

BROADCASTING STANDARDS AUTHORITY
STATEMENT OF INTENT 2011-2014
TE MANA WHANONGA KAIPĀHO TAUĀKĪ
WHAKAMAUNGA ATU 2011-2014

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STATEMENT FROM THE BSA

11 MAY 2011

This Statement of Intent (SOI) is produced in accordance with sections 141 and 142 of the Crown Entities Act 2004. It sets out the outcomes the Broadcasting Standards Authority (BSA) will pursue, and how we intend to do this, over the next three years.

INITIATIVES

This year the BSA will:

- Continue to adjudicate on complaints in a timely and just manner.
- Base planning on a three-dimensional model comprising work in the 'territories' of Compliance, Media and Public.
- Introduce a 90 day planning cycle to achieve agility.
- Refine performance measures in the Compliance, Media and Public territories.
- Maintain costs at current levels and reduce costs where possible.

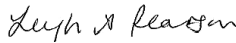
The forecast financial statements contained in this document have been authorised for issue by the board of the BSA. There is no intention to update the forecast financial statements subsequent to presentation.



Peter Radich – Chair



Mary Anne Shanahan – Member



Leigh Pearson – Member



Te Raumawhitu Kupenga – Member

STATEMENT FROM THE MINISTER

11 MAY 2011

In accordance with section 149 of the Crown Entities Act 2004 I agree to lay this Statement of Intent of the Broadcasting Standards Authority for the three years ended 30 June 2014 before the House of Representatives.

A handwritten signature in black ink, appearing to read 'Coleman', with a stylized flourish at the end.

Hon Dr Jonathan Coleman
Minister of Broadcasting

INTRODUCTION

The BSA is a quasi-judicial tribunal established by the Broadcasting Act 1989, tasked with overseeing New Zealand's broadcasting standards regime. We provide the public with a free, independent complaints service. Our jurisdiction covers programmes on broadcast media encompassing television (including free-to-air, pay and mobile television) and radio. We do not determine complaints about advertising (apart from election advertising) or about any non-broadcast media, including print.

OUR MANDATE

Our functions, as outlined in section 21 of the Broadcasting Act, are to:

- receive and determine complaints:
 - » about alleged breaches of the Codes of Broadcasting Practice, referred by complainants following decisions made by broadcasters
 - » about privacy where the complainant has chosen to refer the complaint directly to the BSA
 - » that election programmes have breached the Codes of Broadcasting Practice
- issue advisory opinions on broadcasting standards and ethical conduct in broadcasting
- conduct and publish research on matters relating to broadcasting standards
- encourage broadcasters to develop and observe Codes of Broadcasting Practice and to approve those Codes
- publicise procedures in relation to complaints.

The BSA operates within a co-regulatory content regulation environment. This means that in most cases viewers and listeners who wish to make a formal complaint about content that has been broadcast must first complain to the broadcaster concerned. If the complainant is dissatisfied with the result they have the right to refer the matter to the BSA. BSA decisions, in turn, may be appealed, by either complainants or broadcasters, to the High Court.

The BSA is an Independent Crown Entity which means, among other things, that the government cannot direct us in our work.

THE MEMBERS OF THE AUTHORITY

Members of the BSA are appointed by the Governor-General on the advice of the Minister of Broadcasting. Members have two key roles: governance of the BSA and quasi-judicial determination of complaints.

Members are required to declare any potential conflict and to withdraw from the consideration of any complaint where the other members of the BSA decide they are conflicted. Each member also signs a Declaration of Interest form annually.

Historical Overview

The table in Appendix I gives a full overview of the BSA's complaints statistics.

PART 1: OUR OPERATING ENVIRONMENT



INTRODUCTION

The environment in which we work is fast changing and ever changing. While the media has always been a dynamic industry, technological advances, convergence of different forms of media and the fragmentation of the audience have increased the rate of change in recent years.

The BSA must be prepared to meet the realities of this environment. We must fully understand the areas in which we work, and the expectations of the key stakeholders and examine our activities and, indeed, our very operating model, to truly reflect modern media.

ENVIRONMENTAL TERRITORIES

There are three key forces at play in our environment. In order to achieve our goals we need to contribute strongly and appropriately to the benefit of each area. These three key forces are:

Compliance: The BSA exists to ensure compliance with agreed broadcasting standards. We need to ensure we are able to deliver effectively against this expectation. A particular pressure in this area is the capacity of the BSA (and broadcasters) to deal with increasing complaints numbers.

Media: The fragmentation of content delivery and intensification of economic pressure have made media delivery a far more complex undertaking in recent years. This makes the optimising of networking and forming strong relationships crucial to performing well in this area.

Public: Members of the public drive the need for our work. We can deliver in this area by positively influencing the public's interaction with the media and media content insofar as it relates to broadcasting standards and the BSA.

These forces will be referred to as 'territories' in this Statement of Intent.

STAKEHOLDERS

We have five key stakeholders:

Audience: This includes the actual audience (viewers and listeners) and the potential audience (all members of society who seek out content). As a public organisation the BSA has an ultimate obligation to those we are here to serve. Within this stakeholder group we interact most with those who engage with broadcast media, supporting the audience's ability to self-regulate their media usage (providing information) and to make complaints about broadcast material.

Government (the Minister of Broadcasting through the Ministry for Culture and Heritage): The Ministry supports the Minister who, in turn, is there representing the broad interests of the public, especially concerning the just spending of public finances.

Broadcasters: This includes traditional broadcasters and content providers that are new to the environment and delivering a broadcast-style delivery of content as well as those who provide content to broadcasters (such as producers).

Board: The four appointed board members who make up the 'Authority'.

BSA staff: Staff members are tasked with supporting the members in their decision making and in undertaking work on other BSA functions (including our research and provision of information).

STRATEGIC CHALLENGES AND OPPORTUNITIES

The work we do needs to be driven by the challenges we face and the opportunities arising from these challenges and the environment in which we work. Many of these issues are known to us but may require work to help define them further.

Environmental Territories				
		Compliance	Media	Public
Stakeholders	Audience	Work directly (as the BSA) and indirectly (through and with third parties) to achieve goals.	Enhance the ability of the public to navigate the media environment in a savvy fashion.	Assist members of the public to self-regulate or to complain appropriately.
	Government	Perform to standards, meet challenges and expectations.	Create opportunities and occasions for discourse.	Help government better understand BSA's environment.
	Broadcasters	Assist broadcasters to achieve optimal performance in managing self-regulatory duties and alignment with BSA processes and standards for content.	BSA as catalyst for working together and sharing knowledge.	Clarity about complaints procedure, rights and responsibilities.
	Board	Board understand their responsibilities and have adequate resources to carry them out.	Credible and respected decision making. Maintain proper and respectful relationships with broadcasters.	Perceived as credible and expert decision makers. Meaningfully engaged in debate and comment.
	Staff	Staff members have the right skills and know-how to contribute effectively.	Foster and maintain networks and constructive relationships with broadcasters and new Media territory entrants.	Improve BSA profile within Public territory.

PART 2: OUR RESPONSE



MISSION

Our mission is: To promote fairness and freedom in broadcasting through impartial complaints determination, valuable research, effective communication and practical assistance.

The concept of fairness has a distinctly New Zealand flavour and reflects the idea that everyone should get 'a fair go'. The audience has the right to see and hear the truth from broadcasters; participants in broadcasts have the right to honest and fair representation. Complainants and broadcasters have the right to a fair complaints system in which their opinions are heard.

The concept of freedom highlights the fact that New Zealand is a modern democratic society where freedom of speech is not only highly valued but is protected by law in the Bill of Rights Act 1990.

Our mission reflects the fact that when undertaking our work we must justly balance these two concepts – ensuring that broadcasters fulfil the obligations they have agreed to follow under the broadcasting codes while supporting their right to free speech.

BSA'S APPROACH – THREE DIMENSIONS

The BSA's formal approach has remained almost unchanged since 1989 and has been focused on complaints determination. This means we primarily explained to the public how to complain and adjudicated on complaints with support from our research. We augmented these activities with a limited number of outreach activities. This approach has been – as demanded by the then environment – largely one-dimensional.

However, our changing environment requires that the BSA needs to fully develop the dimensions of its outreach activities in the two environmental territories where we have done only limited work – the media and the public. We need to formally support the media in their self-regulation relationship with the public and we need to engage more meaningfully with the public to assist them in navigating the more complex media environment.

Our response to this is a Three Dimensions model comprising work in the following areas:

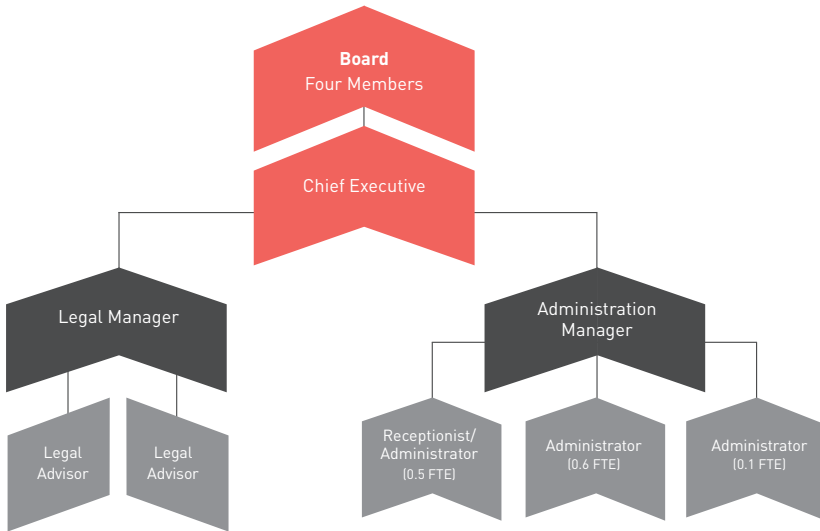
1. Complaints determination
2. Broadcaster support
3. Public support.

Our strategies, activities and goals will reflect this refreshed three-dimensional approach.

STRUCTURE AND PEOPLE

The BSA is a small organisation and we foster a collaborative organisational style that values the input of all participants. We encourage and have a positive, flexible culture and have a clear appreciation of governance and management distinctions.

Organisational Structure 2011-2012



VALUES

All our people operate according to a set of core values. These values direct how we act, how we treat others and how we expect to be treated in return:

Integrity – we work in a principled, independent, transparent and honest way.

Fairness – we believe in the equitable treatment of all people, with a sense of justice, impartiality and reasonableness.

Respect – we are responsive to the needs of the people we deal with.

Commitment – we promote a culture of excellence in our organisation.

CAPABILITY

In planning for capability and risk we take into account that we are a small organisation that comprises specialist staff.

We ensure that we actively monitor all the factors that affect our service delivery. This includes but is not limited to: complaints numbers and complexity; staff productivity; staffing changes; synergies between board, management and staff; state sector compliance requirements; and adequate funding.

We recognise that complaints numbers have risen for each of the past four years (see Appendix I). We are also aware that complaints numbers have typically risen and fallen over time and that the current record level of complaints is not significantly greater than other historic highs. However, our capability planning must ensure we remain able to continue to carry out our core services within current resources. Therefore, as we move to a three-dimensional approach, we will ensure the trend of increasing complaints numbers is a key consideration in our planning and our activities.

CAPABILITY OBJECTIVES - 2011-2012

To enhance performance we will work towards the following goals in the next twelve months. We will report on activities undertaken in these areas.

Environmental Territories				
	Compliance	Media	Public	
BSA Board Members	Members need to be skilled in complex decision making and knowledgeable about governance (in particular, governance of an Independent Crown Entity).	Members need to be knowledgeable about the media environment and, in particular, the realities of broadcasting in New Zealand.	Members need to have a clear appreciation of the diversity of community views and public attitudes towards BSA decisions.	Identified Needs
	Members develop decision making and governance prowess.	Members and broadcasters engage in a respectful ongoing dialogue.	Members undertake activities, including research, to enable them to be informed about social attitudes and opinions.	Capability Solution
Staff	BSA requires diverse team players, skilled staff with necessary knowledge.	Staff must support media to fulfil their obligations and self-regulation role.	Staff members need to best understand needs of the public and supply assistance for the public to manage their own engagement with media.	Identified Needs
	Staff employment policies focus on retention and development of top quality staff.	Broaden staff roles and supply upskilling to enable staff members to understand and meet needs of broadcasters.	Staff develop formal and informal feedback systems so they can maximise opportunities for providing support to the public.	Capability Solution

Internal Performance

To maintain and enhance our internal performance we will achieve the following goals in the next twelve months. We will report against these measures.

Targets	Measures
BSA Board Members	
Members undertake an annual self-assessment exercise around duties of governance and quasi-judicial powers.	Self-assessment completed and recommendations actioned by 30 June 2012.
Members continue to have a clear appreciation of the diversity of community views and attitudes towards BSA decisions (including views of both the public and broadcasters).	Board undertakes activities, including research and broadcaster engagement, to enable them to stay in touch with relevant attitudes and opinions.
Staff	
All staff members possess the tools, information and training necessary to perform to a high and multi-functional level.	Each staff member has a professional development plan. Plans are reviewed annually.

BEING A GOOD EMPLOYER

We are a 'good employer' and we have a commitment to providing equal employment opportunities. We do not permit or condone harassment or discrimination of any kind. Our policies and procedures are consistent with the State Services Standards of Integrity and Conduct.

We will report on any issues that arise and the action taken in each of the following areas (Human Rights Commission 'Good Employer' Elements): Leadership, Accountability and Culture; Recruitment, Selection and Induction; Employee Development, Promotion and Exit; Flexibility and Work Design; Remuneration, Recognition and Conditions; Harassment and Bullying Prevention; Safe and Healthy Work Environment.

PLANNING

Key Considerations for the Period 2011-2012

Consideration	Scale / Impact	Action
Review of the Broadcasting Act 1989	High / High	The BSA cannot drive a review of the Act but our approach is to remain practical and prepared. No Act changes are necessary to achieve a three-dimensional approach.
Economic constraints	High / High	Quantify and analyse the cost of the broadcasting standards system and model to ensure we possess necessary capability and resources.
New entrants to Media territory	Low / Medium	Develop new initiatives and performance measures. Participate in new areas where this contributes to outcomes.
Increasing complaints numbers	Medium / High	Develop 3D strategic projects (e.g. resources for self-regulation of media use by public) with aim of minimising increases in complaints numbers/reducing numbers.

As a smaller organisation with defined goals we are sensitive to the need for our planning to be simple, clear and precise. Last year we used our Statement of Intent as our strategic planning base and will continue to do so.

Over the next 12 months we will institute a 90 day planning cycle. This is based around our need to remain agile and adaptable, particularly in our operating territories. Further, we have a requirement to report to the Minister every quarter. This means that every 90 days we will be able to align ourselves with any changes and ensure we adapt in order to make progress towards our goals.

Planning Strategies

Our overall strategies ensure we can focus both on our current and future needs. Our 90 day planning will take place within the wider planning guidelines we have developed over time.

Our primary output, determining complaints referred to us, does not change from year to year. Therefore, the majority of planning in this area involves keeping a watching brief on numbers and trends to ensure we can continue to deliver this service in a fair and professional manner. While we cannot drive a review of the Broadcasting Act all our planning takes into account our need to be prepared for any legislative changes. Our Codes of Broadcasting Practice follow a five-yearly review cycle and so planning for this is typically done well ahead of schedule.

All our research flows from the research strategy we developed in 2006:

- To publish broad-based, innovative and practical research which adds to publicly available knowledge about a variety of broadcast and media content issues.
- To be continuously curious about, and informed of, New Zealanders' views about broadcasting standards and related matters.
- To consider longitudinal research where possible to maximise the value of the data and the consistency of the research programme.

- To use research to measure stakeholder satisfaction.

Our strategies for communication activities are:

- To maximise opportunities to take part in the broadcasting regulatory debate.
- To maintain and enhance existing communications and create new ones.
- To seek new opportunities to engage the public in dialogue on standards and what is acceptable.

PART 3: MEASURING SUCCESS



STRATEGIC FRAMEWORK

Our Strategic Framework provides the basis on which we plan our activities. We have refined our model to better reflect the realities of the environment in which we work. Our activities are now spread across three Outcome Areas which correlate to the environmental territories we have identified – Compliance, Media and Public.

Our framework now also specifies that we are a part of the Cultural Sector and contribute to the sector's 'Engage' outcome, in particular, that New Zealanders consider their culture is relevant and distinctive and make it a part of their daily lives. We contribute to this outcome by ensuring that the broadcasting standards are accessible and respected and that the media and public are supported to engage meaningfully with the system.

Sector Outcome	Engagement in cultural activities is increasing New Zealanders consider their culture is relevant and distinctive and make it a part of their daily lives.		
Overarching BSA Outcome	Fairness and freedom in broadcasting		
Outcome Areas	Compliance	Media	Public
Outcomes	BSA processes, decisions and the Codes of Broadcasting Practice are relevant and respected.	Media understand their obligations under the Broadcasting Act and handle complaints in a responsive manner.	Public understand the broadcasting standards system, have the skills to manage their content consumption and make effective complaints.
Impacts	BSA systems and procedures support the board to make good decisions and fulfil their commitment to broadcasters and complainants.	BSA assists broadcasters to better meet their obligations and improve their processes.	BSA's information improves the public's understanding of broadcasting standards and how to make a high quality complaint.
Outputs			
Measures and Targets			

Mission and Values

WHAT WE WILL ACHIEVE IN 2011–2012

Explanation and Overview

Compliance

Complaints Determination – Our processes for determining complaints are well developed and we constantly challenge ourselves to refine and improve these systems. The targets we have set for ourselves in relation to this outcome area are designed to balance the right of complainants to a fair and timely service with realistic timeframes that ensure complaints are dealt with thoroughly and thoughtfully.

To ensure robust and just decision making we will, as we do each year, seek an independent assessment of our decision making and continue to litmus test our decisions with members of the public.

Research – We undertake research to ensure we remain informed by social attitudes and opinions. This year we will study an aspect of the future direction of broadcasting standards so that we can continue to adapt our processes, within the boundaries of legislative restraints, to best meet the needs of New Zealanders. We will continue to involve our stakeholders wherever practicable when we plan, commission and release research.

Media

It is important to us that broadcasters, who first deal with most broadcasting standards-related complaints as a matter of course, receive sufficient information and support from us. As we move to a three-dimensional approach we will develop appropriate tools and processes by which we can provide this information and assistance. We will survey broadcasters so that we can measure our performance against this outcome.

We will continue to publish practice notes on aspects of Code interpretation. These explain the BSA's likely approach to various standards.

Public

It is equally important that we provide useful information to the public and that those who choose to make a complaint receive excellent service from us. We will create resources designed to assist the public in managing their media use and how to make quality complaints. We will survey complainants so we can measure how we are fulfilling their expectations of us.

Business-as-usual Activities

We will formally measure and report against the activities outlined in our 2011-2012 Statement of Service Performance. In addition we will undertake our ongoing business-as-usual activities, including the following:

- Reviews of Codes of Broadcasting Practice where timetabled/required
- Communications designed to keep stakeholders informed and publishing decisions on the BSA website
- Publishing all newly reviewed Codes in both English and te reo Māori
- Regular meetings with broadcasters and broadcaster associations.

Longer-Term Projects and Planning

Some of the work carried out by the BSA is unable to be precisely measured on a year-to-year basis as it takes place over several reporting periods or constitutes activities relating to longer-term planning. This work will not be reported against this year but progress on this work is noted here.

Projects (previously noted in our 2009-2012 Statement of Intent)

Measure	Previous Target Set for 2010-2012	Planned Progress
Audit broadcaster publicity of the complaints process (including an audit of notices advertising the complaints process on each channel). All broadcasters not complying with their obligations under the Act are notified and given information and/or assistance to comply where necessary.	An audit shows improved compliance by broadcasters.	Audit will be carried out in 2011-2012 year.
A public survey of awareness of the Codes and the standards is undertaken to obtain baseline figures for measurement.	Promotion of the Codes and standards is undertaken. A survey shows that public awareness of the Codes and the standards has increased by no less than 5% by 30 June 2012.	Survey for improvements in awareness will be carried out in the 2011-2012 year.

FORECAST STATEMENT OF SERVICE PERFORMANCE

For the year ending 30 June 2012

The table in Appendix II provides information on previous comparable results.

Overarching Outcome	Outcome Areas	Outcomes	Impacts	Outputs	Targets	Measures
Fairness and freedom in broadcasting	Compliance	BSA processes, decisions and the Codes of Broadcasting Practice are relevant and respected.	BSA systems and procedures support the board to make good decisions and fulfil their commitment to broadcasters and complainants.	Acknowledge complaints in writing in a timely manner.	Complaints acknowledged within 3 working days.	100%
				Issue soundly reasoned decisions in a timely manner.	Complaints decisions issued within 20 working days after board meeting at which decision is made.	95%
					Research projects that provide knowledge of use to the BSA decision making.	A research project that studies the future direction of broadcasting standards is commissioned and published by 30 June 2012.
					Externally assess the quality of BSA reasoning.	Commission an external review of the way the BSA interprets a standard or an aspect of the process by which the BSA determines complaints.
					Litmus testing of BSA decisions with members of the public.	Review published by 30 June 2012. Relevant findings are applied in the BSA's processes.
						No fewer than five BSA decisions are litmus tested by 30 June 2012.

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Overarching Outcome	Outcome Areas	Outcomes	Impacts	Outputs	Targets	Measures
Fairness and freedom in broadcasting	Media	Media understand their obligations under the Broadcasting Act and handle complaints in a responsive manner.	BSA assists broadcasters to better meet their obligations and improve their processes.	Provide useful support and information to broadcasters.	Issue practice notes on aspects of Code interpretation and BSA process. Externally assess BSA relationships with, and support provided to, broadcasters.	Two new practice notes published by 30 June 2012. No fewer than 50% of broadcasters rank BSA processes as good or better. Results of survey published by 30 June 2012.
	Public	Public understand the broadcasting standards system, have the skills to manage their content consumption and make effective complaints.	BSA's information improves the public's understanding of broadcasting standards and how to make a quality complaint.	Provide useful information to the public.	Create and publish 'how to use media/broadcasting standards system' resources.	20,000 downloads of 'how to use media/broadcasting standards system' resources from the website.
				Provide excellent service to complainants.	Survey complainants involved in referred complaints on an ongoing basis.	No fewer than 30% of complainants rank BSA service as good or better. Results of surveys published every six months.

OUTCOME AREA COSTS

OUTCOME 1 COMPLIANCE

Personnel	521,992
Direct Operating	226,000
Overhead	306,104
	\$1,054,096
% OF TOTAL BUDGET	71%

OUTCOME 2 MEDIA

Personnel	99,000
Direct Operating	-
Overhead	43,169
	\$142,169
% OF TOTAL BUDGET	9%

OUTCOME 3 PUBLIC

Personnel	87,464
Direct Operating	172,200
Overhead	43,168
	\$302,832
% OF TOTAL BUDGET	20%

FORECAST INCOME AND EXPENDITURE SUMMARY FOR OUTCOME AREAS

	Forecast Income	Forecast Expenditure	
Outcome 1 - Compliance	983,713	1,054,096	71%
Outcome 2 - Media	132,676	142,169	9%
Outcome 3 - Public	281,611	302,832	20%
TOTALS	\$1,398,000	\$1,499,097	

PART 4: REPORTING



FORMAL REPORTING - OVERVIEW

As required by law, complaints determination is performed by BSA members fully independent of the Minister of Broadcasting and government. Our status as an Independent Crown Entity means that no consultation with the Minister is undertaken when determining complaints. Nor is the Minister consulted about Code reviews, research or communications activities except by way of intentions signalled in this SOI.

We provide the Minister with regular reports, both formal and informal, about activities, performance against operational targets set out in this SOI and forecasts of our projected year-end financial performance.

We also sign a Memorandum of Understanding with the Minister which sets guidelines for the relationship between us. We operate on a mutual 'no surprises' policy to ensure that each party is fairly advised of potential issues.

The Ministry for Culture and Heritage provides support to the Minister. The Ministry is responsible for drafting all replies to parliamentary questions and ministerial correspondence. The BSA can withhold information from the Minister or the Ministry in accordance with section 134 of the Crown Entities Act.

Our staff consults with the Ministry on operational matters when appropriate and aims to work with Ministry staff on a basis of collegiality and good faith.

REPORTING OBJECTIVES

BSA reporting will be based on activities associated with each operational area. Our key objectives here are to ensure all stakeholders are kept informed and that formal reporting requirements are met. We will report broadly on meeting formal reporting expectations:

Government – Allow the Minister and Ministry to have confidence in BSA delivering the best proposition for controlling content and maintaining standards on behalf of New Zealanders and contributing effectively to MCH's stated outcomes.

Informal reporting (as required) > Fortnightly reports > Quarterly reports > Annual Report

Board – Ensure the board has the necessary information to contribute fully on governance and make high-quality decisions.

Informal reporting (as required between board meetings) > Formal reports (at board meetings)

Staff – Confirm to staff that they are contributing the best work and activities usefully towards BSA outcomes and that their input is heard and valued.

Informal and formal feedback to staff <> Informal feedback by staff

Broadcasters – Keep media informed about BSA activities and provide useful information.

Reporting of activities through publications > Annual Report

Public – Information and support provided in an accessible and useful way.

Reporting of activities through publications > Annual Report

**PART 5:
FINANCIAL
INFORMATION
2011-2012**

The background of the page is a dark grey color. In the lower half, there are several large, overlapping geometric shapes in a bright red color. These shapes are composed of straight lines and right angles, creating a complex, layered effect. The shapes appear to be rectangular blocks of varying sizes and orientations, some overlapping each other, creating a sense of depth and movement. The overall aesthetic is modern and minimalist.

The following section presents a set of finances for the year ending 30 June 2012.

- Forecast Statement of Comprehensive Income
- Forecast Statement of Changes in Equity
- Forecast Statement of Financial Position
- Forecast Statement of Cash Flows
- Notes to the forecast financial statements, including a summary of significant accounting policies and the statement of key assumptions
- Forecast Statement of Service Performance

FORECAST STATEMENT OF COMPREHENSIVE INCOME

For the year ending 30 June 2012

	2012 Forecast \$	2011 Forecast \$
REVENUE FOR ALL CLASSES OF OUTPUTS		
Revenue from Crown	609,000	609,000
Broadcasting Levy	750,000	752,000
Interest Income	40,000	46,000
Other Revenue	0	1,805
TOTAL REVENUE	1,399,000	1,408,805
LESS EXPENDITURE (Note*)		
Outcome area 1 - Compliance*	1,054,096	1,136,081
Outcome area 2 - Media*	142,169	61,145
Outcome area 3 - Public*	302,832	297,934
TOTAL EXPENDITURE	1,499,097	1,495,160
NET (Deficit) / Surplus for the year	(100,097)	(86,355)
Note: Expenditure consists of:		
Members Fees & Staff Remuneration	708,456	679,350
Depreciation	27,492	23,100
Amortisation	24,549	2,700
Audit Fees	18,000	18,000
Other expenditure for activities and overheads	720,600	772,010
	1,499,097	1,495,160

The statements of accounting policies and assumptions form an integral part of and should be read in conjunction with these forecast financial statements.

** From 1 July 2011 we have revised the way we report expenditure.*

FORECAST STATEMENT OF CHANGES IN EQUITY

For the year ending 30 June 2012

	2012 Forecast \$	2011 Forecast \$
NET (Deficit) / Surplus for the year	(100,097)	(86,355)
PLUS Public Equity 1 July	531,671	618,026
PUBLIC EQUITY at 30 June 2012	431,574	531,671

The statements of accounting policies and assumptions form an integral part of and should be read in conjunction with these forecast financial statements.

FORECAST STATEMENT OF FINANCIAL POSITION

For the year ending 30 June 2012

	2012 Forecast \$	2011 Forecast \$
CURRENT ASSETS		
Cash and Cash Equivalents	48,102	48,858
Investments	400,000	600,000
Debtors and Other Receivables	1,800	500
Prepayments	5,000	4,600
Net GST	18,000	15,000
	472,902	668,958
LESS CURRENT LIABILITIES		
Creditors and Other Payables	120,000	150,000
Employee Entitlements	50,000	30,000
	170,000	180,000
WORKING CAPITAL	302,902	488,958
NON-CURRENT ASSETS		
Property, Plant and Equipment	81,536	41,028
Intangible Assets	47,136	1,685
	128,672	42,713
NET ASSETS	431,574	531,671
Represented by PUBLIC EQUITY	431,574	531,671

The statements of accounting policies and assumptions form an integral part of and should be read in conjunction with these forecast financial statements.

FORECAST STATEMENT OF CASH FLOWS

For the year ending 30 June 2012

	2012 Forecast \$	2011 Forecast \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash will be provided from:		
Grants, Broadcasting Levy, and Other Income	1,357,300	1,383,765
Interest	40,000	46,000
Cash will be disbursed to:		
Payments to Employees and Members	(659,350)	(696,847)
Payments to Suppliers & Other Operating Expenses	(797,706)	(710,731)
Net GST	(3,000)	(1,526)
Net Cash Flows from Operating Activities	(62,756)	20,661
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was disbursed from:		
Investments	200,000	10,611
Cash will be disbursed to:		
Purchase of Property, Plant and Equipment	(68,000)	(4,687)
Purchase of Intangible Assets	(70,000)	0
	(138,000)	(4,687)
Net Cash Flows from Investing Activities	62,000	5,924
Net Increase / (Decrease) in Cash Held	(756)	26,585
PLUS Opening Cash Brought Forward	48,858	22,273
BALANCE CARRIED FORWARD	48,102	48,858

The statements of accounting policies and assumptions form an integral part of and should be read in conjunction with these forecast financial statements.

NOTES TO THE FORECAST FINANCIAL STATEMENTS

REPORTING ENTITY

The Broadcasting Standards Authority was established by the Broadcasting Act 1989 which sets out the functions and responsibilities of the BSA. The BSA is an Independent Crown Entity in terms of the Crown Entities Act 2004.

STATEMENT OF COMPLIANCE AND MEASUREMENT BASIS FOR PREPARATION

These forecast financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The information in the forecast financial statements may not be appropriate for purposes other than the requirements of the Act.

The forecast financial statements for the year ended 30 June 2012 are prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ('NZ GAAP').

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Revenue

Revenues are derived and recognised as follows:

Crown revenue consists of a grant from the Government. This grant is recognised when it is received.

The Broadcasting Levy is recognised upon receipt of the payment from the broadcaster.

Interest is derived from held-to-maturity investments and is recognised on an accrual basis.

Other income is recognised at the time the services are rendered.

The BSA's revenue is of a generic nature and is not directly derived from the outcomes disclosed in the Statement of Service Performance.

2. Statement of cash flows

Cash comprises cash on hand and demand deposits. Demand deposits include short-term deposits in which the BSA invests as part of its day-to-day cash management.

Operating activities include cash received from all income sources and records the cash payments made for the supply of goods and services and payments to employees.

Investing activities are those activities relating to the acquisition and disposal of long-term and other investments.

Financial activities comprise the change in equity and borrowings of the entity.

3. Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the BSA are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Financial Position.

4. Cash and cash equivalents

Cash and cash equivalents held by the BSA include bank balances, on-call bank deposits and short-term deposits with original maturities of three months or less.

5. Debtors and other receivables

Accounts receivable are stated at their expected realisable value.

6. Investments in bank deposits

Investments in bank deposits are measured at fair value.

7. Property, plant and equipment

Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and impairment losses.

8. Depreciation

Depreciation is provided on a straight-line basis on all fixed assets, other than freehold land, at a rate which will write off the cost (or valuation) of the assets to their estimated residual value over their useful lives.

Office Equipment	5 years	20% straight line
Furniture & Fittings	5 years	20% straight line
Leasehold Improvements.....	5 years	20% straight line
Photocopier.....	3 years	33% straight line
Computer Equipment	3 years	33% straight line

Artworks are fully depreciated in the year of purchase.

9. Intangible assets

Software acquisition

Computer software licenses are capitalised on the basis of the costs incurred to acquire and use the specific software.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follow:

Computer Software	3 years	33% straight line
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10. Creditors and other payables

Creditors and other payables are stated at their expected realisable value.

11. Employee entitlements

Employee entitlements that the BSA expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay. These include salary and wages accrued up to balance date, annual leave earned to, but not yet taken at, balance date, and bonuses where it is a contractual obligation to pay them.

12. Taxation

Goods and Services Tax (GST)

All items in the financial statements are exclusive of GST, with the exception of accounts receivable and accounts payable, which are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from, the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The BSA is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

13. Outcome cost allocation

This year the BSA has revised its Strategic Framework. Consequently outcome costs in the Statement of Service Performance have been reclassified.

Direct costs are those costs directly attributed to an outcome. Indirect costs are those costs that cannot be identified, in an economically feasible manner, with a specific outcome.

Direct costs are charged directly to outcomes. Indirect costs are charged to outcomes based on estimates of related activity / information.

14. Statement of key assumptions

The forecast financial statements are based on assumptions concerning the future and estimates which may vary from the information presented. The variations may be material, especially if income from the Broadcasting Levy was to decrease due to a significant decrease in broadcasters' revenue.

APPENDIX I

Complaints Received and Decisions Issued

July 1989-April 2011

Year	Complaints Received	Decisions Released	Upheld	Not Upheld	Declined to Determine	Other
July 2010 – April 2011*	218	182	35	126	13	8
July 2009 – June 2010	210	193	45	141	7	-
July 2008 – June 2009	162	151	25	124	2	-
July 2007 – June 2008	148	139	41	94	2	2
July 2006 - June 2007	131	125	27	94	3	1
July 2005 - June 2006	153	156	19	127	10	-
July 2004 - June 2005	184	214	40	166	7	1
July 2003 - June 2004	196	187	42	133	5	7
July 2002 - June 2003	169	160	26	116	8	10
July 2001 - June 2002	186	180	44	128	8	-
July 2000 - June 2001	197	189	41	135	13	-
July 1999 - June 2000	206	239	71	152	16	-
July 1998 - June 1999	204	184	33	132	9	10
July 1997 - June 1998	174	176	39	122	12	3
July 1996 - June 1997	206	199	40	147	10	2
July 1995 - June 1996	179	171	50	110	10	1
July 1994 - June 1995	162	139	48	84	4	3
July 1993 - June 1994	168	151	53	92	6	-
July 1992 - June 1993	159	144	43	97	3	1
July 1991 - June 1992	106	76	25	46	4	1
July 1990 – June 1991	52	45	19	25		1
July 1989 – June 1990	43	14	6	6	2	-

* Figures for full year not available at time of publication. Figures are provisional only.

APPENDIX II

Results from Previous Years (where comparable)

2011-2012 SSP Expectations		Previous Results				
Outputs	Targets	Measures	2010-11*	2009-2010	2008-2009	2007-2008
Acknowledge complaints in writing in a timely manner.	Complaints acknowledged within 3 working days.	100%	100%	100%	100%	100%
	Complaints decisions are issued within 20 working days after board meeting at which decision is made.	95%	98%	100%	100%	96%**
Issue soundly reasoned decisions in a timely manner.	Externally assess the quality of BSA reasoning.	Commission and publish an external review of the way the BSA interprets a standard or an aspect of the process by which the BSA determines complaints.	External review of the four Codes of Broadcasting Practice commissioned.	External review of the approach of the BSA takes in applying the Children's Interest standard published.	External review of BSA's decisions from a journalistic perspective published.	External review of the approach of the BSA takes in applying the Balance standard published.
Provide useful support and information to broadcasters.	Issue practice notes on aspects of Code interpretation and BSA process.	Two new practice notes published by 30 June 2012.	-	Practice notes on the Controversial Issues standard in television and Privacy published.	Practice notes on balance in radio and programme classification published.	Practice notes on liquor and violence published.

* Results are for July 2010 – April 2011 as full year results not available at time of publication. Results are provisional only.

** The targets at this time included two different types of complaints – single-meeting and multi-meeting. This is the average measure across both targets.

DIRECTORY

MEMBERS

Peter Radich of Blenheim, Chair
Mary Anne Shanahan of Auckland
Leigh Pearson of Wellington
Te Raumawhitu Kupenga of Wellington

STAFF

Dominic Sheehan	Chief Executive
Christina Sophocleous-Jones	Legal Manager
Julie Bath	Administration Manager
Patricia Windle	Legal Advisor
Miro Booth	Legal Advisor
Margaret Haughey	Administrator (part-time)
Margaret Gianotti	Administrator (part-time)
Trish Cross	Receptionist/Administrator (shared with NZ On Air)

CONTACT DETAILS

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