



**BROADCASTING STANDARDS AUTHORITY
BSA ANNUAL REPORT 2012
TE MANA WHANONGA KAIPĀHO
TE PŪRONGO Ā-TAU 2012**

VISION

FAIRNESS AND FREEDOM IN BROADCASTING

PURPOSE

OUR PURPOSE IS TO OVERSEE NEW ZEALAND'S BROADCASTING STANDARDS REGIME SO THAT IT IS FAIR TO ALL NEW ZEALANDERS, BY BALANCING BROADCASTERS' RIGHT TO FREEDOM OF EXPRESSION WITH THEIR OBLIGATION TO AVOID HARM TO INDIVIDUALS AND SOCIETY.

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MEMBERS

PETER RADICH – CHAIR

Peter is a partner in Radich Law and has been a solicitor of the High Court since 1969. He was previously the Chair of the New Zealand Law Practitioners Disciplinary Tribunal until it was disbanded in January 2009. He also serves as Milk Commissioner for the Fonterra Dairy Group, is District Solicitor to the Marlborough District Council and is a member of the Law Practitioners and Conveyancers Disciplinary Tribunal. Peter took up the position of Chair of the BSA in January 2010. He was appointed an Officer of the New Zealand Order of Merit in the 2012 New Year's Honours List for his services to the law.



MARY ANNE SHANAHAN

Mary Anne obtained an LLB from Auckland University in 1980, and later a Bachelor of Arts (1989) and a Diploma of Business (Finance) (1995). She has practised law in New Lynn, West Auckland for 28 years and was appointed a Notary Public in 1993. For the past 10 years she has served on the Auckland Law Society Disciplinary Committee which deals with complaints about legal professional and ethical standards. She has also been involved in a number of community groups over the years. Mary Anne joined the BSA in June 2009.

LEIGH PEARSON

Leigh is a self-employed government relations and communications advisor. She is a former journalist with TVNZ, Radio NZ and Radio Deutsche Welle.

She was Manager of Trade Policy Liaison at the Ministry of Foreign Affairs and Trade and has contracted to a range of government agencies and businesses.

She is a former Chair of the Parliamentary Press Gallery. Leigh joined the BSA in January 2010.



TE RAUAWHITU (TE RAU) KUPENGA

Te Rau has a legal background, having worked previously as a Crown Prosecutor as well as holding senior solicitor positions at the Office of the Māori Trustee and in a commercial law firm in Wellington. He has worked as a television presenter and until recently was a regular panellist on a lifestyle television show. Te Rau is Ngāti Porou and is very involved in iwi and whānau development. Te Rau joined the BSA in December 2010.

The background is a solid red color. On the left side, there are several white, parallel, stepped lines that create a sense of depth and movement, resembling a staircase or a series of overlapping planes. These lines are oriented diagonally, sloping downwards from left to right.

PART ONE: **INTRODUCTION**

CHAIR'S INTRODUCTION

New Zealand is a liberal democracy where civil liberties, human rights and fundamental freedoms are respected. We value media freedom and the free exchange of information and ideas. We also recognise that with freedoms there come responsibilities and that there will always be interfaces where a balance has to be struck. The balance is between the exercise of freedoms and liberties, and the impacts of exercising these on individuals in our society and on society generally.

The Broadcasting Act 1989 requires broadcasters to observe standards. It established a system which allowed consumers of broadcasting services or those who might be affected by any broadcast to complain to the broadcaster if it was thought that standards had not been properly observed. The Act established the BSA as a type of judicial body to consider and determine any complaint where a complainant was not satisfied with the response of the broadcaster.

The winds of change are beginning to blow towards broadcasting regulation and in our direction. There is an increasing recognition that the Broadcasting Act passed in 1989, in a very different broadcasting world, needs review or replacement. The Law Commission, at the direction of Government, is addressing some issues. Broadcasters themselves are looking at the regulation of their internet publications. In the United Kingdom and in Australia, issues surrounding the need for and the extent of regulation in broadcasting are being addressed. With the proliferation of internet 'broadcasting' there are pressing questions around which broadcasting should be regulated, in what ways and by whom.

Within the BSA we warmly welcome this debate and we welcome the prospect of change and reconfiguration.

While the need for reform in broadcasting regulation is widely recognised, the direction of any such reform is unclear. Some wish to see the State having no involvement whatsoever in broadcasting regulation while others see some need for issues that arise in broadcasting regulation to be able to be reviewed and ultimately determined by the State's independent judicial or tribunals system. We see a continuing need for the establishment and maintenance of standards in broadcasting. We think that whatever the shape of a future regulatory body it should be independent, well resourced, transparent in its workings and accountable to the people of New Zealand. We think that issues of broadcasting standards should ultimately be reviewable through the State's independent judicial or tribunals system given the reality that within broadcasting serious jurisprudential, moral and public policy issues sometimes arise.

Our very small organisation deals with some 200 complaints each year. Some of these are minor and trivial but others are challenging and require careful attention. We endeavour to express our decisions in such a way that they can be readily understood and give guidance to broadcasters and confidence to audiences. We operate however in an area where it is difficult to meet the expectations of everybody. We are looking forward to the challenges of the next year.



Peter Radich
Chair

WHAT WE DO

The broadcast media reaches into the lives of New Zealanders on a daily basis whether free-to-air or pay TV, at home, on a radio in the car, or through headphones on a run, beside the bed or in the garden. It informs us and entertains us.

Broadcasters have agreed to meet certain standards as they do this. We monitor these standards on behalf of New Zealanders in a number of ways – by making decisions on complaints, by overseeing and enhancing the regulation system, and by providing information about the system and its decisions.

WHO WE ARE

The BSA is a quasi-judicial tribunal established by the Broadcasting Act 1989 (the “Act”). Our functions are set out in the Act. We are funded by the Government and through broadcaster levies to provide the public with a free and independent complaints service.

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 us.

We are an independent Crown Entity which means, among other things, that the Government cannot direct or seek to influence us in our work.

STRATEGIC CONTEXT OF OUR WORK THIS YEAR

We are working in a context of dynamic change; the media regulatory regime is under review at the same time as the media environment is evolving rapidly. While the media has always been a dynamic industry, technological advances, convergence of different forms of media, the migration to digital delivery, and the fragmentation of the audience's viewing patterns have all increased the rate of change over recent years.

This year we have been fully aware that changes to the regulatory framework are under consideration. At the same time we have been charged with working within the current structures to the best of our ability.

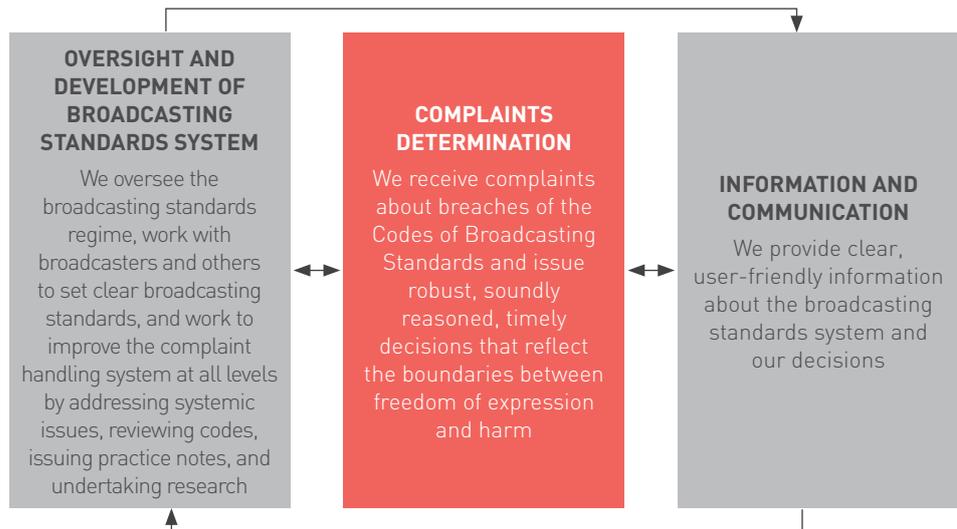
This year also saw significant change at the BSA – with a new Chief Executive and Legal Manager, and restructuring of our administrative and financial services.

We are also in a tight fiscal environment and we have been mindful of Government's expectations that we continue to review our services with a view to finding more innovative and cost-effective ways of delivering services within existing funding.

The combination of a rapidly changing environment, the likelihood of changes to the regulatory framework, staff transition and a focus on ensuring we deliver our services sustainably has led to a close examination of our strategic direction and our activities. We wanted to ensure that we deliver in ways that provide value for money and make us increasingly effective in the future.

This year we revised our Outcome Framework to better reflect the outcomes we seek and the impact we wish to have: how we contribute to and influence those goals in the medium term; how we measure them; and how our services and activities (outputs) relate to the outcomes/impacts. These changes are reflected in the Statement of Intent for 2012-2015. The chart below summarises our revised Outcome Framework.

SECTOR OUTCOME:		New Zealanders' engagement in cultural activities is increasing	
VISION:		OUR VISION IS FOR FAIRNESS AND FREEDOM IN BROADCASTING	
PURPOSE:	Our purpose is to oversee New Zealand's broadcasting standards regime so that it is fair to all New Zealanders by balancing the broadcasters' right to freedom of expression with their obligation to avoid harm.		
OVERARCHING OUTCOME:		↑ The change the BSA contributes to New Zealanders ↑	
		New Zealanders have increased confidence that the broadcasting standards regime fairly balances the broadcasters' right to freedom of expression with their obligation to avoid harm.	
OUTCOME AREAS/ IMPACTS:		↑ The difference we make ↑	
		Reduction of unjustified complaints from members of the public	Increased compliance with standards by broadcasters
IMPACT MEASURES:		↑ How we know we are succeeding ↑	
		<ul style="list-style-type: none"> • A reduction in the number of upheld and not upheld complaints • No proportionate increase in the number of BSA decisions overturned by the High Court on appeal • Improved public awareness of the existence of the broadcasting standards system 	
OUTPUT CLASSES:		↑ The activities we undertake ↑	



* NOTE: These Outputs relate to what is described as Outcome Areas in the 2011-2014 Statement of Intent, as explained on page 11 of this Annual Report.

THIS ANNUAL REPORT

The type of work we do and the services we provide have remained similar over the years. However, the revised Outcome Framework has had an effect on how we are reporting on our achievements for the 2011/2012 year. It also helped us shift our focus to ensure we were delivering in a way that will add the most value.

In this report, while we are transitioning from one Statement of Intent to the next, we have:

- included our overall performance story for the year, using and reporting on some of the impact measures included in our 2012-2015 Statement of Intent (in Part Two)
- reported against our agreed targets, budgets and performance measures for the year ended 30 June 2012 as set out in our Statement of Service Performance in the Statement of Intent for 2011-2014 (in Part Three).

The revised Strategy and Outcome Framework enabled us to look closely at all the planned activities in the 2011-2014 Statement of Intent to ensure they were appropriate to meet the refocused objectives and outcomes. Where priorities were adjusted and we decided not to proceed with an activity in favour of a more effective activity, we have explained this in Part Two.



PART TWO:
**WHAT WE
HAVE ACHIEVED
THIS YEAR**

OVERALL PERFORMANCE STORY

HIGHLIGHTS

This year has had a number of highlights. We have:

- transitioned effectively to a new Executive team
- revisited our Outcome Framework to demonstrate how we add value and how we will measure this
- examined and improved our complaints processes in different ways including placing a greater focus on freedom of expression and issuing simpler, more accessible decisions
- improved our ratings in the complainants' survey with a 10 point increase in the number of respondents saying we handle our part of the process 'well' or 'very well'
- received fewer appeals from our decisions
- strengthened relationships with broadcasters and began meeting with a Working Group of their representatives to discuss matters of common interest and to make improvements to processes
- made cost efficiencies through a restructuring of our administration and financial services
- commenced a shared service arrangement with NZ On Air which now delivers our financial services
- refocused on our website as the key interface with the public and began development of a revised site that will be much easier to navigate and will have a fully functioning search engine for our decisions.

OUTCOME WE ARE WORKING TOWARDS

Our overarching outcome is for New Zealanders to have increased confidence that the broadcasting standards regime fairly balances broadcasters' right to freedom of expression with their obligation to avoid harm.

The BSA contributes to this by:

- reducing unjustified complaints
- increasing broadcaster compliance.

Our key activity is complaints determination. This does not occur in a vacuum. We provide two other critical services and activities (outputs) to support and enhance broadcasting content regulation: oversight and development of the broadcasting standards system; and the provision of information about the system and our decisions. All three parts interrelate, build on and strengthen the system as a whole.

The 2011-2014 Statement of Intent reflects these three activities though they are articulated differently in that document as 'Outcome Areas':

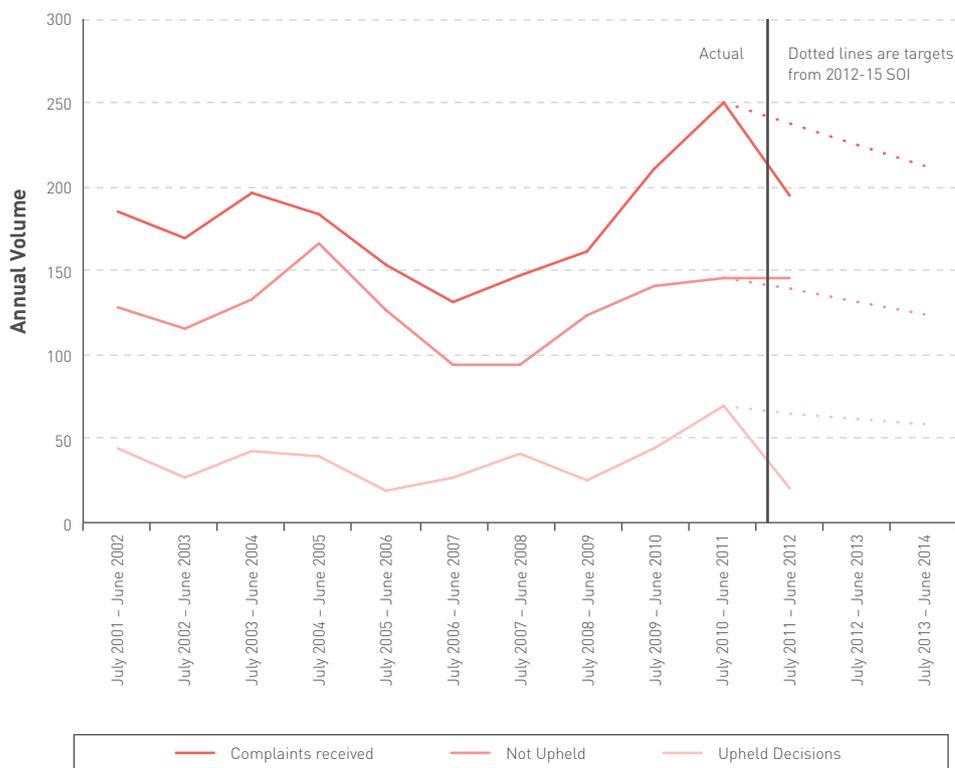
- *Complaints determination* is captured in the 2011-2014 Statement of Intent as *Compliance*
- *Oversight and development of the broadcasting standards system* is captured as *Media*
- *Information and communication* is captured as *Public*.

ARE WE HAVING AN IMPACT?

Many factors influence these medium-term outcomes, a number of which are outside our control. We also accept that any measures are open to different interpretations, particularly the quantitative measures. For example, a reduction in complaints could mean less awareness or confidence in our decisions (not desired) or it could mean that the system is working very effectively and only threshold and challenging decisions are getting to us (desired). The latter is harder to achieve but we think it is important enough to aim for it as a goal.

As outlined in our Statement of Intent for 2012-2015, and notwithstanding the potential ambiguities, this year we decided on using the following three measures to provide an indicator over time as to whether the broadcasting standards system is working as efficiently and as effectively as it should. We have tracked our 2011-2012 results against these indicators.

BSA System Performance Indicators



MEASURE 1 – A REDUCTION IN THE NUMBER OF COMPLAINTS BOTH UPHELD AND NOT UPHELD, WITH A CONSEQUENTIAL DECLINE IN OVERALL COMPLAINT NUMBERS

When the system is working well, we have said:

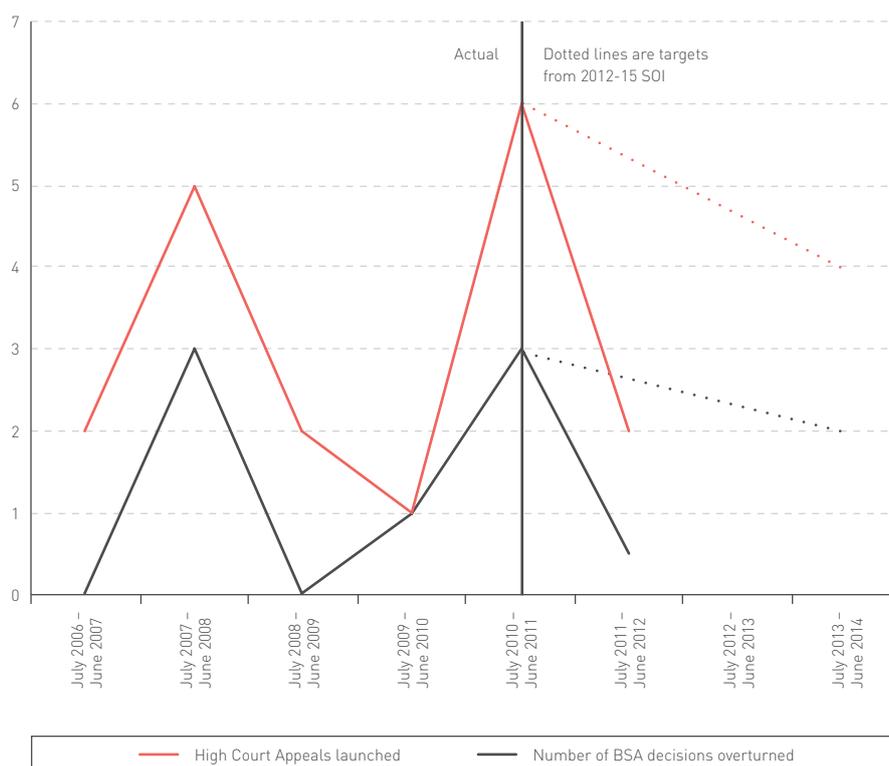
- the number of **upheld** complaints declines over time, which implies broadcasters breach the Codes less often
- the number of **not upheld** complaints declines, which implies that members of the public better identify breaches and make better quality complaints
- the **total** number of complaints declines, reflecting effective broadcaster complaints processes and improvements in the above two indicators. This in turn means lower BSA costs.

The above chart shows a sharp decline over the year of complaint numbers. While it is too early to determine whether this continues and a trend emerges, we would see such a trend as a positive reflection of the overall system's effectiveness and functionality. In a well-functioning system we would expect to see a decline as:

- the public manage their (and their children's) viewing within the standards regime and therefore make fewer complaints and/or fewer trivial ones
- the complaints system (including the broadcasters' own systems) allows easier disposal of frivolous, routine and vexatious complaints
- broadcasters understand their obligations and resolve complaints effectively so that fewer come to the BSA – and those that do come are increasingly at the challenging and important boundaries of freedom of expression and the avoidance of harm.

MEASURE 2 – NO PROPORTIONATE INCREASE IN THE NUMBER OF BSA DECISIONS OVERTURNED BY THE HIGH COURT

High Court Appeals



BSA's decisions can be and sometimes are appealed. This is a valuable part of the process as it is important for parties to have recourse to the courts. Valuable jurisprudence is generated through the appeal process.

The number of decisions overturned by the High Court has always been low. This year it has remained so with only two appeals, just one of which was upheld and then only in part.

We will continue to monitor the decisions overturned by the High Court. Any real increase in overturned decisions, particularly if they go to matters of process, would be a concern and indicate that our decision-making process may need improvement. If they go to substance, they may indicate that the BSA is not in tune with community standards as assessed by the High Court. For that reason, High Court decisions are an important overall indicator of how the broadcasting standards system balances the broadcasters' right to freedom of expression with their obligation to avoid harm.

MEASURE 3 – PUBLIC AWARENESS THAT INDIVIDUALS CAN MAKE A FORMAL COMPLAINT ABOUT TELEVISION AND RADIO CONTENT IS INCREASED TO, AND MAINTAINED AT, OVER 90%

This year in our Statement of Intent for 2012-2015 we clarified the scope by which we will survey public awareness. The survey against the 2010 benchmark (see below) will be done every two years and measure the percentage of New Zealanders aware of the BSA, aware that they can make a formal complaint, and able to identify a course of action which would lead them to find out about the correct process for making a formal complaint. We will also monitor a breakdown of these figures by age, region, ethnicity and gender.

A benchmark survey was completed in 2010 which showed:

- 89% of New Zealanders are aware that they can make a formal complaint about television and radio content
- 96% of New Zealanders could take a course of action which would lead them to finding out about the correct process for making a formal complaint
- 95% of New Zealanders are aware of the BSA.

The new survey against these benchmarks will take place in the second half of 2012.

COMPLAINTS DETERMINATION (COMPLIANCE)

OVERVIEW

Much work has been done by our small complaints team this year on examining and improving our processes to ensure that we spend more time on the complex and challenging complaints and less on the trivial and routine ones. The Working Group started with broadcasters has provided a useful forum for testing some ideas. This year we have:

- started to incorporate a more considered and thorough freedom of expression analysis into our decisions by weighing its importance against the potential harm caused by a broadcast
- simplified the format of our decisions to make them more accessible and user-friendly
- begun issuing provisional decisions, which enables parties to make a final submission prior to release of the decision
- started an administrative triage process that, within the constraints of our Act, enables a more directed focus on the complex and difficult complaints.

This year the BSA issued 162 decisions and received 195 complaints. This compared to record highs the previous year where we issued 236 decisions and received 250 complaints. (That was an anomalous year with a number of complaints received about single broadcasts.) While it is too early to know if this is the start of a trend, we would see such a trend as a positive indicator of the effectiveness of the overall standards system.

The numbers of upheld decisions and orders have reduced. There is no single reason for this and it fits with our impact measure to see a reduction of all complaints. It is possible that our more robust and integrated analysis of freedom of expression is contributing appropriately to the lower figure.

COMPLAINTS SUMMARY

	2007/08	2008/09	2009/10	2010/11	2011/12
Complaints received	148	162	210	250	195
Decisions released	139	151	193	236	162
Upheld (all or in part)	40	25	45	69	17
Not upheld	95	124	148	146	131
Interlocutory/ Jurisdictional matters	2	0	0	2	4
Declined to determine	2	2	7	12	10
Orders	26	11	25	20	7
Practice notes	2	2	2	2	1
Decisions issued within 20 working days	100%	100%	100%	100%	99%

NOTES about this chart

'Complaints received' reflects the number of complaints referred to the BSA within the year. Because of the timeframes under the Broadcasting Act, and the time the BSA takes to make a determination and issue a decision, this figure differs from that of 'Decisions Released'.

In addition, multiple complaints about the same programme, or multiple programmes complained about by one complainant, are listed separately as A, B and C etc and counted separately under 'Complaints Received', but they are still treated as one decision with the same decision number. This also helps to explain why fewer decisions are released than complaints received.

The figures for the categories, 'Upheld', 'Not Upheld', 'Interlocutory/ Jurisdictional matters' and 'Declined to determine', relate to the decisions issued, rather than to individual complaints that may make up one decision.

Details of each complaint making up the decisions issued are provided in Appendix 2 of this report.

Interlocutory decisions consider whether the BSA can accept the complaint.

Of the 162 decisions issued:

- 83% (134 decisions) concerned television programmes compared with 83% (197 decisions) in 2011
- 17% (28) concerned radio broadcasts (17% or 39 in 2011)
- 6% (10) concerned election programmes during the 2011 general election
- 10% of complaints (17) were upheld in full or in part (29% or 69 in 2011)
- 16 of the 17 upheld decisions concerned television broadcasts; 1 concerned radio (60 of 69 for television and 9 for radio in 2011)
- 67% of decisions concerned news, current affairs, factual programming and talk radio (68% in 2011)

We continue to be asked to address difficult issues. Increasingly these are in the realm of reality television series, particularly in terms of programme participants' right to privacy and fair treatment, and what constitutes informed participation and informed consent.

We have seen a more robust analysis of freedom of expression as key this year, as it is the pivotal point of the regulation system where a balance needs to be struck between the right to freedom of expression and the responsibility to avoid harm. We tested our approach to this by commissioning Steven Price (of Victoria University of Wellington) to review our decisions in this area. He found the BSA generally does a very good job of justifying its decisions and the 'proportionality' reasoning around this is getting better and better. This is important, as rigorous and principled reasoning integrated into decisions strengthens the decisions and reduces the chance of them being challenged in the courts. He provided some suggestions to improve the methodology further. His report *The BSA and the Bill of Rights: A Practical Guide* was published on our website in May.

In an open and democratic society, limitations on what can be said and on what can be expressed should not be imposed without careful consideration and justification. To uphold a complaint we must be satisfied that the potential harm is such that the importance of free speech is outweighed, and the limitations imposed on the right to free speech are justified. The relevant principles are applied carefully, on a case-by-case basis. Each case will

be different. Two milestone decisions released during the year, which demonstrate our new approach, are summarised below.

Axford, Bate and Oldham and Television New Zealand Ltd (2011-115)

In *Investigator Special: Jesus the Cold Case*, documentary maker Bryan Bruce gave his perspective on the life and death of Jesus. He consulted various experts, and challenged the traditional Christian view as encapsulated in the gospels. Three complainants argued that the documentary breached multiple broadcasting standards because it did not present any views to counter Mr Bruce's conclusions. The BSA commented that "it is a vital component of the right to freedom of expression that these types of programmes, which stimulate thought and discussion by presenting opinions which may be considered unorthodox or controversial, be allowed, and welcomed". It concluded that the importance of the broadcaster's, Mr Bruce's and the audience's right to freedom of expression (which includes the right to receive information) outweighed the potential harm alleged by the complainants in relation to balance, accuracy, fairness, and discrimination and denigration. The documentary won 'Best Popular Documentary' at the Aotearoa Film and Television Awards in 2011.

Francis, Gouge and Thompson and TVWorks Ltd (2011-104)

Two *Campbell Live* items reported on controversial comments made by the Chief Executive (CE) of the Employers and Manufacturers Association (EMA), Alasdair Thompson, that some female workers are less productive because they take sick leave when they are menstruating. The first item was an excerpt from an interview with Mr Thompson, while the second consisted of a panel discussion about Mr Thompson's behaviour during the interview. Both items questioned whether Mr Thompson should remain in his position at the EMA.

A majority declined to uphold complaints that the items were unfair, inaccurate, unbalanced and breached an individual's right to privacy: the interview footage was fair; and the items focused on Mr Thompson's comments and his competency to fulfil his role as CE of the EMA, rather than on the specific issue of pay equity. The majority said: "The value [of the broadcast] was not just in the issues being debated but also arose substantially from the challenge of a public figure and a prominent organisation. When public figures, who have to expect challenge, are challenged, this is a legitimate process and it is one which should not be limited without strong justification."

OTHER DECISIONS OF NOTE

New Zealand Labour Party and RadioWorks Ltd (2011-128)

In the *Prime Minister's Hour*, Prime Minister John Key hosted Radio Live for an hour, two months out from the General Election. The New Zealand Labour Party complained that this was an "election programme", prohibited outside the "election period", and that the programme breached the BSA's Election Programmes Code. The BSA found that, while some political advantage would accrue, the broadcast could not be considered to overtly encourage or persuade listeners to vote for a particular political party or candidate, and therefore did not amount to an "election programme". It found that the phrase "election programme" ought not to be interpreted as extending to indirect encouragement or persuasion. Again the BSA recognised that, "The freedom to express oneself is a fundamental freedom. The freedom of people to express political views is a fundamental freedom of expression. We need to be very wary of constraining rights of expression including rights of expression in a political context." In any event, the BSA did not consider that the broadcast breached the standards nominated by the complainant.

Paper Reclaim Ltd and TVWorks Ltd (2010-133)

A number of *Campbell Live* items and promos inaccurately reported that striking workers from a firm called Paper Reclaim worked in "dirty, unsanitary conditions" and that Paper Reclaim had a serious rat problem at its premises. The BSA found that the programmes were misleading and that the complainant was treated unfairly because it was not given a reasonable opportunity to respond to the allegations. The broadcaster was ordered to broadcast a statement on *Campbell Live* summarising the decision, pay \$13,742 of the complainant's legal costs, and pay \$3,000 costs to the Crown.

MQ and Television New Zealand Ltd (2011-033)

An episode of the reality series *Police* twice showed footage of the complainant being arrested and taken to the police station to "detox" after solvent abuse. The complainant's first name was disclosed and his house was shown, and the programme was being repeated for the third time, more than 10 years after the footage was originally obtained. The BSA found that the disclosure of the complainant's solvent abuse in the late 1990s would be highly offensive to an objective reasonable person, breached his privacy, and was unfair. TVNZ was ordered to pay the complainant \$1,000 compensation for the breach of his privacy, and \$1,000 costs to the Crown.

HIGH COURT APPEALS

Under section 18 of the Broadcasting Act a broadcaster or a complainant may appeal to the High Court against the whole or any part of a BSA decision or order. This year, two appeals were launched. While it is too early to determine whether the number of appeals has reduced as a result of the renewed focus on our analysis of freedom of expression, we think it is possible. One of the two appeals was withdrawn when the appellant lodged a notice of discontinuance. The following decision was upheld in part.

McDonald and Television New Zealand Ltd (2011-020)

Appeal of decision by complainant

Result: Appeal allowed in part. BSA decision upheld, but order overturned

An item on *One News* reported on the discovery of a supernova by a 10-year-old Canadian girl "in a galaxy 240 light years from Earth". The supernova was in fact 240 million light years from Earth. The BSA had previously warned Mr McDonald on two occasions about lodging complaints relating to trivial accuracy points; it declined to determine the complaint and awarded \$50 in costs against Mr McDonald to deter him from making similar complaints. Justice Simon France agreed with the BSA's decision, but overturned the order for costs against Mr McDonald, because the broadcaster had not asked for other costs.

Decisions on two earlier appeals

Two appeals launched in the previous year were released during the year:

Freeman and Television New Zealand Ltd (2011-001)

Appeal of decision by broadcaster

Result: Appeal successful. BSA decision quashed

An item screened during an episode of *Sunday* featured an interview with a policeman who said "fucking" twice when recalling his involvement in the Aramoana massacre. A majority of the BSA upheld it as a breach of good taste and decency and children's interests, but did not impose an order. Justice Simon France found the decision of the majority to be "plainly wrong" because it did not adequately consider context, and did not engage with, or address, the minority's reasoning.

Attorney General of Samoa and TVWorks Ltd (2010-188)*Appeal of decision by complainant**Result: Appeal dismissed*

Two items on *Campbell Live* raised the question, "Where has all the aid money gone?" following Samoa's tsunami in September 2009. The reporter visited Samoa and spoke to locals about what assistance they had received from the Government, interviewed the Deputy Prime Minister of Samoa and attempted to interview the Samoan Prime Minister. The Samoan Government claimed the items were inaccurate and unfair. The BSA did not uphold the complaint. Justice Joseph Williams had some sympathy for the Attorney General's submissions, but nevertheless concluded that the appellant had not demonstrated that the BSA's decision was "plainly wrong".

COMPLAINANTS' SURVEY

We regularly survey our complainants to ensure our services meet their expectations as one quality measure. In the report for the year March 2011 to March 2012, there was a 10 point improvement in the ratings for how the BSA handled their part of the process; 43% of respondents believed the BSA handled their process well (or very well) compared to 33% the previous year.

LITMUS TESTING

We tested five decisions on the Good Taste and Decency standard in focus groups with members of the public of varied age, ethnicity and gender. The objective was to see how the participants responded to BSA decisions in the light of this standard.

While the research provides a snapshot of public views, results need to be interpreted cautiously as the number of participants was small and the nature of the focus group sessions meant that participants saw clips (not the whole programme) so did not have the entire context. The fact they were brought together specifically to critique the decisions may also have meant they had a heightened awareness of potential breaches. The results showed it was not always easy for members of the public to understand how different and competing standards apply because of their unfamiliarity with them and there was particular concern about timeslots. There was also dissenting opinion on whether the BSA had reached the right decisions.

The groups were also asked to evaluate whether BSA decisions were presented clearly and were easy to understand, as we had spent some time focusing on this. The response to our new way of formatting decisions was very positive.

The research has been published on the BSA website.

PRACTICE NOTE

Practice notes assist broadcasters and complainants to understand the approach the BSA will take in considering standards issues or process matters. The BSA issued one practice note this year: "Costs Awards in Favour of Complainants". While we had anticipated releasing two this year, we decided to defer a second practice note while we worked on broader issues such as the possibility of a single document for a principled articulation of standards in the 2012-2013 year. We would expect guidance in such a publication to deal with some issues that might otherwise be in a practice note.

TIMELINESS

We aim to release decisions to the parties to a complaint within 20 working days of the last board meeting at which the complaint was considered. This year, one complex decision (*Francis, Gouge and Thompson and TVWorks Ltd*, discussed above) took 24 working days to be finalised, resulting in the 99% figure for "Decisions issued within 20 working days".

OVERSIGHT OF THE BROADCASTING STANDARDS SYSTEM (MEDIA)

Notwithstanding the reality that the regulatory system is under review and could change, business must continue. We have begun to adapt our processes, information and systems, within the boundaries of legislative constraints to best meet the needs of New Zealanders and underpin any future regulatory system.

Broadcasters deal with complaints in the first instance. The content regulation system depends on their processes working effectively and efficiently to minimise referrals of complaints to us (in effect as an appeal body).

Our role is to support broadcasters in this area, provide them with information and improve processes between us. Strong relationships with broadcasters are crucial to performing well in this area. This year we initiated regular Working Group meetings with representatives of the broadcasters to strengthen relationships and to work on systems improvements and discuss other items of common interest.

The inaugural Working Group meeting with representatives of the broadcasters took place in May 2012 and quickly resulted in some process changes and new initiatives such as the issuing of provisional decisions in some circumstances, and ensuring complaints (in the first instance) are directed straight to the broadcaster via our website. The forum also provides opportunities for increased understanding of each other's perspectives on issues, consultation (for example on practice notes) and a place to debate some areas of difference.

Given the new approach and changes to the Executive, we decided it would be premature to externally assess BSA relationships with, and support provided to, broadcasters as outlined in the Statement of Intent for 2011-2014, but instead chose to focus on strengthening relationships. We will carry out this assessment in 2012-2013.

CODE REVIEWS AND THE FUTURE OF REGULATION

Our broadcasting standards system is underpinned by the four Codes of Practice – Free-to-Air Television, Pay Television, Radio and Election Programmes, each of which is reviewed every five years to ensure it remains relevant. The Pay Television code is due for review. This review was put on hold while the possibility of establishing a single Code of Broadcasting Practice was explored.

In the context of the changing media environment – including the Law Commission's Issues Paper on regulating the news (and new) media – our view is that it would be of more value to combine the Codes of Broadcasting Practice, which have developed in an ad hoc manner, into a single document as many principles could be expressed generically, yet still allow flexibility for different platforms. It would also provide an opportunity for some of the more challenging issues such as privacy to be expressed more clearly. We recognise that some broadcasters will prefer the status quo. Our challenge is to persuade broadcasters to see the advantages of a different approach and this year we began discussions on this with the broadcasters' Working Group. We also commenced some exploratory work on the possible shape of such a document. We have identified this as a key focus for the 2012-2013 year.

We made a submission to the Law Commission on its Issues Paper, *The News Media Meets 'New Media' rights, responsibilities and regulation in the digital age*, as part of our responsibility to engage in the discussion about the future of regulation from the point of view of our experience and knowledge.

AUDIT OF BROADCASTER PUBLICITY NOTICES

We completed an audit of broadcaster publicity notices about the complaints process in June. The Act has specific requirements for the content and frequency of broadcasts of these notices. Of the 52 broadcasters audited nearly all were compliant with the Act with improved compliance from the previous audit in relation to varying the times of their notices. All broadcasters were notified of the results of the audit and recommendations were made to a number to improve their notices (even though they were strictly compliant).

INFORMATION AND COMMUNICATION (PUBLIC)

Effective communication and information on broadcasting standards processes and issues helps New Zealanders understand their media environments. A well informed and media-literate public is better able to control their engagement with all forms of broadcasting content within the standards. It is particularly important that, when people come to us, we provide clear and accessible information about the standards system and how to make a quality complaint at the right level.

As our website is our key interface with the public we decided this year that it was vital that it was accessible, user-friendly and that the content was clear and accurate and that decisions were easily searchable. As it did not meet all those requirements we decided to invest in its review and upgrade. This year much of the development took place and the revised website will be launched in October 2012.

In the light of the importance of this work we decided to defer the production of hardcopy resources, given the increasing use of online activity, the focus on the website as the mechanism for information, the opportunity to develop new content for the website, and issues of distribution.

As one of our impact measures involves keeping awareness of the BSA high, we considered the degree to which we should actively raise awareness of the BSA, given that it is difficult and expensive to sustain ongoing promotional activity.

A project to raise awareness which took place in 2010-2011 showed that basic awareness of the BSA is relatively high – 88% of 23,657 participants were aware of broadcasting standards for television and 68% for radio; 94% understood they could take action if they believe there has been a breach. The results showed a much lower understanding of the details of the Codes.

We decided that it is important that New Zealanders know they can make a formal complaint about television and radio content and can identify a course of action which would lead them to find out the correct process for making a formal complaint. They should also know of the BSA. Beyond that, there is little need to raise awareness as people will engage in the detail when they need to.

We believe that basic awareness of the broadcasting standards system is kept high through the requirement that broadcasters broadcast publicity notices about the complaints system and we will continue to monitor this. We also raise awareness through strategic media releases of decisions and the publication of a regular newsletter. And basic awareness will continue to be monitored through our surveys every two years. If the levels of awareness reduce, we will then look at taking active steps to address this.

OPERATIONS

OVERVIEW

This year our three executive positions changed. The new Legal Manager started in July 2011 and the new Chief Executive in October. The departure of the Administration Manager in April 2012 provided an opportunity to share financial services with NZ On Air, an arrangement that has not only provided cost efficiencies but also strengthened our financial management.

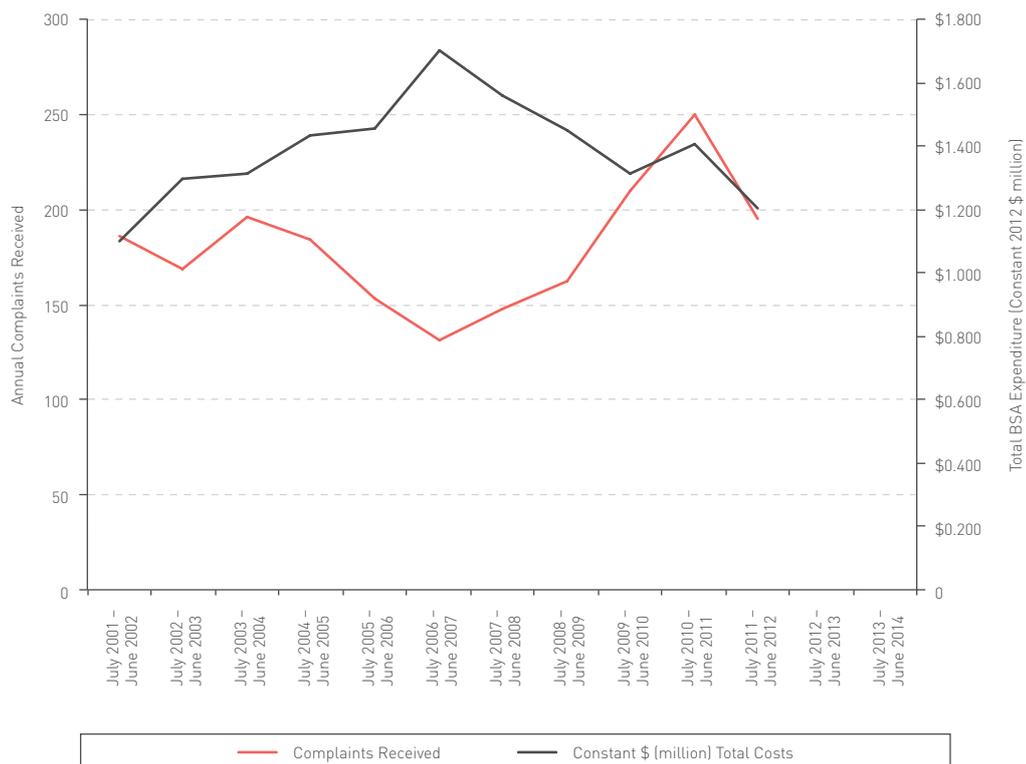
The graph below indicates a reduction in costs this year. The new Executive has made and embedded changes that have improved the overall efficiency of the organisation, provided the Board with confidence, and enabled the Board to focus appropriately on the complex issues it has to determine. This has seen some restructuring of staff,

and the adoption of new procedures and processes within our complaints process. In turn, this has enabled a reduction in board sitting days and associated costs. In the current tight fiscal environment, and given the expectations of the public sector, we will continue to focus on reducing costs and increasing efficiency.

We are aware that we hold relatively high reserves compared to our budget. This has arisen for a number of reasons – refocused priorities, staff restructuring and variable levies. With potential changes to the regulation of broadcasting, refocused priorities as in our 2012-2015 Statement of Intent, possible increased variability in future levy income, and the possibility of a shift of premises with our lease due to expire in 2013, it is likely that some of these reserves will be used. We are actively monitoring this and will take steps to manage it over the next year.

OVERALL PERFORMANCE AND COST ANALYSIS

BSA Total Costs and Complaints Received



NOTE: This analysis uses 2012 constant \$ to fair comparison over the 10 year period. It is based on a 2.5% pa inflation average for each year.

ORGANISATIONAL CAPABILITY

The Crown Entities Act 2004 requires us to report on good employer policies and also on organisational capability. Each year we set ourselves goals to enhance our capability and provide us with ongoing targets to meet. While these do not form part of our Statement of Service Performance, we report against them in the Annual Report. Progress against these goals is found in the following tables which set out:

- the criteria for our good employer policies
- our capability needs and solutions
- our internal performance objectives, targets and measures.

No issues of concern have occurred during the year.

BEING A GOOD EMPLOYER

Human Rights Commission Good Employer Element	BSA Policy and Procedure	Possible Issues	Actions (if any)
Leadership, accountability and culture	Staff are involved in decision making relevant to their areas. Staff encouraged to devise and manage own solutions	None	Feedback is given to staff in regular meetings
Recruitment, selection and induction	All permanent staff vacancies are advertised. Focus is on the best range of skills for each position	Retention of staff and diversity in small specialised organisations can be an issue	Chief Executive position filled. Restructuring of administration and finance positions resulted in permanent appointment of Administrator and shared service arrangement with NZ On Air in relation to financial services
Employment development, promotion and exit	Annual appraisal reviews and professional development undertaken	None	Completed
Flexibility and work design	Flexible work practices encouraged – focus is on work/life balance	None	Discussed with individuals
Remuneration, recognition and conditions	Equitable gender-neutral remuneration	None	No action required
Harassment and bullying prevention	Zero tolerance policy	None	No action required
Safe and healthy environment	Proactive health and safety approach	None	Policies regularly reviewed

CAPABILITY OBJECTIVES

	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
	Achieved. Issues relating to governance and quasi-judicial functions included in members' annual self-assessment. Further analysis of approach to freedom of expression and decisions has improved skill in this complex aspect of decision making	Achieved. Mechanism put in place for positive dialogue through Working Group meetings with representatives of broadcasters	Achieved. Litmus testing of public's views on Good Taste and Decency standard undertaken	Actual
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
	Restructure of financial services and administrative roles to ensure skilled staff with necessary knowledge and professionalism	Chief Executive, Legal Manager and Legal Advisor have excellent and regular involvement with broadcasters through the Working Group, complaints and other interactions	Regular complainants' survey provides feedback six monthly and annually. Informal feedback is noted and responded to	Actual

INTERNAL PERFORMANCE

Targets	Measures	Actual
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	Achieved. Assessment completed and reporting letter sent to Minister on 24 April 2012. Letter contained no recommendations
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	Board has undertaken activities, including research (by way of litmus testing), broadcaster engagement (through a Working Group), and other soundings 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	Completed



PART THREE:
ACCOUNTABILITY
STATEMENTS

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2012

Pursuant to the Crown Entities Act 2004, the BSA accepts responsibility for:

- the preparation of the Financial Statements and the Statement of Service Performance and for the judgements used therein
- the establishment and maintenance of a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the BSA, the Financial Statements and Statement of Service Performance for the year ended 30 June 2012 fairly reflect the financial position and operations of the BSA.



Peter Radich
Chair
29 October 2012



Mary Anne Shanahan
Member
29 October 2012

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2012

The Statements in this section provide the detailed results against targets, budgets and performance measures for the year ended 30 June 2012 as set out in our Statement of Intent for the period 2011/12-2013/14.

Outcome Area (Output)	Budget Income \$	Actual Income \$	Budget Expend \$	Actual Expend \$
Compliance (Complaints determination)	983,713	998,904	1,054,096	836,065
Media (Oversight and development of broadcasting standards system)	132,676	141,574	142,169	118,495
Public (Information and communication)	282,611	302,600	302,832	253,271
Total	1,399,000	1,443,078	1,499,097	1,207,831

SUMMARY OF OUTCOME AREA COSTS

OUTCOME 1 COMPLIANCE (Complaint determination)

	Actual	Budget
Personnel	421,927	521,992
Direct Operating	147,882	226,000
Overhead	266,256	306,104
	836,065	\$1,054,096
% of Total Budget	69.22%	71%

OUTCOME 2 MEDIA (Oversight and development of broadcasting standards system)

	Actual	Budget
Personnel	84,744	99,000
Direct Operating	-	-
Overhead	33,751	43,169
	118,495	\$142,169
% of Total Budget	9.81%	9%

OUTCOME 3 PUBLIC (Information and communication)

	Actual	Budget
Personnel	74,054	87,464
Direct Operating	104,215	172,200
Overhead	75,002	43,168
	253,271	\$302,832
% of Total Budget	20.97%	20%

OUTCOME AREA: COMPLIANCE

(OUTPUT: COMPLAINTS DETERMINATION IN THE 2012-15 STATEMENT OF INTENT)

DESCRIPTION

Complaints determination is our core activity. It is supported by and linked to our other two activities: oversight and development of the broadcasting system and provision of information and communication.

We receive complaints about breaches of the Codes of Broadcasting Practice and issue robust, soundly reasoned, timely decisions that reflect the boundaries between freedom of expression and harm. Decisions are made by the BSA with legal and administrative support provided by the staff. Decisions can be appealed to the High Court.

We issue decisions for all complaints that come to us and record and measure the timeliness and quality of our decisions and processes. This year we assessed the quality of our decisions. We sought external assessment of our approach to freedom of expression and litmus tested our decisions with members of the public to gauge how our decisions correspond to the diverse views of the community. We also assessed the quality of our processes by surveying complainants.

Cost	Actual	Budget	Actual	Actual
	2011/2012	2011/2012	2010/2011	2009/2010
Total cost	836,065	1,054,096	968,053	823,051
% of total cost	69.22%	71%	70%	66%

Outcomes	Impacts	Outputs	Targets	Measures	Actual 2011-2012	Actual 2010-2011
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%	Not achieved - 98.5%. 192 of 195 complaints were acknowledged within 3 working days; 3 were acknowledged within 5 working days	Achieved - 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%	Achieved - 99%. 161 decisions were issued within 20 working days after board meeting at which decision was made. One decision was issued within 24 days	Achieved - 98%
		Research projects that provide knowledge of use to the BSA decision making	Research projects that studies the future direction of broadcasting standards is commissioned and published by 30 June 2012	A research project that studies the future direction of broadcasting standards is commissioned and published by 30 June 2012	Not achieved. This was put on hold given the Law Commission review of the broadcasting standards regime and the need for any research to be relevant and valuable in the context of its outcome. However, the BSA has commissioned some exploratory work on a single code which will be an on-going project for 2012/2013	New measure
		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 Review published by 30 June 2012. Relevant findings are applied in the BSA's processes	Commission an external review of the way the BSA interprets a standard or an aspect of the process by which the BSA determines complaints Review published by 30 June 2012. Relevant findings are applied in the BSA's processes	Achieved. An external review of the way the BSA incorporates freedom of expression into its decisions was completed by Steven Price of Victoria University. It was published in May 2012 and is available on the BSA website. The review found the BSA does a very good job and the 'proportionality' reasoning (that around freedom of expression) is getting better and better	Achieved. A review analysing the merging of the four current Codes of Broadcasting Practice into one single Code was commissioned and received

Outcomes	Impacts	Outputs	Targets	Measures	Actual 2011-2012	Actual 2010-2011
			Litmus testing of BSA decisions with members of the public	No fewer than five BSA decisions are litmus tested by 30 June 2012	Achieved. Litmus testing of the Good Taste and Decency standard in relation to five BSA decisions was completed and published on the BSA website in June 2012. More information is in Part Two of the Annual Report (page 18)	New measure
Provide excellent service to complainants		Survey complainants involved in referred complaints on an ongoing basis	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	Achieved. The survey from March 2011 to March 2012 has been completed. It shows 43% of respondents agreed (or strongly agreed) that the BSA handled its part of the process well. This is a 10% improvement on the previous year (Note: this target/measure has also been reported on in the Information section of this Statement of Service Performance as this is where it sat in the Statement of Intent for 2011-2014)	Partially achieved. The survey covered the period 1 July 2010-22 February 2011

OUTCOME AREA: MEDIA

(OUTPUT: OVERSIGHT AND DEVELOPMENT OF BROADCASTING STANDARDS SYSTEM IN 2012-2015 STATEMENT OF INTENT)

DESCRIPTION

We oversee the broadcasting standards regime, work with broadcasters and others to set clear broadcasting standards, and work to improve the complaint handling system at all levels by addressing systemic issues, reviewing Codes, issuing practice notes, and undertaking research.

Research on topics relevant to broadcasting standards provides information about community attitudes and behaviour. It also provides analysis of the application or development of standards. This research assists the BSA and broadcasters when making decisions. Research will also be undertaken to inform any potential future regulatory system.

Codes of Broadcasting Practice underpin the complaints system. Each Code is to be reviewed every five years to ensure it provides relevant guidance. The Pay TV Code is due for review. However, our view is that it would be of more value to combine the Codes of Broadcasting Practice into a single Code since many principles could be expressed generically. Any future regulator will need to tackle this issue. This year we decided to suspend the review of the Pay TV Code while we began to discuss with broadcasters the possible advantages of a single document with a view to producing at least the first draft of a new document in 2012-2013.

Cost

	Actual 2011/2012	Budget 2011/2012	Actual 2010/2011*	Actual 2009/2010**
Total cost	118,495	142,169	N/A	218,317
% of total cost	9.81%	9%		17%

*In 2010/2011 everything other than Complaints determination was in the output class of Information.

**In 2009/2010 this output combined two earlier outputs – Codes and Research.

Outcomes	Impacts	Outputs	Targets	Measures	Actual 2011-2012	Actual 2010-2011
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	Two new practice notes published by 30 June 2012	Partially achieved. A new practice note relating to costs awards to complainants was completed after consultation with broadcasters and published on the BSA website in June 2012. Further practice notes were put on hold to explore the possibility of a single Code	Achieved
			Externally assess BSA relationships with, and support provided to, broadcasters	No fewer than 50% of broadcasters rank BSA processes as good or better. Results of survey published by 30 June 2012	Not achieved. The BSA is developing and strengthening relationships through its new working group with representatives of the broadcasters. Given the transition in BSA staff over the year and this initiative, it was decided that a survey would be premature. This will be conducted in the 2012-2013 year	New measure

ADDITIONAL PROJECTS (PREVIOUSLY NOTED IN THE 2009-2012 STATEMENT OF INTENT) SIGNALLED IN THE 2011-2014 STATEMENT OF INTENT

Measure	Previous Target Set for 2010-2012	Planned Progress	Actual 2011-2012
<p>Audit broadcaster publicity of the complaints process (including an audit of notices advertising the complaints process on each channel)</p> <p>All broadcasters not complying with their obligations under the Act are notified and given information and/or assistance to comply where necessary</p>	<p>An audit shows improved compliance by broadcasters</p>	<p>Audit will be carried out in the 2011-2012 year</p>	<p>Audit completed in June. Of the 52 broadcasters, all were compliant with the requirement in relation to duration of notices and only one was not compliant with the requirement to vary times of the notices. In the previous audit (2010) five broadcasters had not been varying times</p> <p>All audited broadcasters were notified of the results of the audit and given information and/or assistance where necessary</p>
<p>A public survey of awareness of the Codes and the standards is undertaken to obtain baseline figures for measurement</p>	<p>Promotion of the Codes and standards is undertaken</p> <p>A survey shows that public awareness of the Codes and the standards has increased by no less than 5% by 30 June 2012</p>	<p>Survey for improvements in awareness will be carried out in the 2011-2012 year</p>	<p>We identified the key benchmarks and measures to determine appropriate awareness this year and articulated these in the Statement of Intent 2012-2115. We decided this ought to be done every two years with the next survey taking place late 2012-2013</p>

OUTCOME AREA: PUBLIC

(OUTPUT: INFORMATION AND COMMUNICATION IN THE 2012-2015 STATEMENT OF INTENT)

DESCRIPTION

We provide clear, user-friendly information about the broadcasting standards system and our decisions. Effective information on broadcasting standards processes and issues helps New Zealanders understand their media environments. An informed and media-literate public is better able to control their engagement with all forms of broadcasting content within the standards.

It is particularly important that, when people come to us, we provide clear and accessible information about the standards system and how to make a quality complaint at the right level. Our website is our key interface with the public. This year we decided to review and upgrade it to ensure it is accessible and user-friendly, that the content is clear and accurate, and decisions are easily searchable.

We also raise awareness of the broadcasting standards system through strategic media releases of decisions, and the publication of a regular newsletter.

Cost	Actual 2011/2012	Budget 2011/2012	Actual 2011/2010*	Actual 2010/2009
Total cost	253,271	302,832	407,672	211,563
% of total cost	20.97%	20%	30%	17%

*In 2010/2011 everything other than Complaints determination was put in this output class.

Outcomes	Impacts	Outputs	Targets	Measures	Actual 2011-2012	Actual 2010-2011
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	Not achieved. The BSA identified a number of issues with the website that made the development of this resource premature. Instead it has decided to reconfigure the website as the key public interface. The goals are to ensure it is clear, understandable and easy to navigate. This will contribute better to the outcome articulated here. Development is well underway and it will be launched in October 2012	New measure
		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	Achieved. The survey from March 2011 to March 2012 has been completed. It shows 43% of respondents agreed (or strongly agreed) that the BSA handled its part of the process well. This is a 10% improvement on the previous year (Note: this target/measure has been reported on in the Complaints determination/ Compliance section of this Statement of Service Performance as this goes to the quality of our Complaints determination service)	Partially achieved. The survey covered the period 1 July 2010-22 February 2011

The background features a dark grey color with several thin, red, angular lines that create a sense of movement and depth. These lines form a series of overlapping, stepped shapes that resemble a staircase or a series of parallel paths moving from the top right towards the bottom left.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
REVENUE				
Revenue from Crown		609,000	609,000	609,000
Broadcasting levy		787,282	750,000	751,680
Interest income		46,796	40,000	50,147
Other revenue		-	-	1,470
TOTAL REVENUE		1,443,078	1,399,000	1,412,297
LESS EXPENDITURE				
Personnel costs	2	580,725	708,456	671,749
Other expenses	3	600,916	738,600	679,909
Depreciation and amortisation	18 & 19	26,190	52,041	24,067
TOTAL EXPENDITURE		1,207,831	1,499,097	1,375,725
Net (Deficit) / Surplus		235,247	(100,097)	36,572
TOTAL COMPREHENSIVE INCOME		235,247	(100,097)	36,572

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	2012 Actual \$	2012 Budget \$	2011 Actual \$
Public equity as at 1 July	654,598	531,671	618,026
Total Comprehensive Income	235,247	(100,097)	36,572
PUBLIC EQUITY AS AT 30 JUNE 2012	889,845	431,574	654,598

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
CURRENT ASSETS				
Cash and cash equivalents	4	71,520	48,102	81,629
Investments	5	850,000	400,000	700,000
Debtors and other receivables	6	3,196	1,800	5,598
Prepayments		2,861	5,000	13,126
Net GST		21,994	18,000	24,049
		949,571	472,902	824,402
LESS CURRENT LIABILITIES				
Creditors and other payables	7	86,003	120,000	164,991
Employee entitlements	8	41,548	50,000	56,217
		127,551	170,000	221,208
WORKING CAPITAL		822,020	302,902	603,194
NON-CURRENT ASSETS				
Property, plant and equipment	18	64,183	81,536	44,849
Intangible assets	19	3,642	47,136	6,555
		67,825	128,672	51,404
NET ASSETS		889,845	431,574	654,598
Represented by PUBLIC EQUITY		889,845	431,574	654,598

Explanations of major variances against budget are provided in Note 17.



Peter Radich
Chair, Wellington
29 October 2012



Mary Anne Shanahan
Member, Auckland
29 October 2012

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 Actual \$	2012 Budget \$	2011 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from Crown		609,000	609,000	609,000
Broadcasting levy		787,282	748,300	751,680
Interest received		49,361	40,000	52,761
Other income		-	-	3,028
GST (net)		2,055	(3,000)	(10,574)
Payments to employees & members		(595,394)	(659,350)	(663,029)
Payments to suppliers & other operating expenses		(666,017)	(797,706)	(582,476)
Net Cash Flow from Operating Activities	9	186,287	(62,756)	160,390
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(46,396)	(68,000)	(6,645)
Purchase of intangible assets		-	(70,000)	(5,000)
Increase investments		(150,000)	200,000	(89,389)
Net Cash Flow from Investing Activities		(196,396)	62,000	(101,034)
Net increase / (decrease) in cash held		(10,109)	(756)	59,356
Opening cash brought forward		81,629	48,858	22,273
CASH BALANCE CARRIED FORWARD	4	71,520	48,102	81,629

Explanations of major variances against budget are provided in Note 17.

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

1. Statement of Accounting Policies

REPORTING ENTITY

The Broadcasting Standards Authority (BSA) is a Crown Entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the BSA's ultimate parent is the New Zealand Crown.

Its primary objective is to provide public services to the New Zealand public, as opposed to that of making a financial return. Accordingly, the BSA has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

The financial statements for the BSA are for the year ended 30 June 2012, and were approved by the Board on 29 October 2012.

BASIS OF PREPARATION

Statement of Compliance

The financial statements for the BSA have been prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP").

These financial statements have been prepared in accordance with NZ GAAP as appropriate for public benefit entities and they comply with NZ IFRS.

Measurement base

The financial statements have been prepared on an historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and are rounded to the nearest dollar (\$). The functional currency of the BSA is New Zealand dollars (NZ\$).

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted.

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the BSA are:

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial assets (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ending 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, BSA is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means BSA expects a transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, BSA is unable to assess the implications of the new Accounting Standards Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

REVENUE

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

Revenue from the Crown is recognised as revenue when received and is reported in the financial period to which it relates.

Broadcasting levy

The broadcasting levy is recognised upon receipt of the payment from the broadcaster.

Interest

Interest income is recognised as it accrues on bank account balances, on-call bank deposits and investments.

Other income

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

LEASES

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 Comprehensive Income.

CASH AND CASH EQUIVALENT

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.

DEBTORS AND OTHER RECEIVABLES

Debtors and other receivables are measured at fair value less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the BSA will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, receivership or liquidation, and default in payments are all considered indicators that the debt is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

INVESTMENTS IN BANK DEPOSITS

Investments in bank deposits are measured at fair value plus transaction costs.

After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method less any provision for impairment.

For bank deposits, impairment is established when there is objective evidence that the BSA will not be able to collect amounts due according to the original terms of the deposit. Significant financial difficulties of the bank, probability that the bank will enter into receivership or liquidation, and default in payment are all considered indicators that the deposit is impaired.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment asset classes consist of office equipment, furniture and fittings, leasehold improvements, photocopier, computer equipment and artworks.

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the BSA and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the assets. Gains and losses on disposals are included in the Statement of Comprehensive Income.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the BSA and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as they are incurred.

Depreciation

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

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Office equipment	5 years	20% straight line
Furniture and 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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Artworks are fully depreciated in the year of purchase.

INTANGIBLE ASSETS

Software acquisition

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

Costs that are directly associated with the development of software for internal use by the BSA are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred. Costs associated with development and maintenance of BSA's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date the asset is no longer used. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

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
Copyright	3 years	33% straight line

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant and equipment and intangible assets that have a finite life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The total impairment loss is recognised in the Statement of Comprehensive Income, and any subsequent reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where we would, if deprived of the asset, replace its remaining future economic benefits or service potential.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Short-term creditors and other payables are recorded at their face value.

EMPLOYEE ENTITLEMENTS

Provision is made in respect of the BSA's liability for annual leave that is expected to be settled within 12 months of the reporting date. Annual leave is measured at nominal values on an actual entitlement basis at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. A liability and an expense is recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation. No liability is recognised for sick leave.

Superannuation scheme

Defined contribution scheme

Obligations for contributions to KiwiSaver and the State Sector Retirement Savings Scheme (SSRSS) are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Statement of Comprehensive Income as incurred.

GOODS AND SERVICE TAX (GST)

All items in the financial statements are exclusive of GST, with the exception of debtors and creditors, 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 provision has been made for income tax.

BUDGET FIGURES

The budget figures are derived from the Statement of Intent as approved by the board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the board in preparing these financial statements.

COST ALLOCATION

The BSA has determined the cost of outputs in the Statement of Service Performance using the cost allocation system outlined below.

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

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on estimates of related activity or usage information.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

Use of judgements, estimates and assumptions

In preparing these financial statements the BSA has made estimates and assumptions about the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Personnel costs

	2012 Actual \$	2011 Actual \$
Staff salaries and board remuneration	573,578	660,808
Employer contributions to defined contribution plans	7,147	10,941
Total personnel costs	580,725	671,749

Employer contributions to defined contribution plans include contributions to KiwiSaver and the State Sector Retirement Savings Scheme (SSRSS).

3. Other expenses

	2012 Actual \$	2011 Actual \$
Audit of financial statements	17,505	16,932
Complaints	147,882	127,886
Information	104,215	140,349
Research	7,927	80,125
Travel, accommodation & training	105,720	80,158
Rent	83,926	66,254
Office expenses	133,741	168,205
Total other expenses	600,916	679,909

4. Cash and cash equivalents

	2012 Actual \$	2011 Actual \$
Cash on hand:		
Petty Cash	100	100
Banks:		
Current Account	13,361	18,357
Online Saver Account	58,059	63,172
Total cash and cash equivalents	71,520	81,629

The carrying value of short-term deposits with maturity dates of three months or less approximates their fair value.

5. Investments

	2012 Actual \$	2011 Actual \$
Term deposits with maturities of 4–6 months	850,000	700,000
Total investments	850,000	700,000
Weighted average effective interest rate for term deposits:	4.00%	4.60%

6. Debtors and other receivables

	2012 Actual \$	2011 Actual \$
Trade receivables	163	-
Accrued interest	3,033	5,598
Total debtors and other receivables	3,196	5,598

The carrying value of receivables approximates their fair value.

7. Creditors and other payables

	2012 Actual \$	2011 Actual \$
Creditors	56,143	94,014
Accrued expenses	29,860	70,977
Total creditors and other payables	86,003	164,991

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

8. Employee entitlements

	2012 Actual \$	2011 Actual \$
Current employee entitlements are represented by:		
Accrued salaries and wages	9,743	10,724
Annual leave	16,105	25,245
Salary 'at risk'	15,700	20,248
Total employee entitlements	41,548	56,217

9. Reconciliation of net surplus / (deficit) to net cash flow from operating activities

	2012 Actual \$	2011 Actual \$
Reported (deficit) / surplus for the year	235,247	36,572
Add non-cash items:		
Depreciation, amortisation	29,975	24,067
Add / (less) movements in Statement of Financial Position items		
Decrease / (increase) in debtors and other receivables	2,402	4,173
(Decrease) / increase in creditors and other payables	(78,988)	94,269
(Decrease) / increase in employee entitlements	(14,669)	8,720
Decrease / (increase) in net GST	2,055	(10,574)
Decrease / (increase) in prepayments	10,265	3,163
Net cash flow from operating activities	186,287	160,390

10. Commitments

	2012 Actual \$	2011 Actual \$
Operating lease		
Not later than one year	66,254	66,254
Later than one year and not later than five years	-	66,254
Total non-cancellable operating lease	66,254	132,508

The BSA has an operating lease for the rental of the premises comprising part of the second floor, 54-56 Cambridge Terrace, Wellington from 1 July 2008 until 30 June 2013.

11. Contingent assets and liabilities

CONTINGENT ASSETS

As at 30 June 2012 the BSA has no contingent assets. (2011: Nil)

CONTINGENT LIABILITIES

As at 30 June 2012, the BSA had no High Court appeals lodged against its decisions.

As at 30 June 2011, two High Court appeals were lodged against the BSA's decisions. (The financial liability that can arise from appeals would be related to court costs incurred by the BSA.)

12. Related party transactions & key management personnel

The BSA had no related party transactions. (2010/11: Nil)

Key management personnel compensation	2012 Actual \$	2011 Actual \$
Salaries and other short-term benefits	284,438	278,794
Total key management personnel compensation	284,438	278,794

Key management personnel include all board members and both outgoing and incoming Chief Executives.

Board remuneration

The total value of remuneration paid or payable to each board member during the year was:

	2012 Actual \$	2011 Actual \$
P Radich (Chair)	40,495	45,799
T Misa	-	15,645
M Shanahan	28,455	27,368
L Pearson	26,186	27,521
T Kupenga	29,164	15,566
Total board member remuneration	124,300	131,899

13. Employee remuneration

	2012 Actual \$	2011 Actual \$
Total remuneration paid or payable		
100,000 – 109,999	-	1
110,000 – 119,999	1	-
120,000 – 129,999	-	-
130,000 – 139,999	-	-
140,000 – 149,999	-	1
Total employees	1	2

14. Events after balance date

There were no significant events after balance date.

15. Financial assets and liabilities

The BSA is party to financial instrument arrangements as part of its everyday operations. These financial instruments include cash and cash equivalents, debtors and other receivables, creditors and other payables, investments which are classed as loans and receivables. Their book value is approximately their fair value.

	2012 Actual \$	2011 Actual \$
Loans and receivables		
Cash and cash equivalents	71,520	81,629
Debtors and other receivables	3,196	5,598
Investments – term deposits greater than 3 months	850,000	700,000
Total loans and receivables	924,716	787,227

	2012 Actual \$	2011 Actual \$
Financial liabilities at fair value		
Creditors and other payables	86,003	164,991
Total financial liabilities at fair value	86,003	164,991

16. Financial instruments risks

The BSA's activities expose it to a variety of financial instrument risks. These include market risk, credit risk, and liquidity risk. The BSA has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

The BSA does not use derivative financial instruments.

17. Explanations of significant variations against budget

Explanations for significant variations from the BSA's budgeted figures in the Statement of Intent are as follows:

STATEMENT OF COMPREHENSIVE INCOME

Income

There were no significant variations in actual revenue compared with budgeted revenue.

Expenditure

BSA achieved an operating surplus of \$235,247 against a budgeted deficit of \$100,097. This arose due to a reduction in board member expenses and personnel costs against budget.

18. Property, plant and equipment

Movements for each class of property, plant and equipment are as follows:

	Artworks \$	Computer equipment \$	Furniture & fittings \$	Leasehold improvements \$	Photo- copier \$	Office equipment \$	Totals \$
Cost or valuation							
Balance at 1 July 2010	9,082	57,508	70,794	160,752	20,399	41,065	359,600
Additions	-	1,200	758	-	-	4,687	6,645
Disposals	-	(540)	(678)	-	-	(19,043)	(20,261)
Balance at 30 June 2011	9,082	58,168	70,874	160,752	20,399	26,709	345,984
Accumulated depreciation							
Balance at 1 July 2010	9,082	47,513	53,782	153,090	3,366	33,326	300,159
Depreciation expense	-	7,231	3,087	2,163	6,732	2,024	21,237
Eliminate on disposal / reclassification	-	(540)	(678)	-	-	(19,043)	(20,261)
Balance at 30 June 2011	9,082	54,204	56,191	155,253	10,098	16,307	301,135
Carrying amount 30 June 2011	-	3,964	14,683	5,499	10,301	10,402	44,849
Cost or valuation							
Balance at 1 July 2011	9,082	58,168	70,874	160,752	20,399	26,709	345,984
Additions	-	45,117	1,330	-	-	1,767	48,214
Disposals	-	(53,477)	(7,404)	-	-	(12,606)	(73,487)
Balance at 30 June 2012	9,082	49,808	64,800	160,752	20,399	15,870	320,711
Accumulated depreciation							
Balance at 1 July 2011	9,082	54,204	56,191	155,253	10,098	16,307	301,135
Depreciation expense	-	5,547	4,247	2,651	6,793	4,039	23,277
Eliminate on disposal / reclassification	-	(51,732)	(4,013)	-	-	(12,139)	(67,884)
Balance at 30 June 2012	9,082	8,019	56,425	157,904	16,891	8,207	256,528
Carrying amount 30 June 2012	-	41,789	8,375	2,848	3,508	7,663	64,183

19. Intangible assets

Movements for each class of intangible asset are as follows:

	Acquired software
	\$
Cost of valuation	
Balance at 1 July 2010	31,571
Additions	5,000
Disposals	(2,472)
Balance at 30 June 2011	<u>34,099</u>
Accumulated amortisation	
Balance at 1 July 2010	27,186
Amortisation expense	2,830
Disposals	(2,472)
Balance at 30 June 2011	<u>27,544</u>
Carrying amount at 30 June 2011	<u>6,555</u>
Cost of valuation	
Balance at 1 July 2011	34,099
Additions	-
Disposals	-
Balance at 30 June 2012	<u>34,099</u>
Accumulated amortisation	
Balance at 1 July 2011	27,544
Amortisation expense	2,913
Disposals	-
Balance at 30 June 2012	<u>30,457</u>
Carrying amount at 30 June 2012	<u>3,642</u>

INDEPENDENT AUDIT REPORT

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the readers of the Broadcasting Standards Authority's financial statements and statement of service performance for the year ended 30 June 2012

The Auditor-General is the auditor of the Broadcasting Standards Authority (the Authority). The Auditor-General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Authority on her behalf.

We have audited:

- the financial statements of the Authority on pages 38 to 52, that comprise the statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Authority on pages 27 to 36.

OPINION

In our opinion:

- the financial statements of the Authority on pages 38 to 52:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Authority's:
 - financial position as at 30 June 2012; and
 - financial performance and cash flows for the year ended on that date.
- the statement of service performance of the Authority on pages 27 to 36:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects, for each class of outputs for the year ended 30 June 2012, the Authority's:
 - service performance compared with the forecasts in the statement of forecast service performance for the financial year; and
 - actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 29 October 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

BASIS OF OPINION

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making

those risk assessments, we consider internal control relevant to the preparation of the Authority's financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Authority's financial position, financial performance and cash flows; and
- fairly reflect its service performance.

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

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

RESPONSIBILITIES OF THE AUDITOR

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Authority.



K M Rushton

Audit New Zealand

*On behalf of the Auditor-General
Wellington, New Zealand*

MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE

This audit report relates to the financial statements and statement of service performance of the Broadcasting Standards Authority for the year ended 30 June 2012 included on the Broadcasting Standards Authority's website. The Broadcasting Standards Authority's Board is responsible for the maintenance and integrity of the Broadcasting Standards Authority's website. We have not been engaged to report on the integrity of the Broadcasting Standards Authority's website.

We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance as well as the related audit report dated 29 October 2012 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

PART FOUR: **APPENDICES**

APPENDIX 1: DECISION STATISTICS
APPENDIX 2: DECISION DETAILS

APPENDIX 1: DECISION STATISTICS

COMPLAINTS RECEIVED AND DECISIONS ISSUED

Year	Complaints Received	Decisions Issued	DETERMINATION					Appealed to High Court ***	ORDERS				
			Upheld	Upheld as % of total	Not Upheld	Declined to Determine*	Other**		Broadcast Statement	Costs to Crown	Legal Costs	Compensation for Breach of Privacy	Other
July 2011 – June 2012	195	162	17	10%	131	10	4	-	1	3	4	1	-
July 2010 – June 2011	250	236	69	29.2%	146	13	8	5	6	8	4	2	-
July 2009 – June 2010	210	193	45	23.3%	141	7	-	4	11	7	7	-	-
July 2008 – June 2009	162	151	25	16.6%	124	2	-	-	4	3	3	1	-
July 2007 – June 2008	148	139	41	29.5%	94	2	2	4	13	8	3	2	1 Refrain from broadcasting
July 2006 – June 2007	131	125	27	21.6%	94	3	1	2	10	9	7	6	-
July 2005 – June 2006	153	156	19	12.2%	127	10	-	-	6	5	4	-	-
July 2004 – June 2005	184	214	40	18.7%	166	7	1	1	11	4	6	-	1 Publication of apology in newspapers 2 Publication in newspaper/ Referred back to broadcaster to review its policies
July 2003 – June 2004	196	187	42	22.5%	133	5	7	3	10	1	3	2	-
July 2002 – June 2003	169	160	26	16.3%	116	8	10	1	7	2	2	-	-
July 2001 – June 2002	186	180	44	24.4%	128	8	-	4	12	8	2	3	1 Broadcast of apology
July 2000 – June 2001	197	189	41	21.7%	135	13	-	1	13	6	1	2	1 Letter of apology

Year	Complaints Received	Decisions Issued	DETERMINATION					Appealed to High Court ***	ORDERS				
			Upheld	Upheld as % of total	Not Upheld	Declined to Determine*	Other**		Broadcast Statement	Costs to Crown	Legal Costs	Compensation for Breach of Privacy	Other
July 1999 – June 2000	206	239	71	29.7%	152	16	-	12	13	5	2	1	Refrain from advertising
July 1998 – June 1999	204	184	33	17.9%	132	9	10	4	8	2	4	-	-
July 1997 – June 1998	174	176	39	22.2%	122	12	3	2	10	-	7	1	Broadcast of apology
July 1996 – June 1997	206	199	40	20.1%	147	10	2	5	-	8	1	2	Broadcast of apology
July 1995 – June 1996	179	171	50	29.2%	110	10	1	11	-	-	4	4	Broadcast of apology
July 1994 – June 1995	162	139	48	34.5%	84	4	3	7	-	1	-	2	Broadcast of apology
July 1993 – June 1994	168	151	53	35.1%	92	6	-	6	-	-	2	1	Broadcast of apology
July 1992 – June 1993	159	144	43	29.9%	97	3	1	3	-	1	2	-	-
July 1991 – June 1992	106	76	25	32.9%	46	4	1	3	-	-	1	-	-
July 1990 – June 1991	52	45	19	42.2%	25	-	1	7	-	1	-	-	2 Broadcast of apology/ Refrain from advertising
July 1989 – June 1990	43	14	6	42.9%	6	2	-	-	-	-	1	-	-

* From 2010 'Decline to Determine' encompasses only findings that complaints were frivolous, vexatious or trivial or that in any event the complaint ought not to be determined by the BSA.

** From 2010 'Other' relates solely to findings of jurisdiction or no jurisdiction that may have been previously included in 'Decline to Determine'.

*** Appeals numbers relate to the date of the original decision (and not to the date of appeal or High Court decision).

DECISIONS BY PROGRAMME GENRE

The table below reflects decisions released categorised by programme genre. With the increased convergence of programme content, categorisation has become more difficult; some programmes do not fit easily into one category, and parts within a programme may fit within different categories – for example, a magazine-style show may contain a factual discussion. For the purposes of this table, programmes have been categorised based on the primary grounds for complaint – so the example above would be categorised as “factual”.

CATEGORIES:

News/Current Affairs: programmes dedicated to news and current affairs, eg, *One News, Close Up, 60 Minutes, Campbell Live, Radio NZ News*

Factual Programmes: programmes which are non-fiction, contain factual information, and which could be considered in relation to the accuracy and balance standards, eg, *The Investigator, Police Ten 7, Inside New Zealand*

Fictional Programmes: dramas, sitcoms, cartoon comedies (which may include dramatic versions of factual events), eg, *Underbelly, Family Guy, Packed to the Rafters*

Talkback: radio talkback programmes which involve regular phone calls from listeners, eg, *Michael Laws Talkback, Leighton Smith Show, Paul Henry Drive Show*

Election Programmes: programmes which were considered during the general election period in 2011 – usually political party advertisements and opening/closing addresses

Other: programmes which do not fit into the other categories, eg, songs/music videos, stand-up comedy, book readings on radio, breakfast shows on radio

	Total Number of Decisions	Upheld	Not Upheld	Declined to Determine	No Jurisdiction/ Accepted Jurisdiction
News/Current Affairs	67	8	52	5	2
Factual Programmes	33	4	27	1	1
Fictional Programmes	24	3	18	2	1
Talkback	8	-	8	-	-
Election Programmes	10	-	8	2	-
Other	20	2	18	-	-
Total	162	17	131	10	4

Note: As we have incorporated new categories and combined television and radio, there are no figures for the previous year.

DECISIONS BY STANDARD COMPLAINED UNDER

Many complaints name more than one standard so totals do not match up with the total number of decisions released. Figures in brackets are from the previous year.

	Good Taste and Decency	Accuracy	Programme Classification/Social Responsibility/ Responsible Programming	Fairness	Children's Interests/Children	Denigration and Discrimination	Balance/Controversial Issues – Viewpoints	Privacy	Law and Order	Violence	Action Taken	Liquor
Total	62 [61]	61 [94]	37 [71]	56 [64]	36 [56]	36 [51]	29 [47]	17 [23]	11 [16]	15 [10]	2 [7]	7 [1]
Upheld	3 [47]	6 [13]	3 [36]	9 [16]	2 [36]	- [10]	- [8]	1 [7]	- [2]	2 [2]	1 [1]	1 [-]
Not Upheld/Other	59 [49]	56 [81]	34 [35]	47 [48]	34 [20]	36 [41]	29 [39]	16 [16]	11 [14]	13 [8]	1 [6]	6 [1]

PROGRAMMES MOST COMPLAINED ABOUT

Figures in brackets are from the previous year.

	Number of Complaints	Upheld	Not Upheld/Other
Campbell Live	26 [7]	7 [3]	19 [4]
3 News/Firstline	22 [13]	3 [6]	19 [7]
One News	20 [12]	1 [1]	19 [11]
Close Up	5 [17]	- [1]	5 [16]
Fair Go	5 [1]	1 [-]	4 [1]

DECISIONS RELEASED – BY MEDIUM

Figures in brackets are from the previous year.

	Total Number of Decisions	Upheld
Television	134 [204]	16 [60]
Radio	28 [32]	1 [9]

DECISIONS BY BROADCASTER

Figures in brackets are from the previous year.

	Total Decisions	Upheld	Not Upheld	Declined to Determine	No Jurisdiction or Accepted Jurisdiction	Orders
APNA 990	1 (2)	- (1)	1 (-)	- (1)	- (-)	- (1)
Māori TV	2 (1)	- (1)	1 (-)	1 (-)	- (-)	- (-)
Radio One	1 (-)	- (-)	1 (-)	- (-)	- (-)	- (-)
Radio Tairua	1 (-)	1 (-)	- (-)	- (-)	- (-)	- (-)
RadioWorks	13 (15)	- (-)	12 (10)	1 (5)	- (-)	- (-)
Radio NZ	6 (8)	- (-)	6 (6)	- (2)	- (-)	- (-)
SKY TV	4 (8)	- (1)	4 (6)	- (1)	- (-)	- (-)
The Radio Network	7 (11)	- (1)	7 (10)	- (-)	- (-)	- (-)
Triangle TV	2 (1)	- (-)	2 (1)	- (-)	- (-)	- (-)
TVNZ	68 (108)	8 (25)	54 (76)	5 (3)	1 (4)	3 (18)
TVWorks	57 (73)	8 (34)	44 (36)	2 (1)	3 (2)	3 (29)

APPENDIX 2: DECISION DETAILS

UPHELD WITH ORDER

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Standards Upheld	Order
2010-133A	Paper Reclaim Ltd	TWWorks	Campbell Live	Item inaccurately reported that striking workers from Paper Reclaim worked in "dirty, unsanitary conditions" and that PR had a rat problem	Accuracy, fairness, privacy	Accuracy, fairness	Broadcast statement, \$13,742.20 legal costs, \$3,000 costs to Crown
2010-133B	Paper Reclaim Ltd	TWWorks	Campbell Live promo on TV3	Item inaccurately reported that striking workers from Paper Reclaim worked in "dirty, unsanitary conditions" and that PR had a rat problem	Accuracy, fairness, privacy	Accuracy, fairness	Broadcast statement, \$13,742.20 legal costs, \$3,000 costs to Crown
2010-163	HC and CT	TVNZ	Fair Go	Hidden camera investigation into sales techniques used by complainants for Wenatex beds	Fairness, privacy, accuracy	Fairness	\$8,740 legal costs
2011-033	MQ	TVNZ	Police	10-year-old footage of complainant being arrested following solvent abuse	Privacy, fairness	Privacy, fairness	\$1,000 costs to complainant for breach of privacy, \$1,000 costs to Crown
2011-122	JS	TWWorks	Campbell Live, 3 News & The Jono Project	Hidden camera footage of reporters wearing burqas and speaking to complainant outside her shop	Fairness, privacy, accuracy	Fairness	\$2,000 costs to Crown
2011-132	George	TVNZ	A Rotten Shame	Door-stepping of building inspector	Fairness, accuracy, controversial issues	Fairness (Action Taken)	\$500 legal costs
2011-133	Wang	TWWorks	Campbell Live	Complainant's property alleged to be formerly used for manufacture of methamphetamine	Accuracy, fairness, discrimination and denigration	Accuracy and fairness	\$1,400 legal costs

UPHELD WITH NO ORDER

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Standards Upheld
2011-030	King	TVNZ	Criminal Minds	Violence including capturing, torturing and stabbing women	Good taste and decency, responsible programming, violence, children's interests	Good taste and decency, responsible programming, violence
2011-047A	Beckett	TWWorks	Campbell Live	Interview with "moon man" Ken Ring	Fairness, controversial issues, accuracy	Fairness
2011-047B	Cox	TWWorks	Campbell Live	Interview with "moon man" Ken Ring	Fairness, controversial issues, accuracy	Fairness
2011-047C	Warren	TWWorks	Campbell Live	Interview with "moon man" Ken Ring	Fairness, controversial issues, accuracy	Fairness
2011-053	Milich	TVNZ	Criminal Minds	Violence including burning victims alive	Good taste and decency, responsible programming, violence	Good taste and decency, responsible programming, violence
2011-077	Clayton	TVNZ	One News	Item about Hone Harawira's travel expenses	Accuracy, fairness	Accuracy
2011-095	Stevenson	Radio Tairua	Radio Tairua	Prelude to song at 3.45pm contained extensive coarse language	Good taste and decency	Good taste and decency
2011-117	Noble	TVNZ	Police Ten 7	Police interviewed man with cerebral palsy who was victim of alleged assault and robbery	Fairness, privacy, accuracy, discrimination and denigration	Fairness
2011-127	O'Neill	TWWorks	LMFAO Video Hits	Music video allegedly contained coarse and sexually explicit language and liquor promotion	Liquor, children's interests, discrimination and denigration, good taste and decency, responsible programming	Liquor, children's interests
2011-154	Bay of Plenty District Health Board	TVNZ	Te Karere	Alleged closure of Whakatane Hospital's Microbiology Department	Accuracy	Accuracy
2012-014	Riwai-Couch	TWWorks	Underbelly: Razor	Sex scene broadcast at 8.42pm	Children's interests	Children's interests
2012-019	Simpson	TWWorks	3 News	Item regarding Christchurch aftershocks allegedly alarmist	Accuracy, responsible programming	Accuracy, responsible programming
2012-020	Beardsley	TWWorks	3 News	Item on likely ban of guided heli-hunting contained footage of commercial deer recovery	Accuracy, fairness	Accuracy

Note: These tables contain a breakdown of each complaint relating to the 162 decisions issued in the year. Multiple complaints about the same programme, or multiple programmes complained about by one complainant, are listed separately as A, B and C etc. but they are still treated as one decision with the same decision number.

NOT UPHELD

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2010-133C	Paper Reclaim Ltd	TWWorks	Campbell Live promo on TV3	Item inaccurately reported that striking workers from Paper Reclaim worked in "dirty, unsanitary conditions" and that PR had a rat problem	Accuracy, fairness, privacy
2010-133D	Paper Reclaim Ltd	TWWorks	Campbell Live promo on TV3	Item inaccurately reported that striking workers from Paper Reclaim worked in "dirty, unsanitary conditions" and that PR had a rat problem	Accuracy, fairness, privacy
2010-133E	Paper Reclaim Ltd	TWWorks	Campbell Live promo on TV3	Item inaccurately reported that striking workers from Paper Reclaim worked in "dirty, unsanitary conditions" and that PR had a rat problem	Accuracy, fairness, privacy
2010-133F	Paper Reclaim Ltd	TWWorks	Campbell Live promo on TV3	Item inaccurately reported that striking workers from Paper Reclaim worked in "dirty, unsanitary conditions" and that PR had a rat problem	Accuracy, fairness, privacy
2010-133G	Paper Reclaim Ltd	RadioWorks	Campbell Live promo on Radio Live	Item inaccurately reported that striking workers from Paper Reclaim worked in "dirty, unsanitary conditions" and that PR had a rat problem	Accuracy, fairness, privacy
2011-019A	Richard-Howes	TVNZ	Close Up	Interview with vodou high priest	Privacy, accuracy, fairness, discrimination and denigration
2011-019B	Wilson	TVNZ	Close Up	Interview with vodou high priest	Privacy, accuracy, fairness, discrimination and denigration
2011-026	Pang	TVNZ	The Investigator	Documentary about Mark Lundy murders referred to complainant's evidence about time of death	Controversial issues, accuracy, fairness
2011-028	Hirschfeld	TVNZ	One News	Item reporting Law Society's investigation into complainant's legal aid work and payments	Accuracy, fairness
2011-029	Holden	TVNZ	Closer	Movie contained offensive language	Responsible programming and discrimination and denigration
2011-031	Rankin	TVNZ	Te Karere	Reference to "Chinese lawyer"	Discrimination and denigration
2011-034A	Freeman	RadioWorks	Talkback with Michael Laws	Host made comments about disabled athletes	Discrimination and denigration
2011-034B	Purchase	RadioWorks	Talkback with Michael Laws	Host made comments about disabled athletes	Discrimination and denigration
2011-038	Albery	RadioWorks	Robert and Jono's Drive Show	"Wind up your Wife" prank resulted in discussions of divorce on air	Fairness
2011-041	Schwabe	TVNZ	One News	Item included word "dickhead"	Good taste and decency
2011-043	Watercare Services Ltd	TVNZ	Close Up	Item stated Watercare failed to respond to complaints about water leak; interview with Watercare	Accuracy, fairness, children's interests
2011-044A	Radio Tarana	Apna	APNA 990	Caller's comments about Fijians in Christchurch earthquake	Accuracy, responsible programming, good taste and decency

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2011-044B	Lal	Apna	APNA 990	Caller's comments about Fijians in Christchurch earthquake	Accuracy, responsible programming, good taste and decency
2011-045	Blue	TVNZ	Hooked in New Zealand	Footage of host and others drinking beer and sambuca shots	Law and order, liquor
2011-049	Hamlett	RadioWorks	Radio Live News and The Breeze News	Items reporting woman was bitten by lion cub at tourist park	Accuracy, fairness
2011-050	Young	TWorks	Campbell Live	Montage of footage from Japan's earthquake and tsunami	Good taste and decency
2011-051	Anson	TWorks	3 News	Item stated students helping with Christchurch clean-up "targeted" by Finance Minister	Accuracy, fairness
2011-054	Petherick	TVNZ	TVNZ News Now	Footage of teenage girls fighting not preceded by a warning	Action taken (responsible programming, children's interests, violence)
2011-056	Phillips	TWorks	3 News	News reader said, "What is wrong with these people" regarding people declining invites to Royal wedding	Discrimination and denigration
2011-057	Allen	TVNZ	One News	"Good Sorts" segment included word "bastard"	Good taste and decency, children's interests, responsible programming, controversial issues
2011-058	Mason	TWorks	3 News	Image allegedly of dead Osama bin Laden	Good taste and decency, violence, children's interests, responsible programming, controversial issues
2011-059	Murdoch	TWorks	7 Days	Racial comments, coarse language and sexual connotations	Good taste and decency, responsible programming
2011-060	Christie	TRN	Hauraki Amped	Promotion for The Hangover Part II said "Hauraki's going to send you and two mates to get your own hangover in Thailand"	Liquor and responsible programming
2011-061	Atkin	TRN	Sean Plunket Morning	Interview with doctor about his views against water fluoridation	Controversial issues, fairness, discrimination and denigration
2011-062	Banks	TVNZ	The Politically Incorrect Guide to Teenagers	Presenter's comments about teenagers being "mental", "not right in the head", "mad"	Good taste and decency, discrimination and denigration
2011-063	Stewart	TVNZ	Not Going Out	Character danced with baby and moved him side to side	Good taste and decency, violence, children's interests, fairness, discrimination and denigration
2011-064	Gray	RNZ	Te Ahi Kaa	Audio extract of news bulletin about Christchurch earthquake	Action taken (responsible programming), accuracy
2011-065	Family First	TVNZ	Sunday	Item about purity pledges	Accuracy
2011-066	Chin	TWorks	3 News	Item on first 3D erotic film	Good taste and decency, children's interests
2011-068	Golden	TVNZ	AMP Business	Commodity prices were not identified as US dollars	Accuracy, fairness

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2011-069	Knox	TRN	Larry Williams Drive Show	Host expressed views on execution of Osama bin Laden	Controversial issues
2011-070	Crozier	RadioWorks	Talkback with Michael Laws	Host offered opinion it was a "myth" that people were beaten for speaking Te Reo	Accuracy, discrimination and denigration
2011-071	Family First	TVWorks	Californication	Frequent coarse language	Good taste and decency
2011-072A	MSD	TVWorks	3 News	Items about effectiveness of MSD's Community Max scheme	Controversial issues, accuracy, fairness, discrimination and denigration
2011-072B	MSD	TVWorks	3 News	Items about effectiveness of MSD's Community Max scheme	Controversial issues, accuracy, fairness, discrimination and denigration
2011-072C	MSD	TVWorks	3 News	Items about effectiveness of MSD's Community Max scheme	Controversial issues, accuracy, fairness, discrimination and denigration
2011-072D	Peterson	TVWorks	3 News	Items about effectiveness of MSD's Community Max scheme	Controversial issues, accuracy, fairness, discrimination and denigration
2011-073	Wallis	TVWorks	3 News	Item about rescue of complainant's surfing students	Accuracy, fairness
2011-074	Young	TVWorks	Family Guy	Cartoon scene at "straight camp"	Good taste and decency, children's interests, discrimination and denigration, liquor
2011-075	TW	TVNZ	The Claim Game	Reality series about insurance claims investigated car accident in which complainant's husband died	Privacy, accuracy, good taste and decency
2011-076	Schwabe	TVNZ	Fair Go	Presenter said "shit"	Good taste and decency
2011-078	Lilley	TVWorks	Family Guy	Cartoon implied killing of cat with razor	Good taste and decency, children's interests, violence
2011-079A	ALAC	TVNZ	One News	Woodstock branding at David Tua event	Liquor
2011-079B	ALAC	TVNZ	Breakfast	Weather presenter interviewed "Jim Beam Grid Girls"	Liquor
2011-081A	Valentic	TVWorks	Target	Item about legality of wheel clamping	Accuracy, law and order, fairness, controversial issues, responsible programming
2011-081B	MacAlpine	TVWorks	Target	Item about legality of wheel clamping	Accuracy, law and order, fairness, controversial issues, responsible programming
2011-081C	NZ Wheel Clamping	TVWorks	Target	Item about legality of wheel clamping	Accuracy, law and order, fairness, controversial issues, responsible programming
2011-082	Office of the Prime Minister	TVNZ	One News	Item discussed Government's deal to upgrade transport fleet and donation to National Party from a BMW dealership	Accuracy
2011-085	Hamilton	TVNZ	Promo for Packed to the Rafters	Woman briefly put hand down boyfriend's pants	Good taste and decency, responsible programming, children's interests

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2011-086	Boparai	TVWorks	60 Minutes	Interview with Paul Henry	Controversial issues, discrimination and denigration, good taste and decency
2011-089	Smith	TRN	Radio Hauraki Breakfast Show	Host commented "Who wants to stick their finger up Dean's arse?"	Good taste and decency
2011-090	Guy	RadioWorks	The Morning Fix	Host talked about receiving speeding ticket	Law and order, good taste and decency
2011-091A	Reid	TVNZ	One News at Midday	Items reported that complainant had pleaded guilty to growing cannabis for supply to prison inmates	Accuracy, responsible programming, discrimination and denigration
2011-091B	Reid	TVNZ	One News at 4.30pm	Items reported that complainant had pleaded guilty to growing cannabis for supply to prison inmates	Accuracy, responsible programming, discrimination and denigration
2011-091C	Reid	TVNZ	One News at 6pm	Items reported that complainant had pleaded guilty to growing cannabis for supply to prison inmates	Accuracy, responsible programming, discrimination and denigration
2011-091D	Reid	TVNZ	One News Tonight	Items reported that complainant had pleaded guilty to growing cannabis for supply to prison inmates	Accuracy, responsible programming, discrimination and denigration
2011-093	Armitage	TRN	Newstalk ZB	Man referred to woman "on her rags"	Good taste and decency
2011-094	Russell	TVWorks	Inside New Zealand: High Time	Person said "holy fuckin' Jesus"	Good taste and decency, discrimination and denigration
2011-096	Ringrose	TVWorks	Promo for Bones	Brief shots of girl with dirty face	Responsible programming, children's interests, good taste and decency
2011-097	Samuel	TVWorks	Big	Contained nudity at 7.32pm without warning	Good taste and decency, responsible programming, children's interests
2011-098	Grieve	TVWorks	Campbell Live	Panellist on Campbell Live made a comment about what would happen if men had periods	Discrimination and denigration
2011-099	Kiernander	TVNZ	Fair Go	Item reporting on saving fuel costs investigated hybrid vehicles and made one reference to Toyota Prius as an example	Accuracy, fairness, responsible programming, discrimination and denigration
2011-100	Fibbens	RadioWorks	Paul Henry Drive	Two references to "shit fight"	Good taste and decency
2011-101	de Boer	Māori TV	Hunting Aotearoa	Footage of dogs attacking pigs and child handling firearm	Violence
2011-103	Perkins	SKY	Kalgoorlie Cops	Footage of topless barmaid entertaining patrons	Good taste and decency
2011-104A	Gouge	TVWorks	Campbell Live	Alasdair Thompson interview	Fairness, accuracy, controversial issues, privacy
2011-104B	Francis	TVWorks	Campbell Live	Alasdair Thompson interview	Fairness, accuracy, controversial issues, privacy
2011-104C	Thompson	TVWorks	Campbell Live	Alasdair Thompson interview	Fairness, accuracy, controversial issues, privacy
2011-105	Steans	TVWorks	Forgetting Sarah Marshall	Movie contained male nudity and swearing before 8.40pm	Children's interests, good taste and decency
2011-106	Conn	TVNZ	Nothing Trivial promo	Contained words "dick" and "root"	Good taste and decency, children's interests

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2011-107	Slaney	TVNZ	TVNZ News at 8pm	Newsreader said, "Christ that hurt"	Good taste and decency
2011-108	McGlenn	TVNZ	One News	Item on young New Zealand ski racer	Accuracy
2011-109	Tower Insurance	TWWorks	Campbell Live	Interviewed Tower customer living in Christchurch red zone	Accuracy, fairness
2011-111	Signer	RNZ	Morning Report and RNZ News	Reported findings of Waitangi Tribunal report WAI 262	Controversial issues
2011-112	Wilson	TVNZ	Promo for Nothing Trivial	Sexual references	Children's interests
2011-113	Te Rangitira	SKY	Promo for A Nightmare on Elm Street	Contained brief images from the film allegedly unsuitable for children	Children
2011-115A	Axford	TVNZ	Investigator Special: Jesus the Cold Case	Bryan Bruce investigated life and death of Jesus	Controversial issues, accuracy, fairness, discrimination and denigration
2011-115B	Bate	TVNZ	Investigator Special: Jesus the Cold Case	Bryan Bruce investigated life and death of Jesus	Controversial issues, accuracy, fairness, discrimination and denigration
2011-115C	Oldham	TVNZ	Investigator Special: Jesus the Cold Case	Bryan Bruce investigated life and death of Jesus	Controversial issues, accuracy, fairness, discrimination and denigration
2011-116	Dunlop	SKY	Prime Presents: The Grand Tour, Jeremy Wells and the NZSO	Presenter referred to sexual activity, nudity and bodily functions	Good taste and decency
2011-119	Bennett	RadioWorks	More FM	Host said "fuggin"	Good taste and decency
2011-120	Grieve	TVNZ	One News	Item referred to "pollution" and "polluters"	Accuracy
2011-121	Freeman	TVNZ	Police Ten 7	"Bad boys" episode contained coarse language and nudity, all censored	Good taste and decency, responsible programming, children's interests, law and order, violence, discrimination and denigration
2011-123	Francis	TVNZ	Promo for Nothing Trivial	Contained words "balls", "arse" and "bastard"	Good taste and decency, children's interests
2011-124	Marevich	TWWorks	Noise Control and Promo	Footage of complainant at a party allegedly broadcast without consent	Fairness, privacy, accuracy, responsible programming
2011-125	Deo Chand Raj	Triangle TV	Zindagi Forever	Musical performance lyrics allegedly mocked Hinduism	Controversial issues, accuracy, fairness
2011-126	Henderson	TWWorks	Promo for The Jono Project	Silhouette of woman bouncing up and down	Good taste and decency, responsible programming, children's interests

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2011-128	NZ Labour Party	RadioWorks	Prime Minister's Hour	Prime Minister John Key hosted an hour-long radio programme, allegedly an election programme	E1 Election programmes subject to other Codes, E3 Denigration, E4 Misleading programmes
2011-129	Bowman	RadioWorks	Prime Minister's Hour	Prime Minister John Key hosted an hour-long radio programme, allegedly an election programme	E1 Election programmes subject to other Codes, E5 Opening and closing addresses
2011-130	Stamilla	TVWorks	3 News	Item on dispute between two people claiming credit for Rugby World Cup statue	Fairness, accuracy, law and order, good taste and decency, responsible programming, discrimination and denigration
2011-131	Blue	TVNZ	One News	Item contained footage filmed outside funeral of Alan Hubbard	Privacy, good taste and decency, fairness, responsible programming
2011-134	McCormick	TVNZ	Promo for Real Life: The World's Most Enhanced Woman and Me	Contained footage of women with very large breasts	Good taste and decency, children's interests
2011-135	Wood	SKY	National Party Infrastructure Advertisement	National election advertisement included images of infrastructure allegedly completed under previous Labour government	E1 Election programmes subject to other Codes
2011-136	McDonald	TVNZ	TVNZ News	Odds of being hit by satellite inaccurate	Accuracy
2011-137	Welsh	TVNZ	Labour Opening Address	Included graphic list of OECD countries with tax on capital, including Singapore	E1 Election programmes subject to other Codes
2011-138	Reynolds	TVNZ	National Party Education Advertisement	Reference to "plain English" allegedly excluded Te Reo	E1 Election programmes subject to other Codes
2011-140	Phair	Radio One	Overgrown	Cannabis law reform-themed radio show advocated cannabis use and commented about views of complainant	Fairness, law and order, controversial issues, accuracy, responsible programming
2011-141	van der Merwe	TVWorks	3 News: Firstline	Reporter likened Richie McCaw to Christ	Discrimination and denigration
2011-142A	Radley	TVNZ	Labour Party Asset Sales Advertisement	Said "vote National and kiss your assets goodbye"	E1 Election programmes subject to other Codes
2011-142B	Angus	TVNZ	Labour Party Asset Sales Advertisement	Said "vote National and kiss your assets goodbye"	E1 Election programmes subject to other Codes

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2011-145	Kidd	TVNZ	Rugby World Cup Semi-Final: France v Wales	Commentator used the word "Jesus"	Good taste and decency, law and order
2011-147A	Brownlee	TVNZ	Coronation Street	Scene contained two female characters kissing	Good taste and decency, responsible programming, children's interests, controversial issues
2011-147B	Radkhou	TVNZ	Coronation Street	Scene contained two female characters kissing	Good taste and decency, responsible programming, children's interests, controversial issues
2011-148	Parrysmith	TVWorks	Campbell Live	Pamphlet drop regarding Christchurch earthquake predictions	Fairness, accuracy, controversial issues, children's interests
2011-149	Hamer	TVNZ	Real Crime: Broken Promises, Broken Brides	Investigated mistreatment of foreign brides and interviewed husband convicted of manslaughter	Accuracy, fairness
2011-150	Bauld	RNZ	Nine to Noon	Alleged unfair political discussion about Labour Party leader	Fairness
2011-151	Stitt	TRN	NZ First Election Advertisement	Said that "only Winston and NZ First can save the foreshore and seabed"	E1 Election programmes subject to other Codes
2011-152	Lloyd	TVWorks	Labour Party Election Advertisement	Said "John Key's only answer is to sell our best assets"	E1 Election programmes subject to other Codes
2011-153	Connolly	TVNZ	One News	Graphic "Election 2011" during election coverage included blue tick box	Controversial issues
2011-155	Hynes	TVWorks	Paddle Pop Begins	Main character's name same as a brand of iceblock	Responsible programming, children's interests
2011-156	Northland District Health Board	TVWorks	60 Minutes	Item contained interview with CE of NDHB about circumstances surrounding young man who died of meningococcal disease	Accuracy, fairness, controversial issues
2011-157	Butler	TVNZ	Good Morning	Interview referred to guest as a "psychologist", however, was not legally registered psychologist	Accuracy
2011-160	Britt	TVNZ	Fair Go Ad Awards	"Sell Quade Cooper for NZ Prime Minister" advertising competition	Fairness, discrimination and denigration
2011-161	Barrett	TVWorks	Date My Ex	Footage of people drinking alcohol	Liquor, responsible programming, good taste and decency, children's interests
2011-162	Robertson	TVNZ	Sunday	Complainant filmed in Court in his capacity as a Corrections Officer	Privacy, fairness, discrimination and denigration
2011-163	Boyce	RNZ	Afternoons with Jim Mora	Complaint that panel member Dr Bassett was inaccurate and offensive	Controversial issues, accuracy
2011-164	Morrison	RNZ	Afternoons with Jim Mora	Comment that John Banks and Don Brash "drink each other's wine"	Good taste and decency, fairness

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2011-165	Federated Farmers New Zealand	TVNZ	One News	Item about Council sewerage dispute contained image of cattle	Accuracy, discrimination and denigration
2011-166	Simon	TWWorks	3 News	News item contained image of a person's "butt crack"	Good taste and decency, fairness
2011-167	Boardman	TWWorks	Nightline	Item about Jeremy Clarkson's comments that striking workers should be shot	Law and order, discrimination and denigration, violence
2011-169	Hill	TVNZ	One News	Prime Minister John Key's comment concerning police regarding "tea tapes" matter	Accuracy, fairness, controversial issues
2011-171	Irwin	TVNZ	Intrepid Journeys	Brendon Cole being shown by Vanuatu locals how to kill a chicken using a slingshot	Good taste and decency, children's interests, violence
2011-172	Caddie	RNZ	Afternoons with Jim Mora	Discussion about controversial Barbie dolls contained suggestion of a "terrorist Barbie"	Discrimination and denigration, good taste and decency, responsible programming, accuracy
2011-173	Coburn	TWWorks	Family Guy	Cartoon comedy contained sexual content and innuendo	Good taste and decency, children's interests, responsible programming
2011-174	Smart	TWWorks	3 News: Firstline	Interview with representative of 'Occupy Wellington' protest movement	Fairness, accuracy, discrimination and denigration
2012-001	Macfarlane	TWWorks	3 News	Reporter tried to obtain comment from ACT leader Don Brash and Mr Brash refused	Fairness
2012-002	Fourie	TVNZ	Embarrassing Bodies	Episode focusing on vaginas	Good taste and decency, responsible programming, children's interests
2012-004	Simmons	RadioWorks	The Edge Morning Show	Host read listener's text message, "Dom, your song was so gay I'm pretty sure I just got AIDS from listening to it"	Good taste and decency, discrimination and denigration, accuracy
2012-005	Frost	TWWorks	Promo for 3 News	Footage of man head-butting another man	Good taste and decency, violence, children's interests, law and order
2012-007	Brady	TWWorks	3 News	News item contained footage of a dead fish's head being removed and others being filleted	Good taste and decency, violence
2012-008	Carroll	TVNZ	One News	Item on National Party's proposed asset sales policy	Accuracy
2012-009	Rutland	TWWorks	Inside New Zealand: Inside Child Poverty	Documentary on child poverty and role of government policy broadcast week before general election	Fairness, law and order
2012-010	Nielsen	TWWorks	Promo for Comedy Convo	Female comedian stated, "When I was in my early twenties I really wanted kids, like I really wanted them, but I just could never lure them into my car"	Good taste and decency, children's interests, responsible programming
2012-011A	Skelton	TWWorks	Campbell Live	Bullying at Massey High School	Privacy, fairness, accuracy, violence, responsible programming, children's interests

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2012-011B	Goddard	TWWorks	Campbell Live	Bullying at Massey High School	Privacy, fairness, accuracy, violence, responsible programming, children's interests
2012-013	Pietkiewicz	TVNZ	Close Up	Fairfield College teenagers' drug taking and admission to hospital	Controversial issues, accuracy, fairness
2012-015	Antrobus	TVNZ	Promo for Bad Santa	Promo for A0 movie screened during PGR movie at 8.15pm	Children's interests, good taste and decency
2012-016	Keatinge	TVNZ	Four Weddings	Reality series contained nude wedding	Good taste and decency, children's interests
2012-017	Swift	TVNZ	Close Up	Satirical election campaign item featuring comedian Leigh Hart	Controversial issues, fairness
2012-018A	Gardner	TWWorks	3 News	Alleged practice of women offering sex in exchange for taxi rides	Privacy, fairness, accuracy, controversial issues, discrimination and denigration, violence
2012-018B	Smith	TWWorks	3 News	Alleged practice of women offering sex in exchange for taxi rides	Privacy, fairness, accuracy, controversial issues, discrimination and denigration, violence
2012-018C	Phillips	TWWorks	3 News	Alleged practice of women offering sex in exchange for taxi rides	Privacy, fairness, accuracy, controversial issues, discrimination and denigration, violence
2012-021	McGregor	Triangle TV	Bomber's Blog	Presenter used the word "fucking", and "oh fuck" displayed on screen	Good taste and decency
2012-022	Preston	TVNZ	The Last House on the Left	Horror movie contained violent rape of teenage girl	Good taste and decency, violence
2012-024	Tonizzo	TVNZ	Rude Tube	Included clip of donkey chasing and apparently attempting to mate with a man	Good taste and decency, law and order, violence
2012-026	Mayne	TWWorks	Campbell Live	Item on disabled boy being left on school bus for four-and-a-half hours, interview with complainant	Privacy
2012-030	Swinerd	TWWorks	Homeland	Brief nudity and sex scene	Good taste and decency, responsible programming
2012-032	Spence	TWWorks	Campbell Live	Item attempting to locate Michael Crawford in Kerikeri	Privacy
2012-033A	Waterworth	RadioWorks	Robert and Jono's Drive Show	'Win a Divorce' promotion	Good taste and decency, privacy, fairness, responsible programming
2012-033B	Wickham	RadioWorks	Robert and Jono's Drive Show	'Win a Divorce' promotion	Good taste and decency, privacy, fairness, responsible programming
2012-034	Fattorini	RadioWorks	Robert and Jono's Drive Show	Personal anecdote told by host about man with Down Syndrome	Good taste and decency, discrimination and denigration, fairness
2012-043	Heerdegen	TRN	Leighton Smith Show	While discussing 'Urewera Four' case host made comments about "nut bars" following a call received	Discrimination and denigration

Note: These tables contain a breakdown of each complaint relating to the 162 decisions issued in the year. Multiple complaints about the same programme, or multiple programmes complained about by one complainant, are listed separately as A, B and C etc. but they are still treated as one decision with the same decision number.

DECLINED TO DETERMINE

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Reason
2011-020	McDonald	TVNZ	One News	"240 light years from Earth" allegedly inaccurate	Accuracy	Complaint frivolous and trivial. Order: \$50 costs to broadcaster
2011-055	Rupa	TVNZ	Waitangi: What Really Happened	Docu-drama about events leading to signing of Treaty	Controversial issues, accuracy, fairness, discrimination and denigration, responsible programming	Complaint frivolous and related to matters of personal preferences
2011-067	Sleeth	TVNZ	One News	Reference to police "force"	Accuracy	Complaint frivolous
2011-084	Schwabe	TVNZ	North	Presenter said "buggered it"	Good taste and decency	Tenth occasion that the complainant has complained about the word "bugger" so complaint vexatious
2011-087	Rupa	Māori TV	Tuko Anzac in Māori	Images of New Zealand flag	Controversial issues	Complaint vexatious as made numerous complaints about matters of personal preference which are not matters of broadcasting standards
2011-102	Hastie	TWWorks	American Pie Presents: Beta House	Movie contained nudity and sex scenes	Children's interests	Recording of broadcast unavailable
2011-118	Leitch	TVNZ	One News	Item used the word "gay"	Discrimination and denigration, controversial issues, accuracy, fairness	Complaint frivolous and trivial
2011-143	Marshall	TWWorks	Labour Party Asset Sales Advertisement	Used the word "damn"	E1 Election programmes subject to other Codes	Complaint frivolous and trivial
2011-158	Clark	RadioWorks	New Zealand First Election Advertisement	Advertisement used child's voiceover, allegedly inappropriate as children are not allowed to vote	E1 Election programmes subject to other Codes	Complaint frivolous and trivial
2011-170	Chan	TWWorks	Campbell Live	Item asked viewers their opinion on changing the New Zealand Flag	Controversial issues, accuracy, fairness, discrimination and denigration, responsible programming	Complaint frivolous and related to matters of personal preferences

NO JURISDICTION

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Finding
ID2012-011	Massey High School	TWWorks	Campbell Live	Bullying at Massey High School	Privacy	No jurisdiction – no valid direct privacy complaint; referral of other standards out of time
ID2012-047	Wallis	TVNZ	Piha Rescue	Piha surf instructor with students	Accuracy, fairness	No jurisdiction – no valid formal complaint lodged within statutory timeframe

ACCEPTED JURISDICTION

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Finding
ID2011-102	Hastie	TWWorks	American Pie Presents: Beta House	Interlocutory decision about movie that contained nudity and sex scenes close to watershed	Children's interests	Authority has jurisdiction to accept complaint – complainant did not receive broadcaster's decision so was entitled to refer to BSA
ID2011-104	Thompson	TWWorks	Campbell Live	Interlocutory decision about items that discussed Thompson's comments relating to women's productivity in the workplace	Balance, accuracy, fairness	Authority has jurisdiction to accept complaint – complainant did not receive broadcaster's decision so was entitled to refer to BSA

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