in each year's Report. Last year it was recorded that the numbers of decisions issued had dropped slightly - from 151 to 144. However, last year's hope that a plateau had been attained was not realised. **A total of 171 decisions were released in the past financial year - an increase of nearly 20% over the previous year.**

Late in 1994, TVNZ and TV3 began to broadcast advertisements advising viewers of the complaints procedure and this advertising has probably impacted on viewers. It is a healthy situation that viewers are aware, and make use of, the complaints procedures prescribed by the Broadcasting Act. Complaints are one of the sources which assist the Authority in determining the community's expectations of public broadcasters.

## TRENDS THIS YEAR

Complaints referred to the Authority are categorised by way of the central issue raised, and complaints this year have risen by about the same percentage in each category. Just under 40% of the complaints in both years were concerned with good taste and decency, and nearly 40% with balance, fairness and accuracy. The remaining 20% were divided among the categories of privacy, alcohol promotion, violence, sexism and racism.

Overall, 50 complaints (30%) were upheld, down from 35% in the previous year. Whereas the proportion of complaints focusing on taste issues which were upheld remained the same (at about 20%), the number of balance complaints upheld declined from about 44% to 40%.

Although the numbers of complaints which focused on privacy issues are such that percentages are irrelevant, there was a marked variance. First, the number of complaints, although small, increased from six to nine, and the number upheld changed from none of the six in the 1994-1995 year to six of the nine in 1995-1996. The issue of privacy is returned to below.

The other major change - besides the increase in the number of decisions issued and decline in the percentage of complaints upheld - was the number of upheld decisions when an order was imposed. In the past few years, an order has been imposed in less than one in five of the complaints upheld. This figure increased to 19 out of 50 (or 38%) in the past year. Orders were imposed in a wide range of complaints upheld - refer Appendix 2.

Surely, commentators say to the Authority, the complaints determining process must become easier as experience is gained. There must, it is said for example, be a limit to the number of issues to which objection can be taken on the grounds of good taste.

The experience gained in determining complaints, the Authority replies, is invaluable and use can be made of earlier decisions as examples of acceptable or unacceptable broadcasting. However, context is the overriding requirement when dealing with issues of taste and decency. For example, a sexual allusion or a reference to (if not the depiction of)

sexual behaviour is a completely different matter if broadcast at 7.30pm rather than 10.30pm. Furthermore, some language may be gratuitously offensive at any hour, while similar language may be appropriate in a particular programme or context.

When determining complaints which allege a breach of the norms of good taste and decency in the community, the Authority is making a judgment call. It is required to reflect the principal community perspectives on the issue and those with extreme views (from either end of the continuum) are likely to find it difficult to accept the Authority's decisions willingly.

Further, broadcasters are aware of the Authority's rulings and are unlikely to broadcast material which they know will be found to be in breach.

Nevertheless, despite the fact that some complaints are made by people holding views towards either end of the continuum, and despite the fact that the broadcasters' approach to standards issues is seldom cavalier, the range of issues raised under the good taste and decency criterion shows no sign of diminishing, nor merely to involve the recycling of past concerns.

The complaints which allege a breach of the requirements for balance and fairness tend to be more time consuming than those relating to good taste. Frequently, the complaint focuses on a current affairs item involving investigative journalism. It has to be appreciated that such items seldom arise because the body being investigated has acted in a way which has gained widespread public approval. The item frequently deals with a course of behaviour to which there has been objection and criticism. The body being investigated, understandably, wants to limit the criticism while the broadcaster endeavours to reveal the full extent of the contentious issues.

It is a potentially fraught situation when the Authority is called on to determine a complaint. Under the Broadcasting Act, the Authority is enjoined to limit its formality and technicality to the extent that natural justice allows. Thus, it has resisted the calls - which come from both complainants and broadcasters - to hold a formal inquiry under the Commission of Inquiry Act 1908 in order to determine particular complaints. It has found, at least to date, that it is much more successful when determining complaints, to adopt a low key approach.

## APPEALS

Only three of the Authority's decisions were appealed in the last financial year. As the Authority's status in an appeal was settled early in 1995 as a non-participant, it was not named as a party in any of the three new appeals. However, it is still required to file with the High Court copies of all its papers - including a tape of the item complained about.

While new appeals have not been a major imposition on the Authority's resources in the past year, one notice of appeal received in May 1994 continues to involve the Authority in a major way.

The appellant, Comalco New Zealand Ltd, both appealed the Authority's decision and sought judicial review of its procedure. Certain

*The complaints which allege a breach of the requirements for balance and fairness tend to be more time consuming than those relating to good taste. Frequently, the complaint focuses on a current affairs item involving investigative journalism.*

interlocutory matters were determined by the Court of Appeal in December last year. The broadcaster, TVNZ, had some dissatisfaction with that decision and it was successful in the same Court, in March this year, with an application for recall of aspects of the earlier decision.

Further pre-trial proceedings are taking place. This appeal is setting the procedures which the Authority will be required to follow with other appeals. Consequently, the Authority believes that the time and expense involved in ensuring that it participates fully in these proceedings is justified.

### PRIVACY

Pursuant to s.4(1)(c) of the Broadcasting Act 1989, broadcasters in their programmes are required to maintain standards consistent with the privacy of the individual.

In 1992, the Authority issued an Advisory Opinion in which it set out the five privacy principles it applied when determining complaints which alleged a failure by the broadcaster to comply with s.4(1)(c).

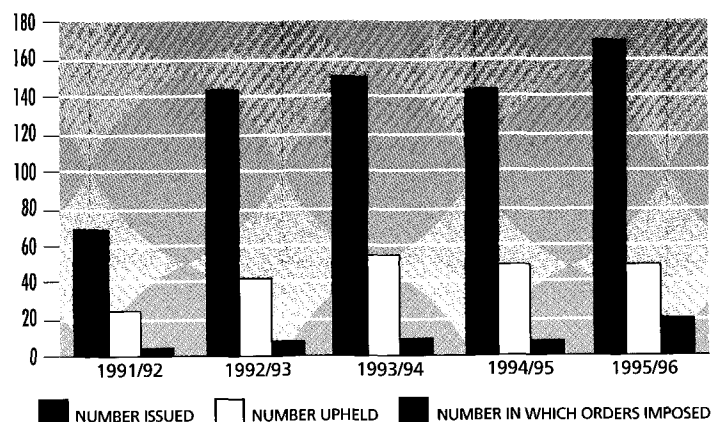
As noted in last year's report, the Authority's principles were endorsed by the High Court in *TV3 Network Services Ltd v Broadcasting Standards Authority* [1995] 2 NZLR 720. The possibility of including the principles as a Code of Broadcasting Practice was discussed with the major broadcasters. The proposal to list them in a Code was not pursued given the parameters for Codes set out in the Broadcasting Act. The principles, instead, are now included in an Advisory Opinion in the booklet which includes all the Codes approved by the Authority.

The 1992 Advisory Opinion stated expressly that the principles enunciated were not the only ones which the Authority might apply. In determining some privacy complaints early in 1996, the Authority was confronted with factual situations with which it had not been required to deal before. The situations involved announcers releasing personal information on-air about a named person. This occurred when a specific person named was not the subject of a news item but someone the announcer decided to identify and, in some cases, to refer to abusively.

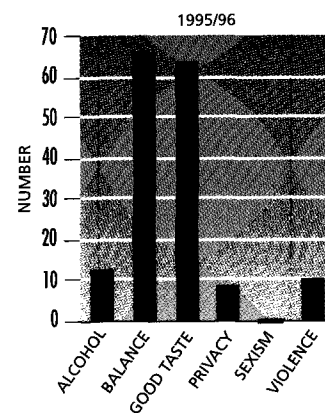
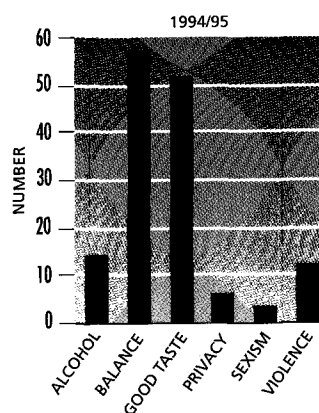
Following the determination of those complaints, the Authority, on 6 May 1995, issued a further Advisory Opinion which lists the seven privacy principles it now applies when deciding complaints which allege a breach of s.4(1)(c).

The Advisory Opinion was sent to all broadcasters and, to ensure as wide a circulation as possible, it is included in this Report as Appendix III.

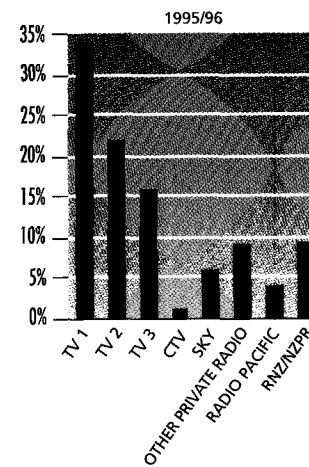
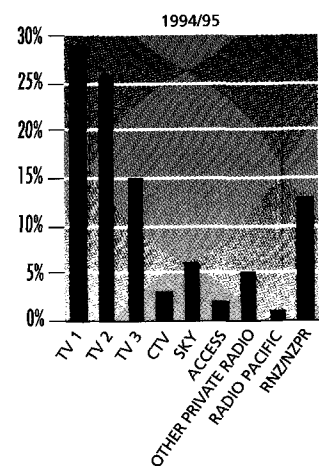
### DECISIONS



### BASIS OF COMPLAINT



### COMPLAINTS BY BROADCASTER



# CODE REVIEWS

## REVIEW OF THE PAY TELEVISION CODE

The Authority and the subscriber television service, Sky Network Television Ltd, were established at about the same time. As Sky developed, the Authority held discussions as to an appropriate Code of broadcasting conduct for its type of broadcasting. The free-to-air Television Code was used by Sky as the basis for a Pay Code and, in January 1992, the Authority approved the Pay Television Code which Sky submitted.

As Sky expanded and created its own place in the market, and as cable television developed, questions arose as to both the adequacy and applicability of this Code. Rather than record again the justifications for the Pay Code review (which is covered in last year's Annual Report and will be included in the review when completed), the Authority notes that in March 1995 it announced that it had begun a formal review of the Code for Pay Television services.

Submissions were called for and over 250 were received. In August, in Wellington, and in September, in Auckland, hearings were held at which submission writers who were invited to be heard in person presented their cases. In October, some members and staff met with representatives from the Wellington Samoan and Maori communities to assess attitudes to pay television. A number of issues were highlighted during the hearings. The four which were mentioned most frequently were the unknown attitude of the general public to the issues raised, the concept of the freedom of speech, the protection of children, and the difficulty in understanding the different classifications used by the broadcasters and the Office of Film and Literature Classification.

Before it could reach any reliable decisions on the content of a revised Pay Code, the Authority was aware that it was vital that public opinion research about pay television be undertaken. Although some preliminary consideration was given to the design of such research last year, financial constraints meant that the public opinion research could not be commissioned until the Authority's finances were settled on a long-term basis. That required the enactment of the provision - for a levy on

broadcasters to be paid to the Authority - contained in the Broadcasting Amendment Bill introduced into Parliament in 1995.

The legislation was passed on 1 July this year and a process for undertaking research on the expectations held by the public of pay television will be given a high priority. By September this year, it is intended to have in place a programme with a target of having the research results with the Authority by mid 1997.

Because of the importance of the review to Sky, the Authority intends to liaise closely with that company as the research is planned and carried out.

## REVIEW OF THE RADIO CODE

Talkback programmes have featured in New Zealand radio for more than 25 years. Listeners in Auckland may recall talkback host Bruce Christopher (the name used by Bruce Slane, now privacy commissioner). In Wellington, the late Dr Erich Geiringer created a niche as a talkback host. These were small beginnings and talkback is now a major focus for many radio stations.

The Authority does not receive a lot of complaints about radio broadcasts - especially given the total number of radio broadcasters and hours of radio broadcasting - in comparison to the number of complaints received about a much smaller total number of hours of television broadcasts.

Complaints about talkback programmes comprise a substantial proportion of the complaints about radio broadcasts received. These complaints are assessed against standards which were formulated before talkback grew to the size and importance in the market that it now occupies. The Radio Code includes a section on news and current affairs into which talkback programmes do not easily fit. The Authority believes that it is now appropriate to explore the relevance of a section in the standards applicable to "Talkback" which is applicable to the reality of the content of such programming.

# BROADCASTING AMENDMENT ACT 1996

A Broadcasting Amendment Bill was introduced into Parliament in October 1995. It had a number of very important impacts on the Authority. The Authority expressed its opinion on some of these matters in its submission to the Parliamentary Finance and Expenditure Select Committee late in 1995. The legislation was given a third reading late in June 1996 and received Royal Assent on 1 July.

The impacts on the Authority are recorded below, and the Authority's comments on these points where appropriate, are taken from its submission to the Select Committee.

## FORMAL COMPLAINTS INFORMATION

Each broadcaster is required to broadcast daily on each station a notice publicising the complaints procedure. (TVNZ and TV3 have been following this practice voluntarily since January 1995). On the basis that this change will ensure that information about the process will be more readily available to the consumers of broadcasting, the Authority endorses the change.



## TIMING OF REFERRALS TO THE AUTHORITY

Complaints for any reason other than an alleged intrusion on an individual's privacy must be made initially to the broadcaster which broadcast the programme complained about. Until the enactment of the Amendment, a broadcaster had 60 working days in which to respond to a complainant. A broadcaster must now reply within 20 working days. Although this change might impose some pressure on broadcasters in regard to complicated complaints, the Authority believes that the speedy resolution of a complaint is usually in the complainant's interests, and broadcasters, in most cases, have voluntarily replied well within the 60 working days limit. The Authority has for some years imposed on itself a target of 40 working days in which to issue a decision once the information collecting stage has been completed.

The Authority has steadily improved its efforts to achieve this target - from 65% in the 1992/93 year to 92% in the year just past. Although the determination of complaints by the Authority requires a thorough discussion by the members at their monthly meeting, it might be appropriate, after the provision in the Act has been tested in practice, for the Authority to reconsider, and reduce, the target it sets for itself.

## DEALING WITH A SERIES

The Act enables the Authority, in carefully detailed circumstances, to impose an order to withdraw a series. This power would include imposing a prohibition on a broadcaster not to broadcast an item which has not yet been screened. In other words, it involves an element of pre-broadcast control, although the Authority's jurisdiction could only be triggered if a complaint was made.

This provision when introduced in the Bill raised a widespread outcry among some in the media on the basis that it was contrary to the philosophy in the Act. Pursuant to the policy then extant, the Authority had no jurisdiction to deal with a complaint about a series and, with regard to a specific programme, no jurisdiction until first, the programme had been screened, and secondly, it had been the subject of a formal complaint on which the broadcaster had ruled.

Because of the change in the Act's philosophy, the Authority's submission to the Select Committee contained a note of caution on this provision. However, the Authority's main focus in its submission was the process which it would have to follow before it made an order relating to a series. There was concern that the complaint procedures could be protracted and that determination of complaints would involve the Authority applying tests which were different from those established for carrying out its existing duties under the Act. As a consequence, the Authority remains unconvinced that the provision is one which will be applicable other than in exceptional circumstances.

## POWER TO AWARD COSTS

The Authority notes that the Act increases the range of penalties which it can impose when a complaint is upheld. It can order the broadcaster to pay a sum of up to \$5,000 to the Crown by way of costs.

## MEMBERSHIP OF THE AUTHORITY

It was noted in the Foreword that the Minister in mid 1995 intimated that one of the four Authority members would in future be appointed after consultation with the broadcasting industry. Mr Martin's appointment in January this year occurred in this way. This provision is now in the Act.

The Act also includes the requirement that one of the other members be appointed after consultation with representatives of public groups with an interest in broadcasting.

## THE LEVY

Concerns about financing recur in the Authority's Annual Reports. Last year there was mention of the injection by the government of a special capital grant of \$90,000 in view of previous working capital deficits.

In response to these funding concerns, the Act introduces a levy on broadcasters. Broadcasters with an annual total operating revenue of more than \$500,000 derived from broadcasting within New Zealand (defined in terms of Approved Financial Reporting Standard No 9) are required to pay a levy on turnover of .00051 per cent.

Most of the Authority's income will continue to be received by way of a government grant but the levy will supplement its income and allow it not only properly to fulfil its duty to determine formal complaints, but to carry out the functions (contained in s.21 of the Broadcasting Act 1989) to conduct research, to publicise its findings, and to issue advisory opinions on matters relating to broadcasting standards and the ethical conduct of broadcasting.

## ALLOCATION OF TIME AND MONEY FOR ELECTION ADVERTISING

It was the Authority's task in 1990 and 1993 to allocate to the political parties the money appropriated by Government for election advertising on the broadcast media. The legislation also required certain broadcasters to make time available for the parties' opening and closing addresses. In this role, the Authority was joined by two additional members - one who represented the government and the other, the opposition parties.

In last year's Report the Authority repeated its opinion that this task did not rest well with its other responsibilities.

The Bill proposed that the responsibility be given to the Electoral Commission. However, as it was possible that the Bill would not be enacted until it was too late for the Electoral Commission to carry out the task (given the need for a general election this year), in March this year the Authority initiated the allocation process it had carried out in 1990 and 1993. As in the past, the Authority was assisted by Ian McLean as its consultant. It published material in the *Gazette* in March 1996, and wrote on various occasions on different matters to all broadcasters and to all political parties.

Because the proposed legislation varied the criteria under which the eligibility of the political parties was to be assessed for an allocation (in acknowledgment of the different electoral system), the Amendment when enacted on 1 July required the Electoral Commission to begin the process anew.

# CHILDREN'S TELEVISION VIEWING

In March 1995, Authority member Lyndsay Loates and Executive Director Gail Powell attended the World Summit on Television and Children in Melbourne.

This year, various organisations with an interest in children's television have been meeting to consider aspects of programming and the applicability to New Zealand of the Children's Charter approved at the Summit. The meetings have involved the makers of programmes for children, the broadcasters, the advertisers and a number of representatives from viewer organisations. The Authority assisted with the initial funding

of this organising committee and Phillipa Ballard represents it at the meetings.

While not all of the issues under discussion relate directly to its statutory duty to encourage the development of the codes in relation to the protection of children, the Authority believes that these discussions are an initiative in which it must continue to be involved. It is an area to which many come with a high degree of commitment and which can be approached from many differing perspectives. It is also an area where local research could be invaluable. More importantly for the Authority, it is an area where constructive solutions to standards concerns may emerge.

## INFORMATION AND PUBLICATIONS

The Amendment to the Act, passed on 1 July this year, acknowledges that more public information about the complaints process is important to allow the public a role in policing standards. The Authority expects this increase in public knowledge to lead to an increased awareness of standards and the various components of the standards regime.

When determining complaints which allege a breach of good taste and decency, the Authority is required to take cognisance of community norms. The importance to the Authority of understanding community values is the mainspring of the public opinion research which the Authority regards as absolutely essential before reaching its conclusions on the Pay Code review.

In the past, research has explored, in addition to beliefs on matters such as violence and language, the expectations towards "balance" in news and current affairs. There is a steady demand for the papers presented at the Authority's May 1994 seminar released as *Power & Responsibility: Broadcasters Striking a Balance*. Further, the publication *Balance and Fairness in Broadcasting News (1985-1994)* by Massey University's Judy McGregor and Margie Comrie, and partly funded by the Authority, continues to stir debate among media educators and practitioners.

As part of the current public education programme, the Authority ensures that copies of the Codes of Broadcasting Practice are available in public libraries, and its brochure on the complaints process is distributed widely to individuals and to community groups. This brochure, available in Maori and Samoan as well as in English, has been updated to incorporate the recent legislative amendments. The Authority is assessing the demand for the brochure in other languages.

Financial constraints in the last year limited the Authority's ability to meet, as a group, with people throughout the country other than in the Pay Code Review hearings. However, it remains sensitive to its task as representatives of the community in its deliberations and its discussions to traverse the issues from a range of perspectives.

These perspectives, the Authority hopes, underlie the decisions issued on the complaints. The Authority continues to distribute its decisions to the parties involved and to other key organisations free of charge. It also offers an annual subscription service for \$150.00 and provides copies of individual decisions for \$5.00 each.

As a further step to increase the availability of its decisions, the Authority has made them available on the Internet. This has been arranged through Waikato University and the Internet address for access to the Authority's home page, Codes of Broadcasting Practice, and its decisions is:

<http://www.liinz.org.nz/liinz/other/bsa/>

The Authority can also be contacted by email at:

[BSA@voyager.co.nz](mailto:BSA@voyager.co.nz)

The exchange of information not only involves making available decisions and other information released by the Authority as easily and as widely as possible, it also involves use of the Internet to access information and comments about broadcasting standards issues both nationally and internationally. As is happening with so many other areas, national borders are often of little relevance for broadcasters and broadcasting and the Authority is corresponding with agencies in other countries - especially in Asia and the Pacific - which share similar responsibilities to its own.

As part of this increasing international focus, the Chairperson attended a meeting in Singapore in June 1996 which dealt with broadcasting standards and regulatory matters in a number of Asian and Pacific countries. It is expected that this contact and liaison will continue to grow.

The usefulness of information from overseas can be seen in the ongoing public interest in the V-chip. This chip, built into the television set, relies on the broadcaster including a classification code in the programme which is transmitted. Should the programme be rated by the broadcaster as R18,

and should the receiver be programmed not to screen programmes so classified, parents need not be concerned that their children might view such programmes in their absence.

*The Amendment to the Act, passed on 1 July this year, acknowledges that more public information about the complaints process is important to allow the public a role in policing standards.*

## BUDGET VARIANCES

While the V-chip has a superficial appeal, any in-depth assessment gives rise to a range of questions and potential problems from political, practical and philosophical perspectives. One example, under the philosophical heading, requires that consideration be given to the question as to who is responsible for children's viewing. Differing views are advanced as to whether this task falls partially, substantially or totally on either the parents or the broadcasters.

At this point, the Authority believes that considerably more informed discussion is necessary before deciding whether V-chips are a practical answer and if so, the extent to which they should be used. Nevertheless, in the immediate future the Authority will take into account the role of the V-chip, and similar technology such as blocking devices, in its review of the Pay Code.

The Authority prepared its budget for the 1995/96 year on the basis that an Amendment to the Act would be passed during the financial year. It was expected that the Amendment would impose a levy on broadcasters which would ensure the Authority's income would exceed \$850,000.

Although the Bill was introduced to Parliament in October 1995, it was not enacted during the 1995/96 year. Therefore the Authority received no income by way of levy and relied substantially upon grants as its principal income. The Authority's actual income for the 1995/96 year was \$654,150.

The variation between these two figures explains the difference between the budget and actual figures in the accounts.

### STAFF

Michael Stace LL.M, D. Jur.  
Phillipa Ballard M.A., LL.B.  
Elizabeth Wallace  
Deborah Houston  
Madeline Palmer

**Executive Director**  
**Complaints Manager**  
**Finance Controller**  
**PA/Office Administrator**  
**Receptionist**

### OFFICE

2nd floor, Lotteries Commission Building  
54 - 56 Cambridge Terrace, PO Box 9213  
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Telephone: 04 382 9508 Facsimile: 04 382 9543  
email: BSA@voyager.co.nz  
Internet Address: <http://www.liinz.org.nz/liinz/other/bsa/>

# OUTPUT 1 DETERMINE FORMAL COMPLAINTS

The Authority will determine complaints referred after consideration by the broadcaster, or privacy complaints sent directly to the Authority, as promptly and informally as possible, mindful of the quasi-judicial nature of the Authority and following the principles of natural justice and other requirements of the Broadcasting Act 1989.

## OUTCOME

Improved compliance with the broadcasting standards.

## TIMELINESS

The Authority will issue decisions within 40 working days of receipt of final comment from all parties, unless delayed by court proceedings. Complaints on party political advertising will be fast-tracked and decisions issued within 48 hours of receipt. Decisions will be despatched to the parties within a day of date of signature.

## QUALITY

The Authority will recognise community standards and expectations, the production realities which broadcasters face, research findings and international practices when relevant.

Decisions will be and be seen to be principled, firm, just and relevant by the complainant, public and broadcasters. They will be written in a concise and logical manner and explain clearly the Authority's reasons and expectations. Complex decisions will be summarised for the media to ensure accurate reporting.

Sanctions will be fair and effective.

The Authority will respond to all queries about formal complaints procedures in a helpful, and "user-friendly" manner and provide accurate and full information while maintaining impartiality.

## PERFORMANCE

TARGETS 1995/96	ACTUAL
Deal with all complaints received	Achieved
Issue decisions within 40 days after receipt of final comments unless delayed by court proceedings	92%
Seek views of the formal complaints process under the Broadcasting Act	Postponed

	1991/92	1992/93	1993/94	1994/95	1995/96
<b>COMPLAINTS RECEIVED</b>	106	159	168	162	179
<b>COMPLAINTS DETERMINED</b>					
TOTAL DECISIONS ISSUED:	76	144	151	144	171
UPHELD (ALL OR IN PART)	25	43	54	50	50
NOT UPHELD	51	101	97	94	121 <sup>2</sup>
INTERLOCUTORY DECISIONS	1	3	1	1	--
DECLINED JURISDICTION (TIME BAR, ETC)	5	8	12	9	14
WITHDRAWN	7	8	11	10	3
ORDERS	4	8	9	7	19
<b>ADVISORY OPINIONS</b>	2		2		1
DECISIONS ISSUED WITHIN 40 WORKING DAYS	99%	65%	81%	84%	92%

COSTS	BUDGET <sup>3</sup>	ACTUAL <sup>3</sup>
Financial	\$ 452,000	\$ 408,662
% of total resources	54%	66%
Members' time	80%	80%

- NOTES**
1. Target was 60 working days
  2. Includes 10 decisions which the Authority "declined to determine"
  3. Includes a portion of overheads

# OUTPUT 2 REVIEW CODES OF BROADCASTING PRACTICE

The Authority, mindful of public views, local and international practices and research findings, will assess the adequacy of the codes developed by the broadcasters. If the codes appear inadequate, the Authority will encourage broadcasters to develop new standards which meet the Authority's concerns. As a last resort, the Authority will impose codes.

## OUTCOME

Adequate and easily understood codes which contribute to acceptable standards on radio and television.

## TIMELINESS

A code will be reviewed when it is shown to be inadequate, either during consideration of formal complaints or where there is significant public demand for a review.

## QUALITY

The Authority will consult extensively when undertaking a formal review of a code. The review will be handled in a professional manner including announcing the review publicly and providing detailed information to all known interested parties. Discussion papers about the parameters of the review and the time frame will be clearly written and distributed widely. Public input will be thoroughly assessed and all viewpoints given careful consideration.

The Authority will work constructively with broadcasters to ensure that a new code is practical and fair but also reflects the expectations of viewers and listeners and the requirements of a just society. Interested parties will be invited, where appropriate, to comment on draft codes before final approval.

## PERFORMANCE

TARGETS 1995/96	ACTUAL
Complete review of pay television codes	In progress <sup>1</sup>
Consult with broadcasters on standards for talk back programmes	Postponed <sup>1</sup>
Discuss with broadcasters codifying the Authority's privacy principles	Achieved
Commence investigating a review of the appropriateness of the television code for the <i>protection of children</i>	Underway

COSTS	BUDGET <sup>2</sup>	ACTUAL <sup>2</sup>
Financial	\$109,000	\$93,430
% of total resources	13%	15%
Members' time	12.5%	12.5%

- NOTES**
1. The review of the pay code and consultation with broadcasters about the applicability of the current standards for talkback programmes deferred because of financial constraints
  2. Includes portion of overheads

# OUTPUT 3 RESEARCH

As finances permit, the Authority will use its own staff as well as commission trained researchers to conduct New Zealand-specific research on broadcasting standards and community views and publish the findings.

## OUTCOME

Expanded knowledge which will enhance the Authority's ability to improve codes and determine complaints and will assist broadcasters in maintaining standards acceptable to ordinary viewers and listeners.

## QUALITY

Research priorities will be carefully assessed based on the Authority's strategic goals and public concerns. Both internal and commissioned research will meet all the professional criteria for quality research. Findings will be published as soon as they are available.

The Authority will use a range of consultation techniques, which take account of geographical spread and minority views, to keep in touch with the opinions of New Zealand viewers and listeners. Local consultations will be advertised widely and handled in a friendly and informal manner.

## PERFORMANCE

TARGET ACTIVITIES 1995/96	ACTUAL
Repeat monitor of television violence and examine trends	Not achieved <sup>1</sup>
Commission public opinion survey and focus group consultations re standards on pay television	Not achieved
Investigate research on "protection of children" issues	Underway
Publish all relevant research reports	Achieved

COSTS	BUDGET <sup>2</sup>	ACTUAL <sup>2</sup>
Financial	\$191,000	\$55,297
% of total resources	23%	9%
Members' time	3%	3%

- NOTES**
1. The repetition of the monitor on television violence and the research on pay television was deferred because of financial constraints
  2. Includes portion of overheads

# OUTPUT 4 PUBLICATIONS, INFORMATION AND PROMOTION

The Authority will use appropriate opportunities to stimulate public debate about standards matters, the role of the Authority and the way individuals and groups can influence broadcasters' decisions about standards issues, including use of the formal complaints process.

## OUTCOME

Raised awareness about standards matters.

## QUALITY

Published information will be easily understood, eye-catching and professionally produced. Essential material will be published in Maori and Samoan languages.

## TIMELINESS

The Authority will release public statements at every appropriate opportunity to publicise its work. New editions of the codes and brochures will be published as soon as is practicable after changes are made. Subscription copies of decisions will be despatched 48 hours after the decision is sent to the parties.

## PERFORMANCE

TARGETS 1995/96	ACTUAL
Continue to publish and distribute the Codes of Broadcasting Practice	Achieved
Continue to publish and distribute widely, free of charge, the brochures about the procedures for making formal complaints	Achieved
Continue to offer a subscription service for the Authority's decisions	Achieved
Develop, in liaison with appropriate groups, an educational kit to use in schools to increase understanding of standards issues	Not achieved <sup>1</sup>
Place the Authority's decisions and other information on Internet	Achieved
Assist appropriate groups to develop a kit for parents about parental responsibilities re children's television viewing and effective ways to make known their views on standards issues	Not achieved

COSTS	BUDGET <sup>2</sup>	ACTUAL <sup>2</sup>
Financial	\$88,000	\$39,327
% of total resources	11%	7%
Members' time	2.5%	2.5%

- NOTES**
1. Postponed due to lack of resources
  2. Includes portion of overheads

## OUTPUT 5 ALLOCATE FUNDS AND FREE TIME FOR POLITICAL PARTY ADVERTISING

The Authority will advise all political parties of the proper procedures for applying for free time and public monies for political party advertising during elections and by-elections, consult with broadcasters, hold formal hearings, allocate time and money and authorise payments to broadcasters according to the principles and requirements of the Act.

### OUTCOME

Fair and open allocation of public funds for party political advertising during elections.

### QUALITY AND TIMELINESS

The procedures will be followed within the time frames specified in the Broadcasting Act and in a manner which is fair, open and helpful to both broadcasters and political parties. The parties will be given as much advance notice as is practicable. Procedures for by-elections will be simplified as appropriate in the time frame. Payments will be authorised within five working days of receipt of documentation.

**NOTE** No performance targets or allocation of resources are required since it is anticipated that the Part VI responsibilities under the Broadcasting Act 1989 will be transferred elsewhere.

### PERFORMANCE

In view of the General Election proposed for 1996 and, as the Authority's responsibilities under Part VI of the Broadcasting Act 1989 were not transferred to the Electoral Commission until 1 July 1996, the Authority was required to undertake its duties set out in that part of the Act. The cost of this was not covered by a specific grant from the Ministry of Commerce.

TARGET 1995/96	ACTUAL
Carry out the procedures set out in Part VI	Achieved

COSTS	BUDGET	ACTUAL
Financial	\$ -	\$20,088
% of resources	-	3%
Members' time	-	2%



# APPENDIX I ANALYSIS OF DECISIONS

July 1995 - June 1996  
 July 1994 - June 1995  
 July 1993 - June 1994  
 July 1992 - June 1993  
 July 1991 - June 1992  
 July 1990 - June 1991  
 July 1989 - June 1990

Complaints Received : 179  
 Complaints Received : 162  
 Complaints Received : 168  
 Complaints Received : 159  
 Complaints Received : 106  
 Complaints Received : 52  
 Complaints Received : 43

Decisions Issued : 171  
 Decisions Issued : 144  
 Decisions Issued : 151  
 Decisions Issued : 144  
 Decisions Issued : 76  
 Decisions Issued : 45  
 Decisions Issued : 12

## JULY 1995 - JUNE 1996

### BASIS OF COMPLAINT

(1994 - 1995 Figures in brackets)

	TOTAL		GOOD TASTE & DECENCY (INCLUDING LANGUAGE)		BALANCE, FAIRNESS AND ACCURACY	
Declined	121	(94)	51	(42)	40	(32)
Upheld (all or in part)	50	(50)	13	(19)	26	(25)
Declined Jurisdiction	13	(9)				
Complainer Withdrawn	4	(10)				
ALCOHOL ADVERTISING						
Declined	11	(8)	7	(3)	3	(6)
Upheld (all or in part)	2	(6)	3	(9)	6	(-)
RACISM						
Declined	4	(-)	5	(-)	-	(3)
Upheld (all or in part)	-	(-)	-	(-)	-	(-)
VIOLENCE						
Declined						
Upheld (all or in part)						
OTHER						
Declined						
Upheld (all or in part)						
PRIVACY						
Declined						
Upheld (all or in part)						
SEXISM						
Declined						
Upheld (all or in part)						

Nineteen orders were made by the Authority. Ten related to complaints about balance, fairness and accuracy, three related to complaints about good taste and decency and one each about alcohol promotion and denigration. All required the broadcast of a statement. Four complaints about breaches of privacy resulted in compensation being awarded to the complainants. One was awarded \$2,500, one, \$1,500, one, \$750 and the other \$500.

### BY BROADCASTER AND PROGRAMME

TVNZ	TOTAL		NEWS		CURRENT AFFAIRS		HOLMES		DOCUMENTARY	
Declined	73	(50)	16	(9)	10	(7)	2	(3)	-	(5)
Upheld (all or in part)	21	(29)	5	(4)	7	(3)	-	(3)	45	(26)
									9	(19)
TV3	TOTAL		NEWS		CURRENT AFFAIRS		HOLMES		DOCUMENTARY	
Declined	18	(15)	4	(8)	3	(1)	-	(-)	11	(6)
Upheld (all or in part)	6	(7)	2	(3)	1	(2)	-	(1)	3	(1)
CTV	TOTAL		NEWS		CURRENT AFFAIRS		HOLMES		DOCUMENTARY	
Declined	1	(1)							1	(1)
Upheld (all or in part)	1	(3)							-	(2)
SKY	TOTAL		NEWS		CURRENT AFFAIRS		HOLMES		DOCUMENTARY	
Declined	9	(8)							9	(8)
Upheld (all or in part)	3	(1)							3	(1)
RNZ	TOTAL		NEWS		CURRENT AFFAIRS		HOLMES		DOCUMENTARY	
Declined	12	(12)	6	(1)	1	(4)	1	(4)	4	(3)
Upheld (all or in part)	5	(6)	1	(4)	-	(-)	3	(1)	1	(1)
PRIVATE & OTHER RADIO	TOTAL		NEWS		CURRENT AFFAIRS		HOLMES		DOCUMENTARY	
Declined	8	(7)					7	(1)	1	(6)
Upheld (all or in part)	12	(5)					4	(-)	7	(5)
OTHER TV (MAX TV AND BAYS TV)	TOTAL		NEWS		CURRENT AFFAIRS		HOLMES		DOCUMENTARY	
Declined	-	(-)							-	(-)
Upheld (all or in part)	2	(-)							1	(-)

# APPENDIX II COMPLAINTS DETERMINED BY THE AUTHORITY

JULY 1995 - JUNE 1996

DECISION NUMBER	COMPLAINANT	PROGRAMME	NATURE OF COMPLAINT	DECISION
61/95	Marion Hancock	Films "The Untouchables" and others, TVNZ	Excessive violence	Upheld in part
62/95	Emslow One Limited	Frontline, "The Triangs", TVNZ	Unbalanced and unfair	Upheld in part Broadcast of summary of decision ordered
63/95	Gary Mabey	60 Minutes item on dietary supplements, TVNZ	Inaccurate and unbalanced	Upheld in part
64/95	Megavitamin Laboratories New Zealand Limited	60 Minutes item on dietary supplements, TVNZ	Unfair, unbalanced and likely to cause alarm	Upheld in part
65/95	Dr Warren Stewart	60 Minutes item on dietary supplements, TVNZ	Unfair, unbalanced and likely to cause alarm	Upheld in part
66/95	Mike Irvine	Two songs, 95 bFM	Sexually explicit language	Upheld in part
67/95	Ian Preston	Documentary: <i>Damned in the USA</i> , CTV	Pornographic material	Not Upheld
68/95	John Lowe	Newsnight item on "Skin Tight", TVNZ	Discrimination against men and distortion	Declined to determine
69/95	WAP (Auckland)	Sex, item about a career stripper, TVNZ	Poor taste, indecent and derogatory to women	Upheld in part
70/95	Phillip Smits	Sex, item about a career stripper, TVNZ	Poor taste, indecent and unbalanced	Upheld in part
71/95	GOAL	<i>One World of Sport</i> , TVNZ	Incidental liquor promotion	Not Upheld
72/95	GOAL	News item about the Auckland Warriors, TVNZ	Incidental liquor promotion	Not Upheld
73/95	GOAL	Sportsnight item about the Auckland Warriors, TVNZ	Incidental liquor promotion	Not Upheld
74/95	Nobilangelo Ceramalus	<i>Billy Connolly's World Tour of Scotland</i> , TV3	Inaccurate and derogatory to males	Not Upheld
75/95	Guy Hepworth	<i>Just Kidding</i> , joke involving a ticking suitcase, TVNZ	Poor taste and inappropriate	Not Upheld
76/95	P.R Parry	<i>Emmerdale</i> , episode on 20.4.95, TVNZ	Unnecessarily violent	Not Upheld
77/95	D.R Campbell	Interview after America's Cup victory, TVNZ	Unacceptable language	Not Upheld
78/95	R Tunnickliff	<i>Plainclothes</i> , episode on 3.5.95, TVNZ	Discrimination against drug addicts	Not Upheld
79/95	Wellington Palestine Group	News item on a suicide bombing in Gaza, TVNZ	Inaccurate	Not Upheld
80/95	L C Evans	Money item on Lotto, TVNZ	Inaccurate	Not Upheld
81/95	Minister of Housing	60 Minutes item on emergency accommodation, TVNZ	Unbalanced and partial	Upheld Broadcast of summary of decision ordered
82/95	Whanau Social Services Inc	Report of fiscal envelope hui at Omaha Marae, Radio Kahungunu	Denigration, unbalanced and partial	Upheld in part Declined to determine substance of the complaint
83/95	L J Darcy	Five Nations Rugby Promo, Sky	Inaccurate	Not Upheld
84/95	D V Blomfield	News item about control of protesters at a conference, TV3	Unbalanced and partial	Not Upheld
85/95	Lewis Clarkson	<i>Law and Order</i> , episode on 10.4.96, TV3	Unbalanced, partial and derogatory to homosexuals	Not Upheld
86/95	Philip Doyle	Film "Last Rites", TV3	Excessive violence	Not Upheld

DECISION NUMBER	COMPLAINANT	PROGRAMME	NATURE OF COMPLAINT	DECISION
87/95	Leslie Gee	<i>Shortland Street</i> , episodes from 1.5.95 - 5.5.95, TVNZ	Unfair, inaccurate and excessive violence	Not Upheld
88/95	Alva Langford	<i>Work of Art</i> , dance "Forever", TVNZ	Poor taste and indecency	Upheld in part
89/95	Elisabeth Gruijters	<i>Work of Art</i> , dance "Forever", TVNZ	Poor taste and indecency	Upheld in part
90/95	Jill Jeffs	<i>New Zealand at War</i> , episodes on 16 & 23.5.95, TVNZ	Unbalanced and derogatory to British	Not Upheld
91/95	It Brown	<i>New Zealand at War</i> , episodes on 9, 16 & 23.5.95, TVNZ	Unbalanced, inaccurate and derogatory to British	Not Upheld
92/95	Agnis-Mary J Brookes	Commentary on Kupu Kori Kori, RNZ	Inaccurate, unfair and unbalanced	Not Upheld
93/95	Gary Brennan	Promo for an episode of <i>Slitz</i> in July 1995, TV3	Denigration of Pacific Islanders	Not Upheld
94/95	R J England	<i>X-Files</i> , episode on 21.6.95, TVNZ	Denigration and excessive violence	Not Upheld
95/95	Allan E Webb	Fax read out on <i>Holmes</i> , TVNZ	Bad taste and unbalanced	Not Upheld
96/95	L Albert B Shearman	<i>Open Home</i> , interview with Ian Aitfield, TVNZ	Offensive language, dissatisfied with action taken	Not Upheld
97/95	Phillip Smits	<i>Sportsnight</i> , broadcast on 21.6.95, TVNZ	Poor taste, indecency and exploitation of women	Not Upheld
98/95	Barry Barclay	Interview on <i>Nine to Noon</i> , RNZ	Inaccurate	Not Upheld
99/95	MB	Talkback on <i>Newstalk ZB</i> , RNZ	Breach of privacy	Upheld
100/95	MB	Talkback on <i>Newstalk ZB</i> , RNZ	Not dealing fairly and poor taste	Upheld in part
101/95	Susan Stringer	Talkback on 3.7.95, Radio Pacific	Not dealt with fairly and denigration of Maori	Not Upheld
102/95	Mediawomen	Talkback on 2.4.95, Radio Pacific	Offensive and unfair dealing with people	Upheld Broadcast of summary of decision ordered
103/95	Linda McDougall	Talkback on 2.4.95, Radio Pacific	Offensive, unfair dealing with people, and inaccurate and unbalanced	Upheld in part Broadcast of summary of decision ordered
104/95	Wendy Johnston	Talkback on 29.3.95, Radio Pacific	Unfair and poor taste	Not Upheld
105/95	Wendy Johnston	<i>George Balani at 6</i> , discussion of Gay Oakes' conviction, CTV	Unbalanced, partial and unfair	Upheld Broadcast of apology ordered
106/95	Francis Fischer	Promo for <i>Chicago Hope: Over the Rainbow</i> , TVNZ	Poor taste and excessive violence	Not Upheld
107/95	GOAL	2 Sports Action: <i>Lion Big Red League</i> , TVNZ	Incidental and saturation of liquor promotion	Not Upheld
108/95	Gusztai Barfai	<i>Where on earth is Carmen San Diego</i> , episode on 23.7.95, TVNZ	Excessive violence and impact on children	Not Upheld
109/95	Allan Golden	<i>Crimewatch</i> , broadcast on 25.7.95, TVNZ	Unbalanced and unfair treatment of men	Not Upheld
110/95	Phillip Smits	<i>Newsnight</i> , interview with Kristi Lynn, TVNZ	Poor taste, unbalanced and explicit sexual content	Not Upheld
111/95	Phillip Smits	<i>Erotica</i> , on 9.5.95, TV3	Poor taste and unbalanced	Not Upheld
112/95	Humanity Publishing Society Limited	<i>Inside New Zealand, "Deadly Taboo"</i> , TV3	Unbalanced	Upheld

DECISION NUMBER	COMPLAINANT	PROGRAMME	NATURE OF COMPLAINT	DECISION
113/95	Catholic Communications	Inside New Zealand, "Deadly Taboo", TV3	Unbalanced	Upheld
114/95	David Currie	Checkpoint, report on cannabis use, RNZ	Unbalanced and partial	Not Upheld
115/95	Barry McGuire	Talkback on 23.3.96, Newstalk ZB, RNZ	Lack of respect for law Denigration of judiciary	Upheld in part Broadcast of summary of decision ordered
116/95	Rape Prevention Group	Film "Basic Instinct" on 23.12.94, Sky	Sexually explicit, denigrating women and sexual violence	Not Upheld
117/95	Rape Prevention Group	Film "Basic Instinct" on 20.3.95, Sky	Sexually explicit, denigrating women and sexual violence Excessive violence	Upheld in part Publication of summary of decision ordered
118/95	Rape Prevention Group	Film "Basic Instinct" on 26.3.95, Sky	Sexually explicit, denigrating women and sexual violence Excessive violence	Not Upheld
119/95	Rape Prevention Group	Film "Basic Instinct" on 31.3.95, Sky	Sexually explicit, denigrating women and sexual violence Excessive violence	Upheld in part Publication of summary of decision ordered
120/95	H. Sutherland	Film "Basic Instinct" on 23.12.94, Sky	Sexually explicit, denigrating women and sexual violence	Not Upheld
121/95	T. Morrison	Film "Basic Instinct" on 23.12.94, Sky	Sexually explicit, denigrating women and sexual violence	Not Upheld
122/95	Johanna Pater	Film "Basic Instinct" on 31.12.94, Sky	Sexually explicit, denigrating women, and sexual and excessive violence	Not Upheld
123/95	Stephanie Johnson	Film "Basic Instinct" on 31.12.94, Sky	Sexually explicit, denigrating women, and sexual and excessive violence	Not Upheld
124/95	Murray Johnson	Film "Basic Instinct" on 31.12.94, Sky	Sexually explicit, denigrating women, and sexual and excessive violence	Not Upheld
125/95	S. Finlay	Film "Basic Instinct" on 23.12.94, Sky	Sexually explicit, denigrating women and sexual violence	Not Upheld
126/95	Paul Hesketh	Documentary, Manpower Australia, TVNZ	Poor taste and unbalanced	Not Upheld
127/95	Mr and Mrs O'Rourke	3 National News, item about abortion, TV3	Poor taste and denigrating to women	Not Upheld
128/95	GALA	Lion Red Big League, on 3.9.95, TVNZ	Saturation of liquor promotion	Not Upheld
129/95	Bill Turner	Lion Red Big League, on 11.8.95, TVNZ	Saturation of liquor promotion	Declined to determine
130/95	Francis Packer	Promos for Plainclothes, Boomerang and The Seekers, TVNZ	FACD promos during children's viewing Excessive violence	Not Upheld
131/95	Valerie O'Brien	Holmes, showing "Banned" advertisement, TVNZ	Poor taste and indecency Affect on children	Not Upheld
132/95	Spectrum	Still Craving for Love, Boy Television	Unbalanced and partial	Upheld

DECISION NUMBER	COMPLAINANT	PROGRAMME	NATURE OF COMPLAINT	DECISION
133/95	Pamela Sutton	Assignment, item about Christchurch Civic Creche child abuse case, TVNZ	Unsuitable material for children	Not Upheld
134/95	M.J. Walsh	Assignment, item about Christchurch Civic Creche child abuse case, TVNZ	Unsuitable material for children	Not Upheld
135/95	Society for the Protection of the Unborn Child (Manai)	Captain Planet and the Planetectors, episode on 1.9.95, TVNZ	Unsuitable for children	Not Upheld
136/95	District Police Commander of Northland	60 Minutes, "Tragedy of Errors", TVNZ	Inaccurate and unbalanced	Upheld in part Broadcast of summary of decision and apology ordered
137/95	Civil Aviation Authority	60 Minutes, "Tragedy of Errors", TVNZ	Inaccurate and unbalanced	Upheld in part Broadcast of summary of decision and apology ordered
138/95	Phillip Smith	Newsnight, item about "sex" shops, TVNZ	Unbalanced and partial	Not Upheld
139/95	David Teup	Drama, Plain Tastes, TVNZ	Offensive language	Not Upheld
140/95	New Zealand on Air	Freepeak, item on New Zealand on Air, Radio Liberty	Abusive	Upheld Broadcast of summary of decision and apology ordered
141/95	Dean Keady	Morning Report, on 7.7.95, RNZ	Offensive remark	Not Upheld
142/95	Mark English	Pretend interview with the Pope, Radio Pacific	Denigration on account of religious beliefs	Not Upheld
143/95	D.A. Crocker	20/20, "Sin Bin", TV3	Unbalanced and denigrating	Not Upheld
144/95	Waikato Anti Racism Coalition	20/20, "Culture Shock", TV3	Inaccurate, partial and omitted the views of the tangata whenua	Not Upheld
145/95	NZ Men's Rights Association	Assignment, item on reform of the Matrimonial Property Act, TVNZ	Unbalanced, and disseminated against men and fathers	Not Upheld
146/95	J.G. Chambers	Fair Go, item on the complainant's business, TVNZ	Infringement of privacy	Not Upheld
147/95	M. James	eTV programme, Scienc: Plague of Possums, TVNZ	Unbalanced and partial	Not Upheld
148/95	Todd Roughton	Promo for Waiting for God, TVNZ	Poor taste and unacceptably graphic material	Not Upheld
149/95	Todd Roughton	Promos for Blackadder, TVNZ	Poor taste and unacceptably explicit material	Not Upheld
150/95	J.M. Stevenson	News item about a World Bank system of measuring national wealth, TVNZ	Inaccurate and unbalanced	Not Upheld
151/95	Johanna Kester	A joke call on 912M Christchurch on 31.8.95, RNZ	Breached privacy	Not Upheld
152/95	Johanna Kester	A joke call on 912M Christchurch on 31.8.95, RNZ	Deal with unfairly	Upheld
153/95	Minister of Housing	Morning Report, item about state housing, RNZ	Lacked balance and inaccurate	Upheld in part Declined to determine rest of complaint

DECISION NUMBER	COMPLAINANT	PROGRAMME	NATURE OF COMPLAINT	DECISION
154/95	D F Harvey	Humorous story on 912M, Wellington on 25.8.95, RNZ	Poor taste and denigrating to women	Not Upheld
155/95	Ross Mearns MP	News item on the Right of Centre Party, TV3	Inaccurate and unbalanced	Not Upheld
156/95	Paul McBride	Just Kidding, skit about "Manpower Australia", TVNZ	Poor taste, unbalanced and unsuitable for children	Not Upheld
157/95	C A Maude	Newsnight, item about illegal street racing, TVNZ	Dissatisfied with action taken when complaint upheld	Upheld Broadcast of summary of decision ordered
158/95	Lloyd Minchington	Newsnight, item about illegal street racing, TVNZ	Inaccurate and unfair	Upheld
159/95	GALA	Dunlop Tyres Sportsnight, item about the All Blacks in France, TVNZ	Incidental liquor promotion	Not Upheld
160/95	Alicia Lee	Film "The Banker", TV3	Poor taste and combining sex and violence	Not Upheld
161/95	Lion Nathan Limited	Inside New Zealand, "Booze Culture - Aspects of Drinking in New Zealand", TV3	Unbalanced	Upheld
1996-001	Keith Patie	Assignment, "Lost youth lost hope", TVNZ	Inappropriate to show young people how to commit suicide	Not Upheld
1996-002	John Fowle	Animated version of Shakespeare's Macbeth, 12.10.96, TVNZ	Unsuitable for children Excessive violence	Not Upheld
1996-003	Complainant S	News item broadcast which named rape victim in South Africa, Radio Pacific	Breach of privacy	Upheld Compensation of \$2,500 awarded
1996-004	Complainant L	Talkback during Labour weekend, Radio Liberty	Offensive language	Declined to determine
1996-005	Complainant L	Talkback during Labour weekend, Radio Liberty	Breach of her privacy	Declined to determine
1996-006	Complainant L	Talkback on 14 November 1995, Radio Liberty	Breach of her privacy	Upheld Compensation of \$750 awarded
1996-007	Pharmac	20/20, item on the drug "Pulmozyme", TV3	Inaccurate and unbalanced	Upheld in part
1996-008	Pita Cole	Forgotten Silver, TVNZ	Presenting a fictional story as a factual documentary Deliberately misleading	Not Upheld
1996-009	Anthony Smith	Forgotten Silver, TVNZ	Presenting a fictional story as a factual documentary Deliberately misleading	Not Upheld
1996-010	Brent Proctor	Forgotten Silver, TVNZ	Presenting a fictional story as a factual documentary Deliberately misleading	Not Upheld
1996-011	GALA	Dunlop Tyres Sportsnight on 31.10.95, TVNZ	Dissatisfied with action taken	Not Upheld
1996-012	Phillip Smits	Sports Illustrated Swimwear Special: Class of 95, TVNZ	Inappropriate for children's viewing	Not Upheld
1996-013	Phillip Smits	Newsnight, item on strip clubs, November 1995, TVNZ	Lacked balance and promoted pornography	Declined to determine in all circumstances
1996-014	Centre for Psycho-Sociological Development	News item on strikes in France, 3.12.95, TVNZ	Unbalanced and partial	Not Upheld

DECISION NUMBER	COMPLAINANT	PROGRAMME	NATURE OF COMPLAINT	DECISION
1996-015	The New Zealand Pure Water Association	News item on dentists, 26.10.95, TVNZ	Unbalanced and partial	Not Upheld
1996-016	GALA	Nine specified advertising breaks between 21.11.96 and 13.12.96, TVNZ	Dissatisfied with action taken	Not Upheld
1996-017	GALA	Newsnight, item about Millbrook Resort, TVNZ	Incidental promotion of liquor Inappropriate comments about alcohol consumption	Upheld in part
1996-018	Eddie Hoyes	Broadcast on 20.10.95, 93FM, Hastings	Dissatisfied with action taken	Not Upheld
1996-019	D R Campbell	Promo for Goodnight Sweetheart, 17.11.95, TVNZ	Poor taste	Upheld
1996-020	Lauris Sanders	News item on Tauranga's Bethlehem College, TVNZ	Unbalanced and partial	Upheld
1996-021	Winton Allen	60 Minutes interview with Stuart Scott, TVNZ	Unbalanced and denigrating	Not Upheld
1996-022	A G T Wane	60 Minutes interview with Stuart Scott, TVNZ	Unbalanced and denigrating	Not Upheld
1996-023	Christian Heritage Party	Shortland Street, episode on 27.5.95, TVNZ	Violent, disturbing for children and offensive religious overtones	Not Upheld
1996-024	Michael Gibson	Shortland Street, episode on 27.5.95, TVNZ	Violent, disturbing for children and offensive religious overtones	Not Upheld
1996-025	Minister of Health	News item about a woman who gave birth on the roadside, 25.10.95, TVNZ	Inaccurate and causing unnecessary alarm	Upheld in part
1996-026	Suzi Archer	Broadcast on 28.8.95, Pirate FM	Breach of her privacy	Upheld Compensation of \$1,500 ordered
1996-027	Suzi Archer	Broadcast on 28.8.95, Pirate FM	Crude and derogatory language Effect on children	Upheld in part
1996-028	Johanna Koster	Complaint upheld	Request for costs	Costs not awarded
1996-029	Michelle McBride	Shortland Street, episode on 27.5.95, TVNZ	Inappropriate for children Discriminatory	Not Upheld
1996-030	Centre for Psycho-Sociological Development	News item about fire fighting aircraft, 19.12.95, TVNZ	Inaccurate and misleading	Not Upheld
1996-031	Robert Terry	News item on emergency calls over Christmas, 26.12.95, TVNZ	Inaccurate, unbalanced and encouraged discrimination against men	Declined to determine
1996-032	Don Campbell	Promos for New Zealand at War, TVNZ	Offensive and denigrated Christians	Not Upheld
1996-033	John Lowe	Newsnight item about the Auckland Sun Club, TVNZ	Inaccurate, unbalanced, distorted editing and discriminatory	Not Upheld
1996-034	John Lowe	Repeat of Heartland: Glenorchy, TVNZ	Encouraged unhealthy attitudes	Declined to determine
1996-035	Canon G J J A Haallow	Morning Report item on a booklet called "Sisters", NZPR	Unfair and offensive treatment	Not Upheld
1996-036	Archie Dixon	20/20 interview with Howard Stern, TV3	Indecent language Lack of respect for the law	Not Upheld
1996-037	Sean N Joseph	An opinion piece on 9.5.95, Capital FM Ltd	Breach of privacy Poor taste	Upheld privacy complaint Declined to determine rest of complaint

COMPLAINT NUMBER	COMPLAINANT	PROGRAMME	NATURE OF COMPLAINT	DECISION
1996-038	Darryll Chawan	Fair Go item about a car repair, TVNZ	Inaccurate, unbalanced and unfair	Upheld Broadcast of summary of decision ordered
1996-039	Darryll Chawan Motors Ltd	Fair Go item about a car repair, TVNZ	Inaccurate, unbalanced and unfair	Upheld Broadcast of summary of decision ordered
1996-040	Complainant H	Midnight to 6.00am talkshow, 15.5.95, Radio Liberty	Drushed with action takes other privacy complaint upheld	Upheld
1996-041	Christian Heritage Party	Film "The Last Temptation of Christ", TVNZ	Blasphemous and obscene	Not Upheld
1996-042	Rape Prevention Group	Film "Gone with the Wind", TVNZ	Glamorising sexually violent attitudes	Declined to determine
1996-043	Roshan Harang	News item on Brazilian efforts to curb the spread of AIDS, TVNZ	Indecency and effect on younger viewers	Not Upheld
1996-044	Paul McBride	Promo for TV2 on 17.2.96, TVNZ	Indecent and disrespectful of the law	Not Upheld
1996-045	GALA	News item on a day-night cricket game, TVNZ	Incidental liquor promotion	Upheld
1996-046	P G Curran	News item on President Clinton's visit to Northern Ireland, TVNZ	Biased and unbalanced	Not Upheld
1996-047	Ian McKenzie	Morning Report, 28.7.95, RNZ	Unbalanced	Not Upheld
1996-048	Ian McKenzie	Morning Report, 14-17.8.95, RNZ	Abusive language	Not Upheld
1996-049	Ian McKenzie	Morning Report, July 1995, RNZ	Abusive language	Declined to determine
1996-050	GALA	Advertisements on 20.2.96, TVNZ	Salvation of liquor promotion	Upheld Broadcast of apology and explanation ordered
1996-051	WAP (Auckland)	Film "Rising Sun", Sky	Sexual violence	Upheld
1996-052	John Sheppard	News item including footage of a public execution in China, TV3	Unsuitable for children	Upheld
1996-053	Clive Broad	News item including footage of a public execution in China, TV3	Unsuitable for children	Upheld
1996-054	Peter Newfield	News item about an air crash in Marlborough, TVNZ	Poor taste and causing needless distress	Not Upheld
1996-055	Karen Dawkins	60 Minutes' story about a mother whose children were killed by their father, TVNZ	Unbalanced and unfair	Not Upheld
1996-056	Frank Crofts	Comedy Central, broadcast on 31.1.96, TV3	Poor taste and encouraging discrimination against Chinese	Not Upheld
1996-057	G H Mills	Comedy Central, broadcast on 31.1.96, TV3	Encouraging discrimination against Christians	Not Upheld
1996-058	Pat Gendron	Shortland Street, episodes from 28.2.96 to 5.3.96, TVNZ	Violence and nudity suitable for children's viewing	Not Upheld
1996-059	David Pagman	Banksie on Sunday on 10.3.96, Radio Pacific	Offensive and disrespectful against gay men	Not Upheld
1996-060	GALA	News item about the Auckland Warriors, TVNZ	Incidental liquor promotion	Not Upheld

COMPLAINT NUMBER	COMPLAINANT	PROGRAMME	NATURE OF COMPLAINT	DECISION
1996-061	Andrey Hammond	Broadcast on 9.2.96, 89FM Gisborne	Drushed with action taken	Not Upheld
1996-062	Gerald Moonen	Talkback on 1.12.95 on Newstalk ZB, RNZ	Unfair, inaccurate, unbalanced and encouraged discrimination	Not Upheld
1996-063	Roger Helm	Interview with the Prime Minister on 3 National News, TV3	Unbalanced and inaccurate	Not Upheld
1996-064	Dan Clancy RNZ Ltd	60 Minutes, item on spray drift, TVNZ	Unbalanced and caused unnecessary alarm	Not Upheld
1996-065	D A Armstrong	Death on Request, TVNZ	Inaccurate and unbalanced	Not Upheld
1996-066	Philip Smith	Repeat of Erotica, TV3	Encouraged discrimination against women	Declined to Determine
1996-067	C W	Reference to his complaint on Chat Bungalow, Max TV	Breach of privacy	Upheld Compensation of \$500 ordered
1996-068	Helen Pagan	The song "Pussy Walk", 95bFM	Indecent and encouraged denigration of women	Upheld in Part
1996-069	Graham Bennett	Secrets Revealed, TV3	Bad taste and magician's illusions revealed	Not Upheld
1996-070	Graham Bennett	More Secrets Revealed, TV3	Bad taste and magician's illusions revealed	Not Upheld

## APPENDIX III RELEVANT PRIVACY PRINCIPLES

- i) The protection of privacy includes protection against the public disclosure of private facts where the facts disclosed are highly offensive and objectionable to a reasonable person of ordinary sensibilities.
- ii) The protection of privacy also protects against the public disclosure of some kinds of public facts. The "public" facts contemplated concern events (such as criminal behaviour) which have, in effect, become private again, for example through the passage of time. Nevertheless, the public disclosure of public facts will have to be highly offensive to a reasonable person.
- iii) There is a separate ground for a complaint, in addition to a complaint for the public disclosure of private and public facts, in factual situations involving the intentional interference (in the nature of prying) with an individual's interest in solitude or seclusion. The intrusion must be offensive to the ordinary person but an individual's interest in solitude or seclusion does not provide the basis for a privacy action for an individual to complain about being observed or followed or photographed in a public place.
- iv) The protection of privacy also protects against the disclosure of private facts to abuse, denigrate or ridicule personally an identifiable person. This principle is of particular relevance should a broadcaster use the airwaves to deal with a private dispute. However, the existence of a prior relationship between the broadcaster and the named individual is not an essential criterion.
- v) The protection of privacy includes the protection against the disclosure by the broadcaster, without consent, of the name and/or address and/or telephone number of an identifiable person. This principle does not apply to details which are public information, or to news and current affairs reporting, and is subject to the "public interest" defence in principle (vi).
- vi) Discussing the matter in the "public interest", defined as of legitimate concern or interest to the public, is a defence to an individual's claim for privacy.
- vii) An individual who consents to the invasion of his or her privacy, cannot later succeed in a claim for a breach of privacy.

6 May 1996

**BROADCASTING STANDARDS AUTHORITY  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 1996**

**CONTENTS**

Statement of Responsibility  
and Report of the Audit Office

Statement of Financial Performance

Statement of Financial Position

Statement of Movement in Public Equity

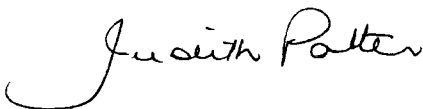
Statement of Cash Flows

Statement of Accounting Policies

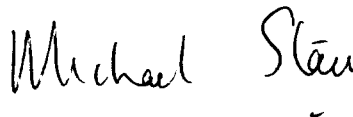
Notes to the Financial Statements

## STATEMENT OF RESPONSIBILITY

The management of the Broadcasting Standards Authority is responsible for the preparation of these financial statements and the judgments used herein. The management of the Broadcasting Standards Authority is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurances as to the integrity and reliability of financial reporting. In the opinion of the management, these financial statements fairly reflect the financial position and operations of the Broadcasting Standards Authority for the year ended 30 June 1996.



Judith Potter  
CHAIRPERSON



Michael Stace  
EXECUTIVE DIRECTOR





## REPORT OF THE AUDIT OFFICE

### TO THE READERS OF THE FINANCIAL STATEMENTS OF THE BROADCASTING STANDARDS AUTHORITY FOR THE YEAR ENDED 30 JUNE 1996

We have audited the financial statements on pages 11 to 15 and 22 to 32. The financial statements provide information about the past financial and service performance of the Broadcasting Standards Authority and its financial position as at 30 June 1996. This information is stated in accordance with the accounting policies set out on page 29.

#### RESPONSIBILITIES OF THE AUTHORITY

The Public Finance Act 1989 and the Broadcasting Act 1989 requires the Authority to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Broadcasting Standards Authority as at 30 June 1996, the results of its operations and cash flows and the service performance achievements for the year ended 30 June 1996.

#### AUDITOR'S RESPONSIBILITIES

Section 43(1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Authority. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed S J Lewis, of Audit New Zealand, to undertake the audit.

#### BASIS OF OPINION

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Authority in the preparation of the financial statements; *and*
- whether the accounting policies are appropriate to the Broadcasting Standards Authority's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards in New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and Broadcasting Standards Authority's compliance with significant legislative requirements.

Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interest in the Broadcasting Standards Authority.

#### UNQUALIFIED OPINION

We have obtained all the information and explanations we have required.

In our opinion, the financial statements of the Broadcasting Standards Authority on pages 11 to 15 and 22 to 32:

- comply with generally accepted accounting practice; *and*
- fairly reflect:
  - the financial position as at 30 June 1996
  - the results of its operations and cash flows for the year ended on that date *and*
  - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 2 October 1996 and our unqualified opinion is expressed as at that date.

S J Lewis

Audit New Zealand

On behalf of the Controller and Auditor-General

Wellington, New Zealand

# STATEMENT OF FINANCIAL PERFORMANCE

BROADCASTING STANDARDS AUTHORITY FOR THE YEAR ENDED 30 JUNE 1996

	NOTES	1996 Actual \$	1996 Budget \$	1995 Actual \$
<b>INCOME</b>				
Grant		594,666	840,444	540,889
Grant - capital injection		-	-	90,000
Interest		12,210	5,000	4,004
Reimbursement for legal expenses		23,111	25,650	-
Publication Sales		7,689	4,000	8,483
Gain on Asset Sales		3,264	-	1,537
Funding for Part VI Functions	3	9,874	-	-
Other		3,336	-	-
<b>TOTAL INCOME</b>		<b>654,150</b>	<b>875,094</b>	<b>644,913</b>
<b>LESS EXPENDITURE</b>				
Human Resources	1	397,049	464,600	391,073
Other Expenses	2	190,979	356,800	225,337
Depreciation		19,948	20,000	18,785
Part VI Functions	3	9,037	-	-
<b>TOTAL EXPENDITURE</b>		<b>617,013</b>	<b>841,400</b>	<b>635,195</b>
<b>SURPLUS OF INCOME OVER EXPENDITURE</b>				
Transferred to Public Equity		<b>\$37,137</b>	<b>\$33,694</b>	<b>\$9,718</b>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements

# STATEMENT OF FINANCIAL POSITION

BROADCASTING STANDARDS AUTHORITY AS AT 30 JUNE 1996

	NOTES	1996 Actual \$	1996 Budget \$	1995 Actual \$
<b>CURRENT ASSETS</b>				
Cash, Bank & Term Deposits	4	100,596	93,667	57,673
Accounts Receivable & Accrued Interest		40	400	300
Prepayments		-	-	1,393
GST Receivable		5,821	10,000	10,181
		<u>106,457</u>	<u>104,067</u>	<u>69,547</u>
<b>LESS CURRENT LIABILITIES</b>				
Accounts Payable & Accruals		69,781	70,182	60,668
Employee Entitlements		9,530	-	8,114
		<u>27,146</u>	<u>33,885</u>	<u>765</u>
<b>WORKING CAPITAL</b>				
		<u>79,311</u>	<u>70,182</u>	<u>68,782</u>
<b>NON CURRENT ASSETS</b>				
	5	45,182	35,000	34,426
<b>NET ASSETS</b>				
		<u>72,328</u>	<u>68,885</u>	<u>35,191</u>
<b>PUBLIC EQUITY</b>				
		72,328	68,885	35,191
<b>TOTAL PUBLIC EQUITY</b>				
		<u>\$72,328</u>	<u>\$68,885</u>	<u>\$35,191</u>

*Judith Potter*

Judith Potter  
Chairperson

*Michael Stace*

Michael Stace  
Executive Director

Wellington  
2 October 1996

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements

# STATEMENT OF MOVEMENT IN PUBLIC EQUITY

BROADCASTING STANDARDS AUTHORITY AS AT 30 JUNE 1996

NOTES	1996	1996	1995
	Actual \$	Budget \$	Actual \$
Public equity brought forward as at 1 July	35,191	35,191	25,473
Net operating surplus/(deficit)	37,137	33,694	9,718
<b>Total recognised revenues and expenses for the year</b>	<b>37,137</b>	<b>33,694</b>	<b>9,718</b>
<b>TOTAL PUBLIC EQUITY</b>	<b>\$72,328</b>	<b>\$68,885</b>	<b>\$35,191</b>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements

# STATEMENT OF CASH FLOWS

BROADCASTING STANDARDS AUTHORITY FOR THE YEAR ENDED 30 JUNE 1996

	NOTES	1996 Actual \$	1996 Budget \$	1995 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash was provided from:				
Grants and Publication Sales		638,938	846,944	549,221
Capital Injection Grant		-	-	90,000
Interest Received		12,210	5,000	4,004
Reimbursement for legal costs		-	25,650	-
Net GST Received from IRD		4,554	-	1,821
Cash was disbursed to:				
Payments to Employees & Members		(343,046)	(443,700)	(328,770)
Payments to Suppliers & Other Operating Expenses		(242,293)	(377,800)	(282,390)
<b>Net Cash Flow From Operating Activities</b>	6	<b>70,363</b>	<b>56,094</b>	<b>33,886</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Cash was provided from:				
Sale of Fixed Assets		4,325	-	1,537
Cash was disbursed to:				
Purchase of Fixed Assets		(31,765)	(20,000)	(3,384)
<b>Net Cash Flows From Investing Activities</b>		<b>(27,440)</b>	<b>(20,000)</b>	<b>(1,847)</b>
<b>NET INCREASE IN CASH HELD</b>				
		42,923	36,094	32,039
<b>PLUS</b> Opening Cash Brought Forward		57,673	57,673	25,634
<b>ENDING CASH CARRIED FORWARD</b>				
		<b>\$100,596</b>	<b>\$93,767</b>	<b>\$57,673</b>

The statement of accounting policies and the notes form an integral part of and should be read in conjunction with these financial statements

# STATEMENT OF ACCOUNTING POLICIES

BROADCASTING STANDARDS AUTHORITY FOR THE YEAR ENDED 30 JUNE 1996

## REPORTING ENTITY

The financial statements of the Broadcasting Standards Authority, a wholly owned entity of the Crown, are presented in accordance with generally accepted accounting principles and the Public Finance Act 1989.

## MEASUREMENT SYSTEM

The measurement base adopted is that of historical cost unless otherwise stated.

## ACCOUNTING POLICIES

The following accounting policies which materially affect the measurement of financial performance, position and cash flows of the Authority have been applied:

### 1. FIXED ASSETS

Fixed assets are recorded at historical cost less accumulated depreciation.

### 2. DEPRECIATION

Depreciation of fixed assets, other than Artworks, is provided on a straight line basis on all tangible fixed assets, at rates calculated to allocate the assets' cost less estimated residual value, over their estimated useful lives:

Partitions, Office Equipment

Furniture and Furnishings      5 years

Photocopy Equipment

Computer Hardware              3 years

### 3. RECEIVABLES

Accounts receivables are stated at their estimated net realisable value.

### 4. LEASE PAYMENTS

Operating lease payments, where lessors effectively retain substantially all the risks and benefits of ownership of the leased items, are included in the determination of the operating result in equal instalments over the lease terms.

### 5. TAXATION

- a) Income tax: Exempt from the payment of income tax in terms of the Income Tax Act 1976
- b) FBT: FBT is payable on all fringe benefits
- c) GST: The Authority is a registered trader for GST purposes and is liable for GST on all goods and services supplied. The financial statements are prepared GST exclusive except for accounts payable and accounts receivable which are GST inclusive.

### 6. FINANCIAL INSTRUMENTS

Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are recognised in the Statement of Financial Position.

### 7. PROVISION FOR EMPLOYEE ENTITLEMENT

Annual leave is recognised on an entitlement basis.

### 8. CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

# NOTES TO THE FINANCIAL STATEMENTS

BROADCASTING STANDARDS AUTHORITY FOR THE YEAR ENDED 30 JUNE 1996

## 1. HUMAN RESOURCES

	1996 Actual \$	1996 Budget \$	1995 Actual \$
Consultancy/Contract Services	12,000	11,500	9,464
Members' Fees	102,124	128,000	112,053
Staff Remuneration	282,925	325,200	269,556
	<b>\$397,049</b>	<b>\$464,700</b>	<b>\$391,073</b>

## 2. OTHER EXPENSES

	1996 Actual \$	1996 Budget \$	1995 Actual \$
Audit of Financial Statements	7,236	7,200	7,200
Complaints	30,285	21,800	28,945
Information and Promotion	9,194	41,200	15,463
Office Expenses	24,260	35,800	34,158
Rent and Maintenance	36,743	37,300	57,665
Research/Seminar	5,147	133,000	34,130
Code Reviews	10,547	17,000	-
Travel, Accommodation & Training	67,567	63,500	47,776
	<b>\$190,979</b>	<b>\$356,800</b>	<b>\$225,337</b>

## 3. PART VI FUNCTIONS

Under Part VI of the Broadcasting Act 1989, the Authority was responsible for allocating time and money to political parties for election programmes. Extra funding for Part VI of \$9,874 was received from the Ministry of Commerce. This function was transferred to the Electoral Commission as from 1 July 1996.

	1996 Actual \$	1996 Budget \$	1995 Actual \$
Consultancy	8,326	-	-
Members' Fees	330	-	-
Miscellaneous	381	-	-
	<b>\$9,037</b>	<b>-</b>	<b>-</b>

## 4. CASH, BANK & TERM DEPOSITS

This comprises cash balances held on hand and in deposits with New Zealand banks.

	1996 Actual \$	1996 Budget \$	1995 Actual \$
Cash on hand: Petty Cash	100	100	100
Banks: Westpac Banking Corporation			
- Current Accounts	34,453	18,667	11,387
- Ready Access Deposit	66,043	75,000	46,186
	<b>\$100,596</b>	<b>\$93,767</b>	<b>\$57,673</b>

## 5. NON CURRENT ASSETS

1994/95			1995/96
5,687	Artworks	At cost	5,687
-		Accumulated Depreciation	-
<u>5,687</u>		Net Current Value	<u>5,687</u>
42,595	Computer Equipment	At cost	50,411
(23,181)		Accumulated Depreciation	(32,727)
<u>19,414</u>		Net Current Value	<u>17,684</u>
49,760	Furniture & Furnishings	At cost	50,336
(48,830)		Accumulated Depreciation	(48,724)
<u>930</u>		Net Current Value	<u>1,612</u>
50,621	Partitioning & Fitout	At cost	50,621
(50,620)		Accumulated Depreciation	(50,620)
<u>1</u>		Net Current Value	<u>1</u>
7,500	Photocopier	At cost	16,765
(5,826)		Accumulated Depreciation	(2,327)
<u>1,674</u>		Net Current Value	<u>14,438</u>
23,289	Office Equip/Televisions	At cost	25,288
(16,569)		Accumulated Depreciation	(19,528)
<u>6,720</u>		Net Current Value	<u>5,760</u>
179,452	<b>TOTAL FIXED ASSETS</b>	At cost	199,108
(145,026)		Accumulated Depreciation	(153,926)
<u><b>\$34,426</b></u>		Net Current Value	<u><b>\$45,182</b></u>

## 6. RECONCILIATION OF THE NET OPERATING DEFICIT WITH NET CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR

	1996 Actual \$	1996 Budget \$	1995 Actual \$
Reported Surplus For The Year	37,137	34,694	9,718
Add Non-Cash Items:			
Depreciation	19,948	20,000	18,785
Adjust Item Classified As Investing Activity:			
Net (Profit) Loss on Sale of Fixed Assets	(3,264)	-	(1,537)
Add Movements In Other Working Capital Items:			
(Increase) Decrease in Accounts Receivable	260	(100)	(151)
Increase (Decrease) in Accounts Payable	9,113	1,218	10,209
Increase (Decrease) in Provision for Holiday Pay	1,416	-	(2,690)
(Increase) Decrease in Net GST Receivable	4,360	181	945
Increase (Decrease) in Revenue Received in Advance	-	-	-
(Increase) Decrease in Prepayments	1,393	1,393	(1,393)
Net Cash Flow From Operating Activities	<u><b>\$70,363</b></u>	<u><b>\$57,386</b></u>	<u><b>\$33,886</b></u>



## 7. STATEMENT OF COMMITMENTS

The following significant future commitments have been incurred by the Broadcasting Standards Authority against future years' income.

### Leased Premises

The Authority has a lease from the NZ Lotteries Commission for the rental of the premises comprising part of the second floor, 54-56 Cambridge Terrace, Wellington from July 1 1996 until July 1 1998.

	1996	1995
	\$	\$
Less than one year	28,695	28,695
One to two years	28,695	28,695
Three to five years	-	28,695
Total Rent Expenditure Committed	<u>\$57,390</u>	<u>\$86,085</u>

### Capital Commitments

	1995/96	1994/95
	Nil	Nil

## 8. STATEMENT OF CONTINGENT LIABILITY

As at 30 June 1996 eight decisions of the Authority are in various stages of appeal in the High Court and judicial review has been sought on two decisions. The basis of the appeals is to overturn a decision by the Authority. The awarding of legal costs will be the only impact on the Authority. As at 30 June 1995 there were ten decisions in appeal.

## 9. FINANCIAL INSTRUMENTS

The Broadcasting Standards Authority is party to financial instrument arrangements as part of its everyday operations. These financial instruments include instruments such as bank balances, investments and accounts receivable.

### CREDIT RISK

In the normal course of its business the Authority incurs credit risk from trade debtors, and transactions with financial institutions. The Authority does not require any collateral or security to support financial instruments with financial institutions that the Authority deals with, as these entities have high credit ratings. For its other financial instruments the Authority does not have significant concentrations of credit risk.

### FAIR VALUE

The fair value of financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

### CURRENCY AND INTEREST RATE RISK

The Authority has no exposure to interest rate or currency risk on its financial instruments.