

BROADCASTING STANDARDS AUTHORITY

ANNUAL REPORT

2013 TE MANA WHANONGA KAIPĀHO
TE PŪRONGO Ā-TAU 2013



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 has been a barrister and solicitor of the High Court since 1969. He has practised in Marlborough since 1970 and is a partner in the firm Radich Law. He is a member of the Lawyers and Conveyancers Disciplinary Tribunal. Peter is District Solicitor to Marlborough District Council and is the Fonterra Dairy Group's Milk Commissioner. 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 New Year Honours List 2012 for his services to the law.



MARY ANNE SHANAHAN

Mary Anne obtained an LLB from Auckland University in 1980. She subsequently completed a Bachelor of Arts (BA) in 1989 and a Diploma of Business (Finance) in 1995 at Auckland University.

Mary Anne has practised in New Lynn in West Auckland for 30 years and was appointed a Notary Public in 1993. She served on the Auckland Law Society Disciplinary Committee which deals with complaints about legal professional and ethical standards. She is currently a director of the Auckland District Law Society Inc. Mary Anne has been involved in a number of community groups over the years and is currently a trustee of the Odyssey House Trust in Auckland which is concerned with the rehabilitation of drug and alcohol dependants. Mary Anne is married with two school-aged children. Mary Anne joined the BSA in June 2009.

LEIGH PEARSON

Leigh is a self-employed strategy and stakeholder advisor. She has worked for TVNZ, Radio NZ and the Ministry of Foreign Affairs and Trade. She is a former chair of the Parliamentary Press Gallery. Leigh joined the BSA in January 2010.



TE RAU MAWHITU (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 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. He is married to Fiona, and his pride and joy are his children, Te Ataakura, Pakanui and Te Aomihia. Te Rau joined the BSA in December 2010.

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PART ONE: **INTRODUCTION**

CHAIR'S INTRODUCTION

During the year to which this Annual Report relates there was continuing uncertainty about the future of this Authority. Debates about media regulation in Australia and the United Kingdom caused questions to be asked here as did the report of the Law Commission which suggested widespread restructuring. Now, however, government has announced that it wishes to see how continuing further developments in the media and broadcasting sectors play out before considering any reforms. So it is business as usual, at least in the short and medium term.

When reforms were presaged by the Law Commission we took the view that any process of reform, even if immediately begun, would take years to complete given the need for consultation and care and given the natural time demands of the legislative process. We therefore decided to continue with the previously commenced renovation and streamlining of this Authority and its processes.

We have adopted the philosophical position that a Body such as ours which deals with complaints at an appellate level should be endeavouring to see the number of complaints it deals with reduced. Fewer complaints reaching us is some indication that broadcasting standards are being met and that complaints are being satisfactorily dealt with when first made to broadcasters. We are conscious of the need to continue to be receptive to complaints and helpful to complainants.

We have done a number of things to help viewers and listeners and broadcasters. We have issued practice notes and we have greatly improved our website. We have tried to simplify our decisions so that they give clearer guidance. We have made rulings in important areas which we hope will provide guidance for the future. We have put in place arrangements to deal with trivial and repetitive complaints quickly. We have worked with broadcasters in an endeavour to have complaints at first level dealt with in a way that satisfies complainants to the extent that they can be satisfied. We have taken soundings from viewers and listeners and from broadcasters and we have acted on what they have said. There has been a reduction in the number of complaints and we hope that what we have done has contributed to this in a positive way.

We are conscious that this Authority is funded by government and broadcasters. We have taken steps to reduce costs. We have combined some of our functions with another Crown Entity and have achieved significant savings and increased efficiencies from this. We have moved premises and now efficiently share premises with other Crown Entities.

We have effective working relationships with broadcasters which have been enhanced by regular working group meetings at which issues of mutual concern are addressed and dealt with.

In the work that we do we cannot satisfy everybody but we hope that this Authority can properly be seen as one which goes about its business competently, independently and fairly and without incurring undue expenditure.

The outcomes that we have been able to achieve are a result of the excellent service this Authority has received from its CEO and small complement of capable staff.

A handwritten signature in black ink, appearing to read 'Peter Radich', with a large, sweeping initial 'P'.

Peter Radich
Chair

WHAT WE DO

The broadcast media is part of the everyday lives of New Zealanders. Today we access the media not only by radio and TV but on computers and smart devices – allowing us to access the media not only at home, work, in our cars or in the garden but on the run.

It informs us, entertains us, stimulates us and sometimes even annoys us.

Broadcasters have agreed to 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. BSA decisions can be appealed to the High Court.

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

This year we saw continued rapid evolution in the media environment. The BSA continues to operate under its 1989 legislation with an outmoded definition of 'broadcasting' that creates increasing difficulties around the scope of our jurisdiction. Consideration continues as to how – and whether – the regulatory framework should be adjusted to meet this ongoing change. In March 2013 the Law Commission made proposals for significant change.

At the time of writing the government had just released its response to the Law Commission report. It will not implement the recommendations, but rather continue to monitor developments, whilst encouraging the industry – and implicitly all those working with the legislation – to work within current structures as effectively as possible.

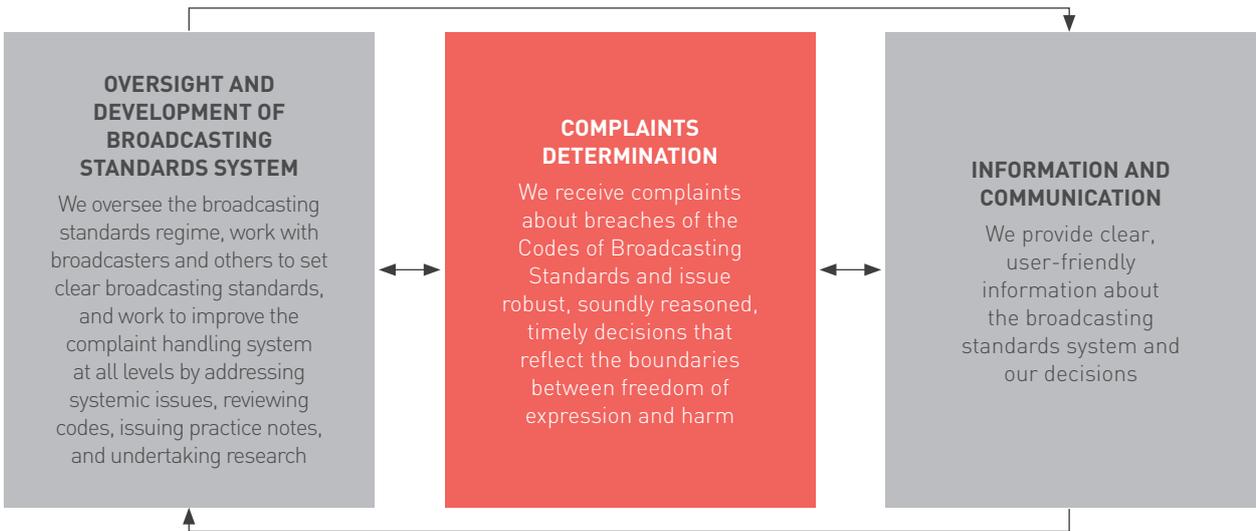
This year has been stable in terms of senior management of the BSA. They have been able to build on and embed some of the changes introduced to the complaints and administrative systems last year, with an eye to continuous improvement.

Likewise, the terms of our Chair, Peter Radich, and board member Leigh Pearson were renewed late 2012 for a further three years, creating a stable and experienced board, that could – with our staff – focus on the strategic direction we set for the 2012/13 year and deliver on that.

We continued to operate 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. A decision to move with NZ On Air to premises already housing the New Zealand Film Commission will not only cement our existing shared service arrangements with NZ On Air but will provide further opportunities to maximise sector-wide efficiency and effectiveness.

This year was our second year working with our revised Outcome Framework which better reflects 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. This framework is included in the Statement of Intent for 2013–16 and is summarised in the chart below.

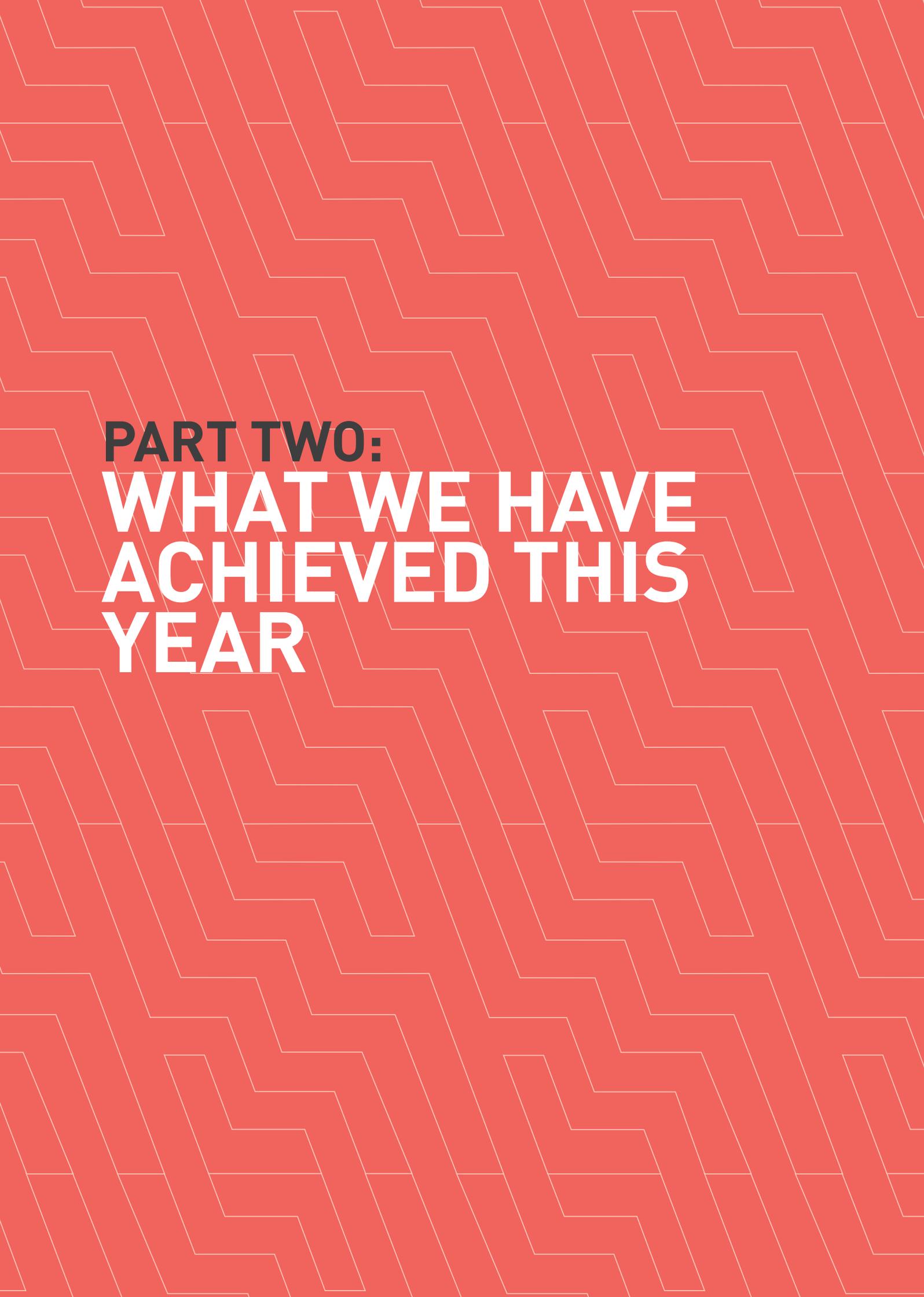
SECTOR OUTCOME:		NEW ZEALANDERS' ENGAGEMENT IN CULTURAL ACTIVITIES IS INCREASING	
VISION:		OUR VISION IS FOR FAIRNESS AND FREEDOM IN BROADCASTING	
PURPOSE:	Our purpose is to oversee New Zealand's broadcasting standards regime so that it is fair to all New Zealanders by balancing broadcasters' right to 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 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 	
OUTPUTS:		↑ The activities we undertake ↑	



THIS ANNUAL REPORT

The type of work we do and the services we provide have remained similar over the years. However, in 2011/12 we revised our Outcome Framework to better reflect the outcomes we seek and the impact we wish to have. This also helped us shift our focus to ensure we are delivering in a way that will add the most value.

As this is the second year of this Outcome Framework we have been able to use consistent reporting measures both in terms of impact measures (which form part of our overall performance story) and our agreed targets, budgets and performance measures.

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

OVERALL PERFORMANCE STORY

HIGHLIGHTS

This year has had a number of highlights. We:

- launched our revised website in November 2012. It has been ranked 3rd out of 108 websites assessed through an e-Gov Watch best practice assessment
- continued to improve our complaints processes including consolidating an internal triage system, and empowering the legal team to provide more direct advice to the board
- issued a practice note on our power to 'decline to determine' trivial, frivolous and vexatious complaints
- completed a trends-based survey on the public's tolerance of 'offensive language' to test the community's attitudes to swear words and expletives in broadcasting
- improved our ratings in the complainants' survey with a 10% increase in the number of respondents saying we handle our part of the process 'well' or 'very well'
- undertook focus group litmus testing of our decisions relating to the children's interests standard which showed that most participants could follow, agree with and accept the decisions
- surveyed broadcasters and found they are more satisfied with their dealings with the BSA than they were in 2009
- completed an external review of our decisions which commended them on 'being well written, accessible and thorough'
- had no appeals against our decisions – one appeal was lodged but was dismissed by the High Court as the complainant was previously determined to be vexatious
- continued our working group meetings with broadcasters and agreed on an 'in principle' approach to reviewing all the codes simultaneously, whilst modernising the codes and making them more consistent where appropriate
- continued a shared service arrangement with NZ On Air which delivers our financial services robustly and effectively
- decided (with NZ On Air) not to renew the lease for our existing premises, and negotiated new lease arrangements in the building housing the New Zealand Film Commission, co-locating three agencies in the cultural sector.

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 2012–15 Statement of Intent reflects these three outputs:

- *Complaints determination*
- *Oversight and development of the broadcasting standards system*
- *Information and communication*

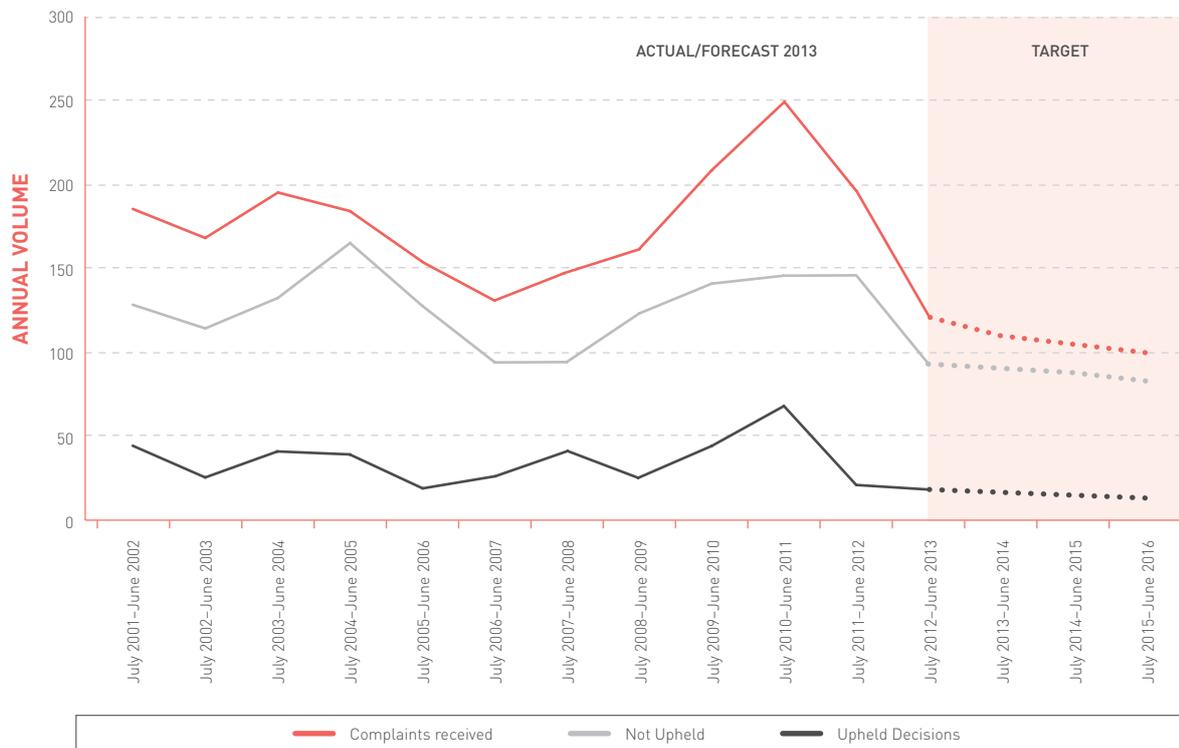
ARE WE HAVING AN IMPACT?

Many factors influence the 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 of or confidence in our decisions (not desired) or it could mean that the system is working effectively and only threshold and challenging decisions are being 'appealed' to the BSA (as desired). The latter is harder to achieve but we think it is important enough to aim for that as a goal.

However, given the importance of measuring our impact, in our Statement of Intent for 2012–15, 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 2012/13 results against these indicators.

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

FIG.1 BSA SYSTEM PERFORMANCE INDICATORS



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.

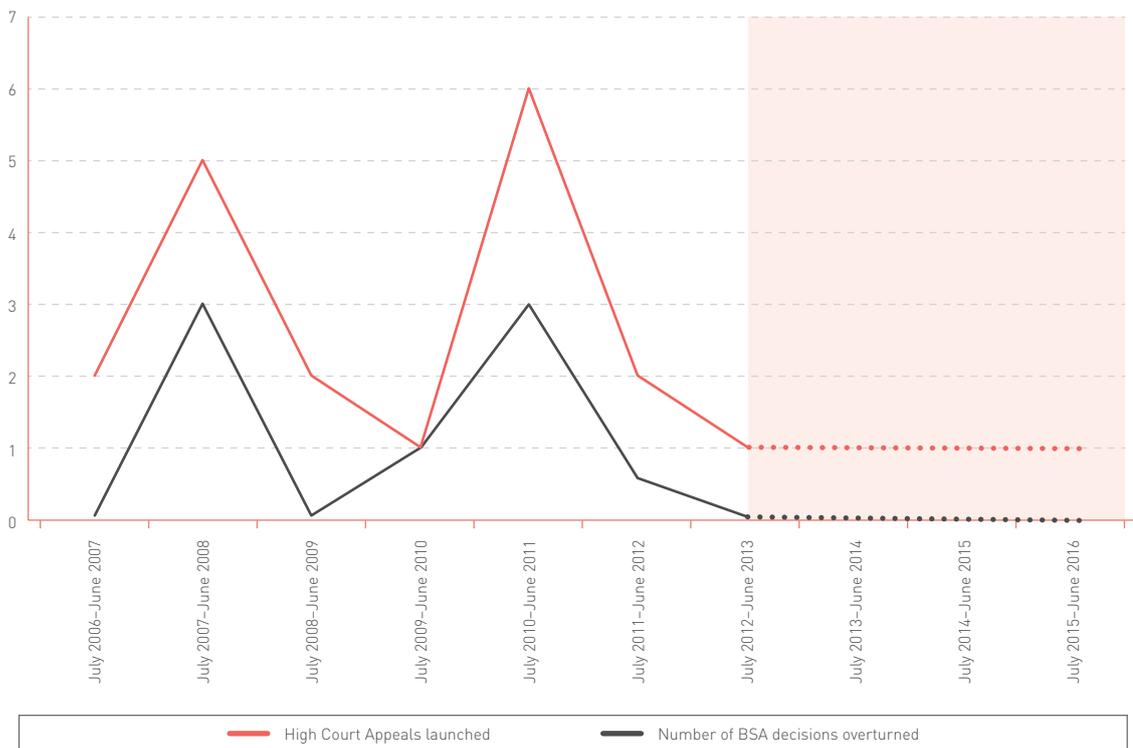
Figure 1 shows a sharp decline for the second year in complaint numbers. While it is still too early to determine whether this continues and a trend emerges, complaints are fractionally lower than they have been in the last 11 years.

We see this as positive. We would also see any developing 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 or vexatious complaints
- broadcasters understand their obligations and/or 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

FIG.2 HIGH COURT APPEALS



The 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 only one appeal was launched. However, the High Court issued a judgment declining the appellant's leave to appeal as he was ruled a vexatious litigant in 2000.

We will continue to monitor appeals to, and 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%

Last year in our Statement of Intent we clarified the scope by which we will survey public awareness. The survey against the benchmark 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 finding out about the correct process for making a formal complaint.

The value of measuring public awareness of these elements is that it demonstrates that New Zealanders know they have rights in this area.

Any significant decline in awareness would signal that we may need to take steps to raise awareness.

A survey completed in 2013 showed awareness levels remain very high although there has been a small drop in awareness. The survey showed:

- 85% of New Zealanders are aware that they can make a formal complaint about television and radio content (compared to the 89% benchmark of 2010)
- 92% 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 (compared to the 96% benchmark of 2010)
- 85% of New Zealanders are aware of the BSA (compared to the 95% benchmark of 2010).

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

Our target remains that at least 90% of New Zealanders are aware that they can complain about broadcasting, can find out how to make a formal complaint, and know about the BSA. We also monitor a breakdown of these figures by age, region, ethnicity and gender. We note that comparatively lower awareness levels (compared to the overall results) are recorded amongst those of Pacific Island ethnicity (40%), and Asian ethnicity (49%), which is an area we will continue to monitor in particular.

COMPLAINTS DETERMINATION

OVERVIEW

This year the BSA received 136 complaints and issued 111 decisions. This is a significant reduction from 195 complaints received and 162 decisions issued in the previous year. While it is too early to determine whether this will continue it is notable that complaints are fractionally lower than they have been in 11 years. We see this as a positive indicator of the effectiveness of the overall standards system. We are receiving fewer complaints, but of those more raise complex issues. These necessarily require more thought and careful consideration – and our workload remains steady.

While complaint numbers overall are tracking down, this year we have seen an interesting increase in the proportion of decisions relating to radio broadcasts – from 17% in 2011/12, to almost a third (30%) for 2012/13. One possible reason is that audiences continue to regularly listen to the radio while in the car, at work, or at home, while television broadcasts are increasingly more readily available in other formats such as online on-demand, or through time shifting as a result of digital recording – people may not be watching TV, particularly free-to-air TV, in real time as much as they used to. Some decisions of note from this year relating to radio are discussed below.

Three-quarters (75%) of the 111 decisions issued in 2012/13 related to news, current affairs, factual programming and talkback radio – roughly consistent with previous years. The majority of upheld decisions were also in these genres of programming (12 out of 18 decisions, or 67%). Some of these decisions are summarised below.

Our small complaints team has continued to consolidate and embed improvements which we began to implement in 2011/12. These assist with streamlining the process overall, and ensure that we spend more time on the complex and challenging complaints and less on the trivial and routine ones. We have continued to utilise triaging to enable a more directed focus on complex and difficult complaints; simplify the format of our decisions to make them more accessible and user-friendly; and incorporate a more considered and thorough freedom of expression analysis into our decisions.

Our new website, launched in November 2012, is also a useful vehicle for streamlining processes. The information and guidance it offers on what the BSA does, and on complaints procedures, is comprehensive, helping users to understand the process and to make effective complaints through the correct avenues.

The introduction of provisional decisions in most cases where aspects of a complaint are upheld, or where the facts of a case are particularly complex, is working well and is appreciated by both broadcasters and complainants, who are given an additional opportunity to make submissions before a final determination is issued by the Authority. It also helps to expose issues or evidence that may not have previously been addressed or provided to the Authority.

COMPLAINTS SUMMARY

	2012/13	2011/12	2010/11	2009/10	2008/09
Complaints received	136	195	250	210	162
Decisions released	111	162	236	193	151
Upheld (all or in part)	18	17	69	45	25
Not upheld	86	132	146	148	124
Interlocutory/ Jurisdictional matters	2	4	2	0	0
Declined to determine	5	9	12	7	2
Orders	5	7	20	25	11
Practice notes	1	1	2	2	2
Decisions issued within 20 working days	99%	99%	100%	100%	100%

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. (Interlocutory decisions consider whether the BSA can accept the complaint.)

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

DECISIONS SUMMARY

	2012/13	2011/12	2010/11	2009/10	2008/09
Decisions issued	111	162	236	193	151
Television programmes	78 (70%)	134 (83%)	197 (83%)	170 (88%)	125 (83%)
Radio broadcasts	33 (30%)	28 (17%)	39 (17%)	23 (12%)	26 (17%)
News, current affairs, factual programming and talk radio	83 (75%)	108 (67%)	166 (70%)	149 (77%)	100 (66%)
Upheld (all or in part)	18 (16%)	17 (11%)	69 (29%)	45 (23%)	25 (17%)
Television programmes	12 (67%)	16 (94%)	60 (87%)	42 (93%)	22 (88%)
Radio broadcasts	6 (33%)	1 (6%)	9 (13%)	3 (7%)	3 (12%)

DECISIONS OF NOTE

We continue to be asked to address challenging issues. Increasingly these are in the realm of factual, consumer advocacy and reality television series.

Difficult questions and grey areas continue to arise in relation to reality television series, particularly in terms of programme participants' right to privacy and fairness, whether their informed consent is required, and what constitutes informed participation. Some cases have also raised questions about the duration of consents, in relation to repeat broadcasts. Two decisions, *CP* and *FS*, summarised below, provide examples of these issues.

CP and TVWorks Ltd (2012-069) (upheld privacy)

The consumer affairs programme *Target* filmed electricians working in the *Target* house with a hidden camera. The Authority upheld the complaint that this breached the complainant's privacy, following a previous decision about an identical scenario. The complainant's face was not blurred so he was identifiable, he had an interest in seclusion in the *Target* house, and the broadcast of the hidden camera footage was an offensive intrusion in the nature of prying. The complainant did not give his informed consent to the broadcast (only his employer consented, on his behalf), and there was insufficient public interest in the footage (as he performed relatively well) to justify the breach of his privacy. The Authority did not make any order.

FS and Television New Zealand Ltd (2012-036) (upheld privacy and fairness)

The reality TV series *The Inspectors* showed an

Environmental Health Officer carrying out a routine spot check at a Dunedin fish and chip shop and making critical comments about the state of the premises, downgrading it from a 'B' to a 'D'. The inspection took place in 2009, the programme was first broadcast on TV One in 2010, and a repeat broadcast screened in January 2012. The Authority upheld the complaint that the 2012 broadcast breached the shop owner's privacy and was unfair. The shop owner was identifiable even though his face was pixelated, any consent given was not fully informed and the consent did not extend to the broadcast of the footage three years after filming. The Authority found there was a high level of public interest in the footage at the time of filming but not three years later, and it was fundamentally unfair to broadcast footage three years after filming, when presumably the state of the shop had changed. The Authority did not make any order.

This year the Authority determined five separate complaints from programme participants featured in TV One's *Fair Go* consumer advocacy series. Two of the complaints were upheld in full or in part, and three were not upheld, demonstrating the challenge broadcasters face when navigating the line between disseminating information for consumers which is in the public interest, and the risk of overstepping and causing 'unfair' harm to participants and their businesses. These cases raised interesting questions, and in most instances, the key issue was whether the complainants and their businesses were treated fairly and afforded a reasonable opportunity to give their side of the story. The *Fair Go* decisions released by the Authority in 2012/13 are summarised below.

Bird (Hampton Court Ltd) and Television New Zealand Ltd (2012-111)

Two items on *Fair Go* investigated claims about a wooden gate manufacturer, and contained interviews with a number of dissatisfied customers. The Authority did not uphold a complaint from the company director. The impression created about him and his company was based on the opinions of customers, he was provided with a fair and adequate opportunity to respond and the item included comprehensive summaries of his position.

Moore and Television New Zealand Ltd (2012-107) (upheld accuracy and fairness)

Fair Go interviewed a group of Christchurch women who wanted to cancel their gym contracts due to temporary closure or relocation of premises following the February 2011 earthquake. The Authority upheld a complaint from one of the gym owners. The story contained comments from two women who had issues with their contracts that were unrelated to the relocation, and it omitted important information about the women's individual circumstances, which created an unfair and misleading impression of the gym. The Authority did not make any order.

Phan and Television New Zealand Ltd (2012-123)

Fair Go investigated a complaint against The Battery Clinic and its manager relating to a system developed to extend the life of batteries in hybrid vehicles. Three experts expressed concerns about the safety of the system. The Authority did not uphold a complaint from the manager of The Battery Clinic. *Fair Go* had a sufficient basis for presenting the view that the invention was potentially dangerous, and the complainant was provided with a reasonable opportunity to respond to the claims and defend his business. The Authority also emphasised that there is a very high public interest in reporting on matters that have the potential to impact on public safety.

William Aitken & Co Ltd and Television New Zealand Ltd (2012-090) (upheld accuracy)

Fair Go carried out testing on imported and locally produced "extra virgin" olive oil, and reported that European imports had failed sensory and chemical tests. The story referred to the testing as being "IOC accredited" (International Olive Oil Council). The Authority found that these references were inaccurate and gave greater status to the testing than was justified. Nevertheless, the complainant was given a reasonable opportunity to respond, and its response was adequately presented so the programme overall was not unfair. The Authority did not make any order.

Withey and Television New Zealand Ltd (2012-126)

Fair Go spoke to a couple who received a verbal estimate for plumbing work that was significantly less than the final bill, and interviewed the plumber. The Authority found that the plumber was given a fair and reasonable opportunity to comment and his viewpoint was adequately reflected, the item did not create an unfairly negative representation of his character or conduct, and there was a high level of public interest in advice provided to tradespeople and consumers.

We have seen a significant number of complaints about radio hosts this year. The Authority considered two difficult talkback complaints, in which different hosts made provocative and extreme comments. *Blissett* and *Bhatnagar*, summarised below, required a careful and comprehensive balancing exercise between the importance of freedom of expression, and the harm alleged to have been caused by the broadcasts.

Bhatnagar and RadioWorks Ltd (2012-045)

When the hosts of the *Willie and JT Show* on Radio Live were discussing an industrial dispute at the Ports of Auckland, one host expressed his support for the striking workers by saying, for example, "I hope they get aggressive down there at the wharf", "Go and bust your pickets over some of these scabs", and, "I am into militant action." The Authority did not uphold the complaint that these comments breached the law and order and responsible programming standards. The comments amounted to the host's vehemently expressed opinion and listeners would not have taken them seriously, the broadcast did not encourage listeners to engage in unlawful activity, taking into account the host's later retractions and other contextual factors, and upholding a complaint about high value protest speech like this would unjustifiably restrict freedom of expression.

Blissett and RadioWorks Ltd (2012-006) (upheld by majority, good taste and decency)

During a discussion about the election "tea tapes" story, Radio Live host Michael Laws commented that "the media have gone mad, rabid. If I had a gun I'd shoot them, put them out of their misery, because they have gone rabid and they may infect others." He went on to specifically mention the *Herald on Sunday* and questioned why someone hadn't taken a shotgun and "cleaned out the entire news room". A majority of the Authority upheld the complaint that these comments breached the good taste and decency standard, finding that the combination of the length of the statement, its repeated use of graphic imagery, its specificity in relation to identified journalists and its mode of delivery made the statement unacceptable. Notwithstanding the importance

of freedom of expression, Mr Laws' comments went too far. The minority argued that the broadcast did not breach standards because of the context of talkback radio and Mr Laws' style, and the use of a well-known colloquialism. The Authority made no order on the basis that the decision was not unanimous.

The Authority also received and considered a number of complaints about radio hosts who were seen to have abused the privileged position they hold as public broadcasters with access to the airwaves. *Otago Casinos Ltd*, and *AB and CD*, summarised below, are examples of decisions dealing with this issue.

AB and CD and Access Community Radio Inc (2013-005)
(upheld fairness)

During a heavy metal radio programme, *House of Noizz* on Planet FM, one host made derogatory comments about "an ex-member of the family", the mother of his named nephew. The Authority found that this was unfair, as the host abused his position by airing a personal grievance and making comments that were insulting and abusive to the complainant, and the complainant had made repeated attempts to stop the content being broadcast. The Authority did not make any order.

Otago Casinos Ltd and The Radio Network Ltd (2013-004)
(upheld fairness)

The host of the *Farming Show* on Newstalk ZB told a short anecdote about his recent experience at a particular bar in Queenstown, claiming he was refused service after having a "couple of beers" and commenting that it was "poor form" on the part of the bar. The Authority upheld the complaint that this was unfair to the bar. The host's comments were inappropriate, and he abused his position by airing a personal grievance and naming the bar on air in retaliation, which had the potential to detrimentally affect the complainant's business and commercial interests. The Authority made no order, but released a media statement when the decision was publicly issued, to help remedy the breach.

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 only one appeal was launched, by one of the complainants in *Collier and Fong and Television New Zealand Ltd (2012-137)*. The complaint related to a *Close Up* item about the establishment of an abortion clinic in Invercargill, and the reaction from "pro-life groups". The complainant was previously ruled a vexatious litigant in the year 2000, so he needed leave to appeal in order to initiate the proceedings. Justice Ronald Young refused the application for leave to appeal, finding that no adequate grounds of appeal by way of errors of law or fact had been identified, and the appeal was unlikely to succeed.

This means that effectively there have been no appeals against BSA decisions this year.

COMPLAINANTS SURVEY

We regularly survey our complainants to ensure our services meet their expectations as one quality measure. We are seeing significant improvement. In the report for the year April 2012 to March 2013, there was a 7% improvement in the ratings for how the BSA handled their part of the process. 50% of respondents believed the BSA handled their part of the process well (or very well) compared with 43% the previous year and 33% the year before that.

LITMUS TESTING

We tested five decisions on the children's interests standard in focus groups with members of the public of varied age, ethnicity and gender. The objective was to gauge the public's attitudes to the children's interests standard and to determine whether they could understand (and accept) the rationale for the BSA's decisions. The research has been published on the BSA website.

While the research provides a snapshot of public views, results of this type of research always need to be interpreted cautiously as the number of participants is small and the nature of the focus group sessions meant that participants saw clips only (not the whole programme) so did not have the entire context.

Prior to seeing a summary of the BSA's reasoning, the participants' initial reaction was often at odds with the BSA's decision. However, for all clips except one, once the participants had seen summaries outlining the BSA's rationale and understood the context of the legal and other guidelines the BSA operates under, the majority of them were able to follow and agree with (or accept) the BSA's decisions. Observations were also made by the participants that may inform future development of the codes or classification systems.

PRACTICE NOTE

Practice notes assist broadcasters and complainants to understand the approach the Authority will take in considering standards issues or process matters. The BSA issued one practice note this year which gives guidance on how the BSA deals with trivial complaints and outlines other circumstances in which it exercises its power to decline to determine a complaint. Broadcasters have welcomed this note as a tool for handling trivial complaints. It also aims to discourage complaints about matters which might objectively have no merit or importance.

While we had anticipated releasing two practice notes this year, we decided to defer a second practice note as we work on broader guidance to accompany revised codes. We expect that this broader work will deal with a number of issues that ordinarily might be contained in practice notes.

EXTERNAL REVIEW

This year we invited a panel of three to review 10 of our more challenging decisions: Simon Mount, Barrister (Convenor); Jim Mora, Broadcaster; and Raymond Miller, Associate Professor, University of Auckland. The panel assessed the legal robustness of the decisions and the quality of the legal reasoning; the board's handling of the boundary between freedom of expression and the harm caused by the broadcast; readability and clarity of the decisions; the degree to which the decisions provided useful guidance; and consistency of approach. The Authority was commended on its well-written, accessible and thorough decisions. The institutional expertise it has built up was recognised. The report noted, "the Authority delivers decisions in a timely manner at a fraction of the cost of comparable processes in the courts". The panel suggested that they might have reached different conclusions in some instances to the Authority, but this is to be expected in challenging areas where judgement calls have to be made. It is the responsibility of an expert Authority such as ours to make those calls. It has been consistent with the experience of the Authority over many years that not everyone will agree – and indeed there are sometimes legitimately different views within the Authority itself. The report also includes some practical suggestions and recommendations which the BSA will review. The report is published on our website.

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 (*Blissett and RadioWorks Ltd*, discussed above) took 37 working days to be finalised, resulting in the 99% figure for "Decisions issued within 20 working days".

OVERSIGHT OF THE BROADCASTING STANDARDS SYSTEM

Notwithstanding the ongoing reality that the regulatory system is constantly under review, and could change, business must continue. We continue 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 (effectively as an appeal body).

Our role is to support broadcasters in this area, providing them with information and improved processes. Strong relationships with broadcasters are crucial to performing well in this area. This year we continued working group meetings with representatives of the broadcasters to strengthen relationships and to work on systems improvements and discuss other items of common interest.

CODE REVIEWS

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 usually reviewed every five years to ensure it remains relevant. The Pay TV Code is overdue for review, the Radio Code became due for review in 2013 and the Free-to-Air Code will be due for review in 2014. Our view is that the codes need to be updated and modernised. Improving the codes and making them more user-friendly should assist the public, the broadcasters and the BSA itself pending any future regulatory change. We are charged with pressing ahead with this work.

One topic that we had been discussing with the broadcasters was the possibility of establishing a single document, or 'codebook', to replace the existing separate codes. The broadcasters had mixed views on the idea of a 'single code' whilst they acknowledge that the codes are due for review. Our observation is that the key needs are to renovate and modernise the codes, and have them principle-based rather than prescriptive. This will allow a more flexible methodology enabling proper weight to be given to context in all situations. We also think there is merit in having consistency in the codes where appropriate. We have therefore decided to undertake these reviews, in consultation with broadcasters, by reviewing each code separately – but simultaneously. Without predetermination, we envisage an outcome that reflects:

- three modernised codes (Pay TV, Free-to-Air TV and Radio) with additional thought given to the Election Code
- a code 'handbook' that includes overview material, and some narrative about the broader 'freedom of expression' context and other useful guidance
- all the codes contained in the handbook – but also available loose-leaf.

The broadcasters have accepted this general approach. This work will be our major project in the 2013/14 financial year. We expect that this work would remain valuable should there be any changes to the content regulation environment.

ACCEPTABILITY OF WORDS RESEARCH

Research into the findings of a national survey measuring how acceptable the public finds the use of swear words was completed in this financial year. (It was published in the 2013/14 financial year, entitled *What not to Swear: The Acceptability of Words in Broadcasting 2013*, and is available on our website and in hardcopy form.) Comparisons were made with the findings of previous surveys in 2009, 2005, and 1999. The order of words and phrases from those 'most unacceptable' to those 'least unacceptable' remains largely consistent with that of previous surveys. Other comparisons give a slightly conflicting picture as to whether people are becoming more or less tolerant of the words and phrases. Respondents' ratings of the acceptability of the words in an initial scenario (a TV movie after 8.30pm) indicate a softening of attitudes. Yet, when words are looked at across a range of different scenarios, there are a number that are rated by higher proportions as unacceptable in all 10 scenarios, particularly when compared to 2009.

BROADCASTERS' SATISFACTION SURVEY

An online survey was carried out to determine the level of satisfaction broadcasters have with the complaints process. All broadcasters subject to a complaint to the BSA in the preceding year were given the opportunity to complete the survey. Nine out of eleven did so. The results of the survey suggest that broadcasters are more satisfied with their dealings with the BSA than they were in the last survey in 2009. They are receiving sufficient information, and perceive the relationship as positive.

INFORMATION AND COMMUNICATION

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 last year that it was vital that it was accessible and user-friendly, 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. The revised website was launched in November 2012. We engaged e-Gov Watch to undertake a best practice assessment of our website against criteria such as accessibility, usability, information delivery, and e-services delivery. Our site ranked 3rd out of 108 sites that have been assessed. Small 'fixes' will improve our site and may push it further ahead in the rankings. This work is planned for the 2013/14 financial year.

OPERATIONS

OVERVIEW

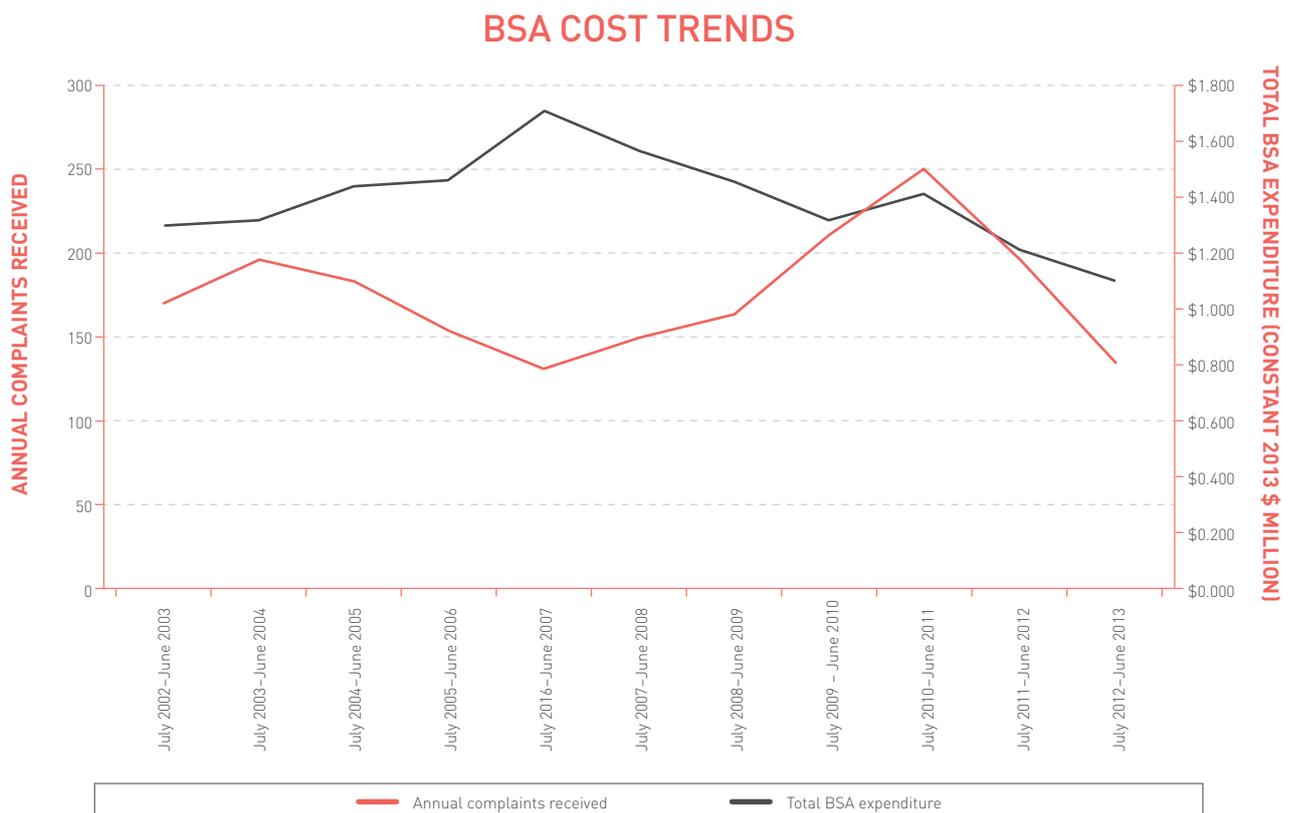
This has been a stable year for our key positions and for our board. That has enabled us to embed the changes we made last year and make further improvements to our systems and processes. The arrangements we have to share financial services, reception duties, and offices have continued to work extremely well. These were reconfirmed this year, alongside our preparation and planning to move – together with NZ On Air – into new premises with another agency in the cultural sector, the New Zealand Film Commission.

The graph below shows a continued reduction in costs. This represents continued efficiencies. Because our responsibilities are wider than just determining complaints,

a drop in complaints will never be directly correlated with a drop in costs, and neither should it be as we deal with fewer, but more challenging complaints in any event. 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 whilst carrying out our statutory duties.

We continue to hold relatively high reserves compared to our budget. This has arisen for a number of reasons – refocused priorities, staff restructuring and variable levies. We are actively monitoring this and after the shift to our new premises will take active steps to both report on and manage this in the first half of next year by returning a portion of our reserves to the Crown.

FIG.3 OVERALL PERFORMANCE AND COST ANALYSIS



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 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. An employee engagement survey was undertaken this year showing high ratings of satisfaction in the workplace
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	A vacancy in an administration role was filled
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

CAPABILITY OBJECTIVES	MEASURES	ACTUAL
1. Opportunities for agency collaboration and shared services in the cultural sector are explored and developed where appropriate	<ul style="list-style-type: none"> Continue to share facilities and one front-of-house staff member Receive back-office financial services and associated professional advice from NZ On Air 	<ul style="list-style-type: none"> Continued with additional shared facilities on move to new premises Continued to receive financial services and advice from NZ On Air Confirmed arrangements to move to new premises that already house New Zealand Film Commission, combining three cultural sector agencies under one roof
2. Staff employment policies focus on retention and development of skilled, knowledgeable, adaptable, efficient team players with the tools, information and training necessary to perform to a high level	<ul style="list-style-type: none"> Each staff member has an annual assessment of individual training needs and professional development plan Board members undertake an annual self-assessment around their exercise of their quasi-judicial powers and governance 	<ul style="list-style-type: none"> Achieved Achieved
3. Our infrastructure is fit for purpose	<ul style="list-style-type: none"> Our 2004 complaints data management system is reviewed and improved to better reflect the current working environment We move from paper-based board papers to an electronic system 	<ul style="list-style-type: none"> Deferred while we awaited government response to Law Commission report before incurring expenditure – and while we investigated options Achieved
4. Our office environment and equipment are safe and well maintained	<ul style="list-style-type: none"> Safety hazards reported are attended to promptly and significant hazards are attended to immediately Our building is at an acceptable earthquake risk level Zero tolerance of harassment, bullying and discrimination 	<ul style="list-style-type: none"> Achieved Achieved Achieved
5. Equal employment opportunity principles are incorporated in staff selection and management, to achieve as diverse a workforce as possible within the limits of our small size	<ul style="list-style-type: none"> EEO principles are included in all relevant documents and practices 	<ul style="list-style-type: none"> Achieved



PART THREE:
ACCOUNTABILITY
STATEMENTS

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 30 JUNE 2013

Pursuant to the Crown Entities Act 2004, the board 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 control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the opinion of the board, the Financial Statements and Statement of Service Performance for the year ended 30 June 2013 fairly reflect the financial position and operations of the BSA.



Peter Radich

Chair

22 October 2013



Mary Anne Shanahan

Member

22 October 2013

STATEMENT OF SERVICE PERFORMANCE

FOR THE YEAR ENDED JUNE 2013

The statements in this section provide the detailed results of our outputs against targets, budgets and performance measures for the year ended 30 June 2013 as set out in our Statement of Intent for the period 2012–15.

	SOI INCOME \$	ACTUAL INCOME \$	SOI EXPEND \$	ACTUAL EXPEND \$
Complaints determination	1,028,570	1,113,217	1,000,985	790,621
Oversight and development of broadcasting standards system	211,350	228,743	207,632	141,717
Information and communication	169,080	182,995	157,332	174,673
TOTAL	1,409,000	1,524,955	1,365,949	1,107,011

OUTCOMES AND IMPACTS

As described in our Outcome Framework, the three outputs articulated in the chart above work in a virtuous circle and all contribute to the overarching outcome that New Zealanders have increased confidence that the broadcasting standards regime fairly and properly balances broadcasters' right to freedom of expression with their obligation to avoid harm.

The specific outcome areas are:

- reduction of unjustified complaints from members of the public
- increased compliance with standards by broadcasters.

We have identified 3 key measures to determine whether we have an impact and these are recorded and evaluated in Part Two of this Annual Report.

SUMMARY OF OUTPUT COSTS

COMPLAINTS DETERMINATION	ACTUAL	BUDGET
Personnel	449,697	550,718
Direct Operating	80,996	169,000
Overhead	259,928	281,267
% OF TOTAL BUDGET	790,621	1,000,985
	71%	73%

OVERSIGHT AND DEVELOPMENT OF BROADCASTING STANDARDS SYSTEM

Personnel	63,512	70,966
Direct Operating	41,548	97,000
Overhead	36,657	39,666
% OF TOTAL BUDGET	141,717	207,632
	13%	15%

INFORMATION AND COMMUNICATION

Personnel	45,499	48,466
Direct Operating	92,518	69,200
Overhead	36,656	39,666
% OF TOTAL BUDGET	174,673	157,332
	16%	12%

OUTPUT: COMPLAINTS DETERMINATION

DESCRIPTION

Complaints determination is our core activity. It is supported by and linked to our other two activities: oversight and development of the broadcasting standards 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 Authority 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 10 of our most challenging decisions; and litmus tested our decisions relating to the children's interests standard 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 2012/13	BUDGET 2012/13	2011/12	2010/11
Total cost	790,621	1,000,985	836,065	968,053
% of total cost	71%	73%	69.22%	70%

KEY DELIVERABLES		PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13	2011/12
Quantity					
Receive complaints	Formal complaints received and processed	200	136	195	The numbers are below our target. This is a positive result as our SOI notes that fewer complaints suggest the system is working more effectively
Issue decisions	Issue decisions for all complaints that are within our jurisdiction in accordance with the Broadcasting Act 1989	100%	100%	100%	
Commission research by way of a survey of complainants who have been through the broadcasting standards regime to assess their satisfaction with the processes and system	Commission biannual summaries of the research into complainants' satisfaction with the complaints processes and system	2 reports provided by survey company to the BSA are analysed and appropriate improvements implemented	Achieved – 2 reports have been provided by the survey company to the BSA, the results have been analysed and improvements made where appropriate	2 reports produced	
Commission independently facilitated focus groups to litmus test decisions and further our understanding of current community attitudes on standards, and to test the understanding of decisions	Litmus test decisions as to approach to a standard and decision presentation, with groups of mixed ethnicity, age and gender	Litmus test 5 decisions	Achieved – focus groups litmus tested 5 decisions on children's interests standard. Research was published on our website in June	Litmus tested 5 decisions on good taste and decency	
Timeliness					
Acknowledgement of complaints in a timely manner	Complaints acknowledged in writing within 3 working days	100%	99.3% (1 out of 136 complaints received acknowledged outside period – due to staff absence)	98.5%	
Decisions issued in timely manner	Decisions issued within 20 working days of the board meeting at which final decision is made	98%	99.1% (1 out of 111 decisions was complex and required 37 working days to finalise)	99%	
Quality					
Decisions soundly reasoned	External assessment conducted to assess whether BSA reasoning, processes and/or interpretation of a standard is appropriate and reasonable	An external review of the way BSA interprets a standard or an aspect of the process by which BSA determines complaints shows that the reasoning, process and/or interpretation are appropriate and reasonable	Achieved. An external review of 10 challenging BSA decisions was conducted and published on the BSA website in June. The Authority was commended on its well-written, accessible and thorough decisions. The review also included useful suggestions and recommendations which the Authority will review and consider implementing	An external review of the way BSA incorporates freedom of expression into its decisions was completed by Steven Price of Victoria University. The review found the BSA does a very good job and the 'proportionality' reasoning (that around freedom of expression) is getting better and better	

KEY DELIVERABLES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13	2011/12
	Decisions overturned by the High Court are analysed to enable improvements to BSA's reasoning and process	Direction or advice provided by the High Court from each appeal is analysed and applied in subsequent decisions as appropriate, as evidenced by reference to appeals in at least 10 decisions	High Court decisions referenced in 8 BSA decisions	2 appeals. One upheld in part and the other withdrawn Measure counting the references was new in 2012/13
BSA decisions reflect community standards and are understood by members of the public	Independently facilitated focus groups (litmus testing) show that decisions are understood by members of the public	50% or more of those surveyed rank the decisions as good or excellent on a 5-point scale	Achieved. 79% of participants ranked the decisions as acceptable, good or very good on a 5-point scale. 53% ranked the decisions as good or very good. (Survey used 'very good' rather than 'excellent' as top of scale.)	New measure in 2012/13
	Decisions reference findings from research into community standards and/or litmus testing	A selection of 20 varied decisions show references to research of community standards and/or litmus testing	References included in 5 decisions. This was a new measure. With the reduced number of decisions this year and fewer on standards such as good taste and decency, this target was not achievable or appropriate	New measure in 2012/13
High-quality service provided to complainants	Complainants rate BSA processes overall as good or very good in the biannual reports on complainants' satisfaction	45% or more of complainants rank BSA service overall as good or very good on a 5-point scale	Achieved. 50% of complainants agreed or strongly agreed BSA handled their part of the process well on a 5-point scale	43% [target 30%]
	Complainants rate individual aspects of their interaction with BSA positively	70% or more of complainants rate each of the following aspects of interaction with BSA as good or very good: written correspondence, telephone contact, and professionalism of BSA staff	Achieved. 75% or more of complainants surveyed agreed or strongly agreed with four out of five positive statements about written correspondence (with 67% agreeing or agreeing strongly with the fifth statement, more than 85% with positive statements regarding telephone contact, and more than 90% regarding BSA's professionalism)	New measure in 2012/13

OUTPUT: OVERSIGHT AND DEVELOPMENT OF BROADCASTING STANDARDS SYSTEM

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 Authority 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 generally reviewed every five years to ensure it provides relevant guidance. The Pay TV Code is overdue for review. It was suspended while we engaged with broadcasters on the possibility of a single code document. The Radio Code is now due for review and the Free-to-Air TV Code is due for review in 2014. Some broadcasters were reluctant to engage in single code discussions. As our key imperative is to modernise the codes, and to make them principles-based and consistent (where appropriate), we have revised our approach and will review each code separately, though simultaneously, in the 2013/14 year, to ensure the codes are relevant and useful.

COST	ACTUAL 2012/13	BUDGET 2012/13	2011/12	2010/11*
Total cost	141,717	207,632	118,495	N/A
% of total cost	13%	15%	9.81%	

* In 2010/11 everything other than complaints determination was in an output of information.

KEY DELIVERABLES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13	2011/12
	Quantity and Timeliness			
Coordinate and facilitate a working group of broadcaster representatives to monitor and improve complaint handling systems, consult with, and agree areas of cooperation	Meetings held regularly	3 meetings before 30 June 2013	3 meetings	New measure in 2012/13
Issue practice notes on standards issues or process matters	Practice notes consulted on with broadcasters and issued	2 practice notes published before 30 June 2013	1 practice note completed and published in June 2013 on BSA's power to decline to determine trivial and vexatious complaints. Broadcasters consulted. Only 1 practice note was completed as we are focusing on including draft guidance on standards issues and process matters in our revised codes	1 practice note issued
Develop Single Code of Broadcasting Practice	Develop single code in conjunction with broadcasters	Prepare 1st draft (at least) before June 2013	Achieved. First draft prototype prepared for discussion. Subsequently, in consultation with broadcasters, we have revised approach to code reviews. We will review each of the codes with the view to modernising them, making them principles-based, and including them in a 'code handbook'	New measure in 2012/13
Commission quantitative research on public attitudes to standards	Commission research on attitudes to acceptability of swear words in broadcasting with diverse participants	Research complete and published by June 2013	Research completed and finalised by June 2013. Delayed publication to new financial year to enable hardcopy print and appropriate media releases	Not applicable (research done periodically)
Commission research that analyses or examines the relevant application of a standard, an aspect of broadcasting, and/or informs any future regulatory system	Commission and publish research of this nature	At least one piece of such research is complete and published by June 2013	Not achieved. This research was put on hold pending government response to Law Commission report and the need for any research to be relevant and valuable in the context	Research on talkback radio published in July 2011 Research on reality television published in September 2011
Following audit of broadcaster publicity of the complaints process notify any not complying and provide information and/or assistance where necessary	Non-compliant broadcasters notified and relevant information provided to them	100% of non-compliant broadcasters notified within a month of the completed audit	100%	Audit completed by 30 May 2012

Quality

<p>Survey broadcasters to assess satisfaction with the quality of the BSA processes, services and working relationships</p>	<p>Broadcasters rate BSA processes and working relationships as good or better and identify any issues</p>	<p>80% or more of broadcasters surveyed rank BSA processes and working relationships as good or very good on a 5-point scale</p>	<p>Achieved. 89% of broadcasters surveyed ranked the BSA processes and working relationships as good or very good on a 5-point scale</p>	<p>New measure in 2012/13</p>
<p>Research on standards or regulatory system is assessed as thorough, and of value to discussion and debate on standards and/or any future regulatory system</p>	<p>Any issues identified considered by board, and appropriate changes made and recorded or placed on the agenda of the broadcaster/BSA working group</p>	<p>Issues discussed at working group meetings and where appropriate resolved to satisfaction of both broadcasters and BSA</p>	<p>Achieved. Analysis of issues demonstrates that two issues raised were discussed with broadcasters and resolved to satisfaction of both broadcasters and BSA</p>	<p>New measure in 2012/13</p>
<p>Research on standards or regulatory system is assessed as thorough, and of value to discussion and debate on standards and/or any future regulatory system</p>	<p>Research adds value for policy makers, broadcasters, and BSA in developing and assessing standards and aspects of any future regulatory scheme</p>	<p>Feedback is received (and recorded) from at least three key stakeholders that the research is valuable</p>	<p>Not achieved. This research was put on hold pending government response to Law Commission report and the need for any research to be relevant and valuable in the context</p>	<p>New measure in 2012/13</p>

OUTPUT: INFORMATION AND COMMUNICATION

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. Last 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 launched this new website in November 2012.

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

COST	ACTUAL 2012/13	BUDGET 2012/13	2011/12	2010/11*
Total cost	174,673	157,332	253,271	407,672
% of total cost	16%	12%	20.97%	30%

*In 2010/11 everything other than complaints determination was put in this output.

KEY DELIVERABLES	PERFORMANCE MEASURES	TARGET 2012/13	ACTUAL 2012/13	2011/12
Quantity and Timeliness				
Upgrade website to improve ease of use, through clearer content and greater accessibility	Website upgrade launched	By 31 December 2012	New website launched 1 November 2012	Not applicable
	Increase of unique hits to website	Benchmark under development	Baseline from launch available but rather than focus on gain in unique hits (which is out of our control) we focused on quality of website with an e-government assessment. Our site ranked 3rd out of 108 sites assessed on criteria such as accessibility, usability, information delivery and e-services delivery	New measure in 2012/13
Decisions published on BSA website	Decisions published on website within 10 working days of sign off by Chair	100%	100%	100%
Production of newsletter to keep stakeholders informed	Newsletters published	9	10	8
Strategic media releases	Decisions of high public interest or particular educational interest communicated by way of a media release	Releases for at least 15 decisions issued before 30 June 2013	15	New measure in 2012/13
Quality				
Surveys of complainants and broadcasters indicate high satisfaction with the usability, value and clarity of the website	Complainants and/or broadcasters (as part of any other service surveys) rate BSA website as good or very good on a 5-point scale	At least 70% of those surveyed rate the BSA website as good or very good on a 5-point scale	Between 67% and 75% of complainants surveyed said the content of the website was clear, the website is easy to use, and it is a valuable resource. Between 75% and 87% of broadcasters surveyed said the content of the website was clear, the website is easy to use, and it is a valuable resource	New measure in 2012/13

The background of the entire page is a solid red color with a repeating white zigzag or chevron pattern. The pattern consists of multiple parallel lines that create a series of interlocking V-shapes, giving it a textured, geometric appearance.

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 ACTUAL \$	2013 BUDGET \$	2012 ACTUAL \$
REVENUE				
Revenue from Crown		609,000	609,000	609,000
Broadcasting levy		843,936	760,000	787,282
Interest income		57,839	40,000	46,796
Other revenue		14,180	-	-
TOTAL REVENUE		1,524,955	1,409,000	1,443,078
LESS EXPENDITURE				
Personnel costs	3	558,708	670,150	580,725
Other expenses	4	516,948	652,967	600,916
Depreciation and amortisation	18 & 19	31,355	42,832	26,190
TOTAL EXPENDITURE		1,107,011	1,365,949	1,207,831
Net Surplus		417,944	43,051	235,247
TOTAL COMPREHENSIVE INCOME		417,944	43,051	235,247

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 2013

	2013 ACTUAL \$	2013 BUDGET \$	2012 ACTUAL \$
Public equity as at 1 July	889,845	753,206	654,598
Total Comprehensive Income	417,944	43,051	235,247
PUBLIC EQUITY AS AT JUNE 2013	1,307,789	796,257	889,845

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 2013

	Note	2013 ACTUAL \$	2013 BUDGET \$	2012 ACTUAL \$
CURRENT ASSETS				
Cash and cash equivalents	5	132,704	45,511	71,520
Investments	6	1,262,788	800,000	850,000
Debtors and other receivables	7	12,373	1,800	3,196
Prepayments		5,220	4,000	2,861
Net GST		17,598	18,000	21,994
		1,430,683	869,311	949,571
LESS CURRENT LIABILITIES				
Creditors and other payables	8	127,664	120,000	86,003
Employee entitlements	9	40,222	50,000	41,548
		167,886	170,000	127,551
WORKING CAPITAL		1,262,797	699,311	822,020
NON-CURRENT ASSETS				
Property, plant and equipment	18	42,207	41,200	64,183
Intangible assets	19	2,785	55,726	3,642
		44,992	96,946	67,825
NET ASSETS		1,307,789	796,257	889,845
REPRESENTED BY PUBLIC EQUITY		1,307,789	796,257	889,845

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

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 ACTUAL \$	2013 BUDGET \$	2012 ACTUAL \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from Crown		609,000	609,000	609,000
Broadcasting levy		843,936	760,000	787,282
Interest received		48,499	40,000	49,361
Other income		14,180	-	-
GST (net)		4,396	-	2,055
Payments to employees & members		(560,034)	(670,150)	(595,394)
Payments to suppliers & other operating expenses		(477,483)	(651,967)	(666,017)
NET CASH FLOW FROM OPERATING ACTIVITIES	10	482,494	86,883	186,287
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(6,651)	-	(46,396)
Purchase of intangible assets		(1,871)	(50,000)	-
Increase investments		(412,788)	(50,000)	(150,000)
NET CASH FLOW FROM INVESTING ACTIVITIES		(421,310)	(100,000)	(196,396)
Net increase / (decrease) in cash held		61,184	(13,117)	(10,109)
Opening cash brought forward		71,520	58,628	81,629
BALANCE CARRIED FORWARD	5	132,704	45,511	71,520

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 2013

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 2013, and were approved by the board on 22 October 2013.

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 are 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 the BSA expects a transition to the new standards in preparing its 30 June 2015 financial statements. As the PAS are still under development, the 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 earned 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 EQUIVALENTS

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

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, and default in payment are all considered indicators that the debtor 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.

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 bankruptcy, 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 the 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 either fully amortised or 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 follows:

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, as is any subsequent reversal of an impairment loss.

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 the BSA would, if deprived of the asset, replace its remaining future economic benefits or service potential.

CREDITORS AND OTHER PAYABLES

Creditors and other payables are reflected 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 and, in particular, when estimating the useful life and residual value of property, plant and equipment.

2. Revenue from Crown

The BSA has been provided with funding from the Crown for the specific purposes set out in the Broadcasting Act 1989 and the scope of the relevant Crown appropriations. Apart from these restrictions, there are no unfulfilled conditions or contingencies attached to government funding. (2012: nil)

3. Personnel costs

	2013 ACTUAL \$	2012 ACTUAL \$
Staff salaries and board remuneration	550,035	573,578
Employer contributions to defined contribution plans	8,673	7,147
TOTAL PERSONNEL COSTS	558,708	580,725

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

4. Other expenses

	2013 ACTUAL \$	2012 ACTUAL \$
Audit of financial statements	19,734	17,505
Consultancy	109,070	123,207
Research	75,000	7,823
Travel, accommodation & training	29,378	36,897
Rent	92,039	77,652
Office expenses	191,727	337,832
TOTAL OTHER EXPENSES	516,948	600,916

Prior year comparatives have been restated to reflect current year classification of expenditure items.

5. Cash and cash equivalents

	2013 ACTUAL \$	2012 ACTUAL \$
Cash on hand:		
Petty cash	200	100
Banks:		
Current account	54,001	13,361
Call accounts	78,503	58,059
TOTAL CASH AND CASH EQUIVALENTS	132,704	71,520

6. Investments

	2013 ACTUAL \$	2012 ACTUAL \$
Term deposits with maturities of 4–6 months	1,262,788	850,000
TOTAL INVESTMENTS	1,262,788	850,000
Weighted average effective interest rate:	4.02%	4.00%

7. Debtors and other receivables

	2013 ACTUAL \$	2012 ACTUAL \$
Trade receivables	-	163
Accrued interest	12,373	3,033
TOTAL DEBTORS AND OTHER RECEIVABLES	12,373	3,196

The carrying value of receivables approximates their fair value.

8. Creditors and other payables

	2013 ACTUAL \$	2012 ACTUAL \$
Creditors	78,664	56,143
Accrued expenses	49,000	29,860
TOTAL CREDITORS AND OTHER PAYABLES	127,664	86,003

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.

9. Employee entitlements

	2013 ACTUAL \$	2012 ACTUAL \$
Current employee entitlements are represented by:		
Accrued salaries and wages	10,087	9,743
Annual leave	14,121	16,105
Salary 'at risk'	16,014	15,700
TOTAL EMPLOYEE ENTITLEMENTS	40,222	41,548

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

	2013 ACTUAL \$	2012 ACTUAL \$
Reported (deficit)/surplus for the year	417,944	235,247
Add non-cash items:		
Depreciation, amortisation	31,355	29,975
Total non-cash items	31,355	29,975
Add movements in other working capital items:		
Decrease/(increase) in debtors and other receivables	(9,177)	2,402
Increase/(decrease) in creditors and other payables	41,661	(78,988)
(Decrease)/increase in employee entitlements	(1,326)	(14,669)
Decrease/(increase) in net GST	4,396	2,055
(Increase)/decrease in prepayments	(2,359)	10,265
Net movement in working capital items	33,195	(78,935)
NET CASH FLOW FROM OPERATING ACTIVITIES	482,494	186,287

11. Commitments

	2013 ACTUAL \$	2012 ACTUAL \$
Operating lease		
Not later than one year	-	66,254
Later than one year and not later than five years	-	-
TOTAL NON-CANCELLABLE OPERATING LEASE	-	66,254

The operating lease for the rental of premises was terminated as at 30 June 2013 with a right of renewal on a monthly basis only. Subsequent to year end the offices were relocated to level 2, 119 Ghuznee Street. As at 30 June 2013 a formal lease for the new premises had not yet been entered into.

12. Contingent assets and liabilities

Contingent assets

As at 30 June 2013 the BSA had no contingent assets. (2012: Nil)

Contingent liabilities

As at 30 June 2013, the BSA had no contingent liabilities. (2012: Nil)

13. Related party transactions & key management personnel

All related party transactions have been entered into on an arms-length basis.

Significant transactions with government-related entities

The BSA has received funding from the Crown of \$609,000 (2012: \$609,000) to provide services to the public for the year ended 30 June 2013.

Collectively, but not individually, significant transactions with government-related entities

In accordance with the Broadcasting Act 1989 the BSA collects annual levies from broadcasters in New Zealand. During the year ended 30 June 2013 the BSA received total levies from Television New Zealand and Radio New Zealand of \$184,693. (2012:\$212,397)

In conducting its activities, the BSA is required to pay various taxes, and levies (such as GST, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers. The BSA is exempt from paying income tax.

The BSA also purchases goods and services from entities controlled, significantly influenced or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 30 June 2013 totalled \$41,402 (2012:\$24,268). These purchases included the purchase of financial services from NZ On Air, air travel from Air New Zealand and postal services from New Zealand Post.

Key management personnel compensation

	2013 ACTUAL \$	2012 ACTUAL \$
Salaries and other short-term benefits	267,508	284,438
TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION	267,508	284,438

Key management personnel include all board members and the Chief Executive. The BSA had no related party transactions. (2012: Nil)

Board remuneration

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

	2013 ACTUAL \$	2012 ACTUAL \$
P Radich (Chair)	46,461	40,495
M Shanahan	19,256	28,455
L Pearson	24,095	26,186
T Kupenga	20,922	29,164
TOTAL BOARD MEMBER REMUNERATION	110,734	124,300

Employee remuneration

	2013 ACTUAL \$	2012 ACTUAL \$
Total remuneration paid or payable		
100,000–109,999	-	-
110,000–119,999	-	-
120,000–129,999	-	-
130,000–139,999	-	-
140,000–149,999	-	1
150,000–159,999	1	-

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 and investments which are classed as loans and receivables. Their book value is approximately their fair value.

	2013 ACTUAL \$	2012 ACTUAL \$
Loans and receivables		
Cash and cash equivalents	132,704	71,520
Debtors and other receivables	12,373	3,196
Investments – term deposits greater than 3 months	1,262,788	850,000
TOTAL LOANS AND RECEIVABLES	1,407,865	924,716
Financial liabilities at fair value		
Creditors and other payables	127,664	86,003
TOTAL FINANCIAL LIABILITIES AT FAIR VALUE	127,664	86,003

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.

Market risk

The interest rates on the BSA investments and cash holdings are disclosed in notes 5 and 6.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The BSA's exposure to fair value interest rate risk is limited to bank deposits which are held at fixed rates of interest.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments issued at variable interest rates would expose the BSA to cash flow interest rate risk. The BSA has no variable interest rate investments.

Sensitivity analysis

At 30 June 2013, had interest rates on BSA's term deposits been 50 basis points higher or lower, with all other variables held constant, the surplus would have been \$29,070 higher/lower. (2012: \$21,250).

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The BSA makes occasional, low

value payments in foreign currencies that are converted to New Zealand dollars at the spot rate on the day of payment. The BSA has no foreign currency creditors at 30 June 2013. (2012: nil)

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The BSA do not invest in equity financial instruments and hence have no exposure to price risk.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the BSA, causing it to incur a loss. Due to the timing of BSA's cash inflows and outflows it invests surplus cash with registered banks. The BSA treasury policy limits the amount of credit exposure to any one institution.

The maximum credit exposure for each class of financial instrument is represented by the total carrying value of cash and cash equivalents (note 5), investments (note 6) and accounts receivable (note 7). There is no collateral held against these financial instruments.

The BSA has no significant exposure to concentrations of credit risk as it has a small number of debtors and it only invests with registered banks with specified Standard and Poor's or Moody's credit ratings.

The BSA's bank deposits and short-term investments are spread across two institutions.

Liquidity risk

Liquidity risk is the risk BSA will encounter difficulty raising funds to meet its commitments as they fall due. The BSA expects to receive 2013/14 Crown funding in equal instalments on the first working day of each quarter from July 2013 to June 2014. In addition, at 30 June 2013 the BSA holds call and term deposits that will mature within the 2013/14 financial year totalling \$1.26m.

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 Financial Performance

Income

Broadcasting levies of \$843,936 were received against a budget of \$760,000 due to increased broadcasting revenues and collection of arrears.

Expenditure

Variances in expenditure were primarily due to general efficiencies and the positive effect of a reduced number of complaints. Personnel expenditure was less than budgeted due to the effects of the reduced complaint numbers and one staff position budgeted for remaining unfilled during the year.

Statement of Financial Position

Cash and cash investments

The increase in cash and cash investments compared with budget arises through the increased surplus allowing increased investments.

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 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 AT 30 JUNE 2012	-	41,789	8,375	2,848	3,508	7,663	64,183
Cost or valuation							
Balance at 1 July 2012	9,082	49,808	64,800	160,752	20,399	15,870	320,711
Additions	-	6,261	-	-	-	390	6,651
Disposals	-	-	-	(160,752)	-	-	(160,752)
Balance at 30 June 2013	9,082	56,069	64,800	-	20,399	16,260	166,610
Accumulated depreciation							
Balance at 1 July 2012	9,082	8,019	56,425	157,904	16,891	8,207	256,528
Depreciation expense	-	16,841	3,055	2,848	3,508	2,375	28,627
Eliminate on disposal / reclassification	-	-	-	(160,752)	-	-	(160,752)
Balance at 30 June 2013	9,082	24,860	59,480	-	20,399	10,582	124,403
CARRYING AMOUNT AT 30 JUNE 2013	-	31,209	5,320	-	-	5,678	42,207

19. Intangible assets

Movements for each class of intangible asset are as follows:

	Acquired software \$
Cost of valuation	
Balance at 1 July 2011	34,099
Additions	-
Disposals	-
Balance at 30 June 2012	34,099
Accumulated amortisation	
Balance at 1 July 2011	27,544
Amortisation expense	2,913
Disposals	-
Balance at 30 June 2012	30,457
CARRYING AMOUNT AT 30 JUNE 2012	3,642
Cost of valuation	
Balance at 1 July 2012	34,099
Additions	1,871
Disposals	-
Balance at 30 June 2013	35,970
Accumulated amortisation	
Balance at 1 July 2012	30,457
Amortisation expense	2,728
Disposals	-
Balance at 30 June 2013	33,185
CARRYING AMOUNT AT 30 JUNE 2013	2,785

INDEPENDENT AUDIT REPORT

To the readers of Broadcasting Standards Authority's financial statements and non-financial performance information for the year ended 30 June 2013

The Auditor-General is the auditor of Broadcasting Standards Authority (BSA). 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 non-financial performance information of BSA on her behalf.

We have audited:

- the financial statements of BSA on pages 39 to 52, that comprise the statement of financial position as at 30 June 2013, 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 non-financial performance information of BSA that comprises the statement of service performance on pages 28 to 37 and the report about outcomes on pages 11 to 14.

OPINION

In our opinion:

- the financial statements of BSA on pages 39 to 52:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect BSA's:
 - financial position as at 30 June 2013; and
 - financial performance and cash flows for the year ended on that date.
- the non-financial performance information of BSA on pages 11 to 14 and 28 to 37:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects BSA's service performance and outcomes for the year ended 30 June 2013, including for each class of outputs:
 - its service performance compared with forecasts in the statement of forecast service performance at the start of the financial year; and
 - its 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 22 October 2013. 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 non-financial performance information are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and non-financial performance information. 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 non-financial performance information. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and non-financial performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of BSA's financial statements and non-financial

performance information 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 BSA'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 appropriateness of the reported non-financial performance information within BSA's framework for reporting performance;
- the adequacy of all disclosures in the financial statements and non-financial performance information; and
- the overall presentation of the financial statements and non-financial performance information.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and non-financial performance information. Also we did not evaluate the security and controls over the electronic publication of the financial statements and non-financial performance information.

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 non-financial performance information that:

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

The Board is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and non-financial performance information that are free from material misstatement, whether due to fraud or error. The Board is also responsible for the publication of the financial statements and non-financial performance information, whether in printed or electronic form.

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 non-financial performance information 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.

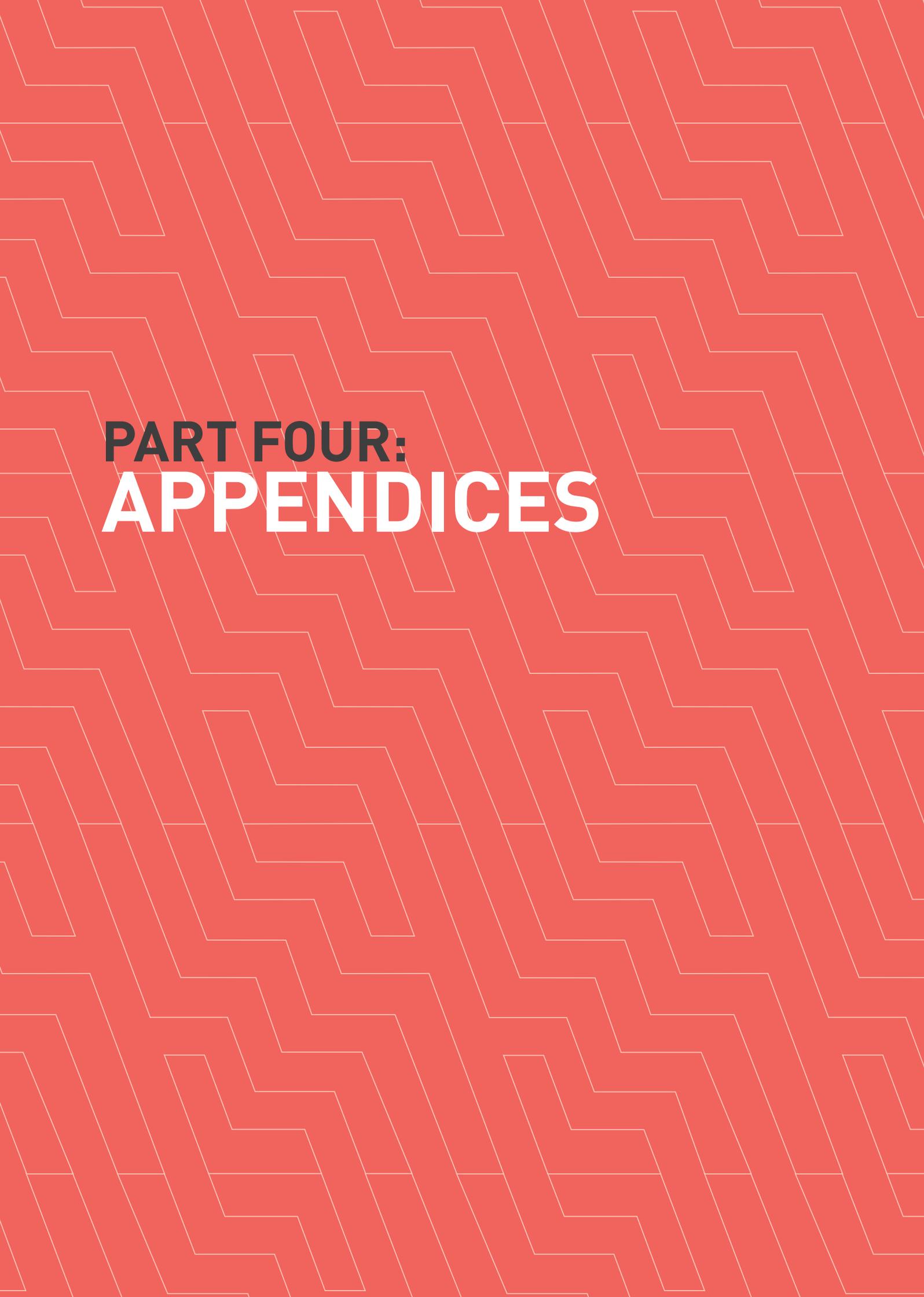
INDEPENDENCE

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

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



K M Rushton
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

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PART FOUR: **APPENDICES**

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 2012–June 2013	136	111	18	16.2%	86	5	2	1	1	-	1	2	1 Complaint directed back to broadcaster to consider
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
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	1	4	8	2	4	-
July 1997–June 1998	174	176	39	22.2%	122	12	3	2	2	10	-	7	1 Broadcast 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 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	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 'Declined to Determine' encompasses all non-jurisdiction-related 'declined' findings, including 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 treated as 'Declined to Determine'.

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 in 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 previous example 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, Checkpoint*

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, Target, Fair Go, Dog Squad, Masterchef*

Fictional Programmes: dramas, sitcoms, cartoon comedies. May include dramatic versions of factual events eg, *Homeland, Family Guy, Two and a Half Men*

Talkback: radio talkback programmes which involve regular phone calls from listeners, eg, *Michael Laws Talkback, Leighton Smith Show, Willie and JT Show*

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

Figures in brackets are from the previous year.

	TOTAL NUMBER OF DECISIONS	UPHELD	NOT UPHELD	DECLINED TO DETERMINE	NO JURISDICTION/ ACCEPTED JURISDICTION
News/Current Affairs	55 (67)	6 (8)	43 (52)	5 (5)	1 (2)
Factual/Reality Programmes	19 (33)	5 (4)	14 (27)	- (1)	1 (1)
Fictional Programmes	9 (24)	2 (3)	8 (18)	- (2)	- (1)
Talkback	9 (8)	3 (-)	8 (8)	- (-)	- (-)
Election Programmes*	- (10)	- (-)	- (8)	- (2)	- (-)
Other	19 (20)	2 (2)	13 (18)	- (-)	- (-)
TOTAL	111 (162)	18 (17)	86 (131)	5 (10)	2 (4)

*Complaints about Election Programmes can only be made during the period of a General Election. The figures for the previous year relate to the 2011 General Election.

DECISIONS BY ISSUE RAISED

Many complaints name more than one standard so totals do not match up with the total number of decisions released. 'Action Taken' refers to complaints which were upheld in full or in part by the broadcaster, where the complainant was dissatisfied with the action taken to remedy the breach.

Figures in brackets are from the previous year.

	Good Taste and Decency	Accuracy	Programme Classification/Social Responsibility/ Responsible Programming	Fairness	Children's Interests/Children	Discrimination and Denigration	Balance/Controversial Issues – Viewpoints	Privacy	Law and Order	Violence	Liquor	Action Taken
TOTAL	34 (62)	50 (61)	25 (37)	37 (56)	13 (36)	24 (36)	25 (29)	16 (17)	14 (11)	3 (15)	- (7)	5 (2)
Upheld	2 (3)	3 (6)	1 (3)	7 (9)	1 (2)	- (-)	1 (-)	1 (1)	- (-)	1 (2)	- (1)	- (1)
Not Upheld/ Other	32 (59)	47 (56)	24 (34)	30 (47)	12 (34)	24 (36)	24 (29)	15 (16)	14 (11)	2 (13)	- (6)	5 (1)

PROGRAMMES MOST COMPLAINED ABOUT

Figures in brackets are from the previous year.

	NUMBER OF COMPLAINTS	UPHELD	NOT UPHELD/OTHER
One News	15 (20)	1 (1)	14 (19)
Close Up	11 (5)	- (-)	11 (5)
3 News	10 (22)	2 (3)	8 (19)
Fair Go	8 (5)	2 (1)	6 (4)
Checkpoint	5 (-)	1 (-)	4 (-)
Campbell Live	3 (26)	1 (7)	2 (19)
Michael Laws Talkback	3 (3)	2 (-)	1 (3)
Willie and JT Show	3 (-)	2 (-)	1 (-)

DECISIONS RELEASED – BY MEDIUM

Figures in brackets are from the previous year.

	TOTAL NUMBER OF DECISIONS	UPHELD
Television	78 (134)	12 (16)
Radio	33 (28)	6 (1)

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
Access	1 (-)	1 (-)	- (-)	- (-)	- (-)	- (-)
Māori TV	1 (2)	1 (-)	- (-)	- (-)	- (-)	- (-)
Radio BOP	2 (-)	- (-)	2 (-)	- (-)	- (-)	- (-)
Radio Tarana	1 (-)	- (-)	1 (-)	- (-)	- (-)	- (-)
RadioWorks	8 (13)	3 (-)	5 (12)	- (1)	- (-)	- (-)
Radio NZ	12 (6)	1 (-)	10 (6)	2 (-)	- (-)	- (-)
SKY TV	2 (4)	1 (-)	1 (4)	- (-)	- (-)	- (-)
The Radio Network	9 (7)	1 (-)	8 (7)	- (-)	- (-)	- (-)
TVNZ	52 (68)	5 (8)	42 (54)	2 (5)	2 (1)	1 (3)
TVWorks	23 (57)	4 (8)	18 (44)	1 (2)	- (3)	1 (3)
World TV	1 (-)	1 (-)	- (-)	- (-)	- (-)	- (-)

Note: The total decisions add up to 112, not 111, as one decision was against two broadcasters.

APPENDIX 2: DECISION DETAILS

UPHELD WITH ORDER

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Standards Upheld	Order
2011-144	DS	TVNZ	Dog Squad	Complainant's vehicle searched during routine checks of those entering prison grounds	Privacy	Privacy	\$750 privacy compensation
2012-012	Hodson	TWWorks	Campbell Live	Complainant's baby store business featured in item	Fairness, accuracy, privacy	Fairness, accuracy, privacy	\$500 privacy compensation, \$750 legal costs
2012-058	Batchelor	RadioWorks	Michael Laws Talkback	Talkback host accused complainant of misquoting statistics and lying	Accuracy, Action taken - fairness	Fairness	Broadcast statement including apology

UPHELD WITH NO ORDER

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Standards Upheld
2012-006	Blissett	RadioWorks	Michael Laws Talkback	Host spoke about shooting journalists	Good taste and decency, law and order	Good taste and decency
2012-031	Wong	World TV Ltd	Ip Man	Martial arts movie broadcast during children's viewing time	Responsible programming, violence, good taste and decency, controversial issues, discrimination and denigration	Responsible programming, children's interests, violence
2012-036	FS	TVNZ	The Inspectors	Routine spot check of fish and chip shop by Environmental Health Officer	Privacy, fairness, accuracy	Privacy, fairness
2012-039	Signer	TWWorks	3 News	Item relating to 'Urewera Four' trial allegedly inaccurate	Action taken - accuracy	Action taken - accuracy

2012-054A	Payne	Māori Television Service	Te Kāea	Item on Anglican Church deacon allegedly stood down for removing children from a camp where he believed there was a sexual offender	Fairness, accuracy, controversial issues	Fairness, accuracy
2012-054B	Ashton	Māori Television Service	Te Kāea	Item on Anglican Church deacon allegedly stood down for removing children from a camp where he believed there was a sexual offender	Fairness, accuracy, controversial issues	Fairness, accuracy
2012-060	Ashton	Radio NZ	Checkpoint	Item on Anglican Church deacon allegedly stood down for removing children from a camp where he believed there was a sexual offender	Fairness, accuracy, controversial issues	Fairness
2012-069	CP	TVWorks	Target	Hidden camera footage of electricians	Privacy	Privacy
2012-070	Whyte	TVNZ	One News	Eftpos "skimming" scheme item wrongly identified Auckland bar	Fairness, accuracy	Fairness, accuracy
2012-072A	Blanch	RadioWorks	Willie and JT Show	Hosts accused complainant of lying; called him a "psychopath" and "sociopath" and compared him to "Hannibal Lecter"	Fairness, controversial issues	Fairness
2012-072B	Shapiro	RadioWorks	Willie and JT Show	Hosts accused complainant of lying; called him a "psychopath" and "sociopath" and compared him to "Hannibal Lecter"	Fairness, controversial issues	Fairness
2012-090	William Aitken & Co Ltd	TVNZ	Fair Go	Olive oil testing stated that sensory panel was "IOC accredited" and supervisor "only person qualified by the IOC... to convene a sensory panel"	Accuracy, fairness	Accuracy
2012-107	Moore	TVNZ	Fair Go	Gym contract cancellations requested due to Christchurch gym relocation	Fairness, accuracy	Fairness, accuracy
2012-121	Brooking	TVWorks	3 News: Firstline	Interview with Sensible Sentencing Trust regarding Parole Act 2002	Controversial issues, accuracy, fairness	Controversial issues
2012-132	McElroy	SKY	Shameless	Programme contained sex scenes, swearing and violence	Good taste and decency, children's interests, Action taken - content classification, warning and filtering	Good taste and decency
2013-004	Otago Casinos Ltd	The Radio Network	Farming Show	Host told anecdote about experience at complainant's bar and bistro	Fairness	Fairness
2013-005A	AB	Access Community Radio Inc (Planet FM)	House of Noizz	Host made derogatory comments about "ex-member of the family", mother of his named nephew	Fairness, privacy, good taste and decency, accuracy, discrimination and denigration, responsible programming	Fairness
2013-005B	CD	Access Community Radio Inc (Planet FM)	House of Noizz	Host made derogatory comments about "ex-member of the family", mother of his named nephew	Fairness, privacy, good taste and decency, accuracy, discrimination and denigration, responsible programming	Fairness

NOT UPHELD

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2012-025	Stowe	SKY	Prime News	Report on controversial comment by Jeremy Clarkson that striking workers should be shot	Accuracy, controversial issues, fairness, responsible programming
2012-028	Makea	TVNZ	One News	"Schizophrenic" comment by reporter during tennis item	Discrimination and denigration, accuracy
2012-037	Family First New Zealand	TWWorks	3 News	"Bullshit" comment by an MP	Good taste and decency, children's interests
2012-038	Busse	TVNZ	One News	Use of phrase "Jesus Christ" by miner's mother at Pike River Inquiry	Good taste and decency, discrimination and denigration
2012-040	Balfour	TVNZ	One News	Footage of SPCA raid at complainant's property	Privacy, fairness, accuracy
2012-041	Burton	TVNZ	Two and a Half Men	Episode contained sexual innuendo	Good taste and decency, children's interests
2012-044	Couling	RadioWorks	Mid-Mornings with K-Lee	Song titled "Our Love Suicide" by Tinie Tempah	Good taste and decency, responsible programming
2012-045	Bhatnagar	RadioWorks	Willie and JT Show	Willie made comments encouraging striking Port of Auckland workers to take more aggressive action	Law and order, responsible programming
2012-046A	Faithfull	Radio NZ	Checkpoint	Statistics in report relating to sexual violence allegedly inaccurate	Accuracy
2012-046B	Faithfull	Radio NZ	RNZ News	Statistics in report relating to sexual violence allegedly inaccurate	Accuracy
2012-048A	Shaxon	TWWorks	Promo for The Almighty Johnsons	Promos contained images of weapons	Good taste and decency, children's interests, violence
2012-048B	Shaxon	TWWorks	Promo for Sons of Anarchy	Promos contained images of weapons	Good taste and decency, children's interests, violence
2012-048C	Shaxon	TWWorks	Promo for Terra Nova	Promos contained images of weapons	Good taste and decency, children's interests, violence
2012-049	Bowman	RadioWorks	Michael Laws Talkback	Discussion regarding link between domestic violence and animal abuse	Good taste and decency, discrimination and denigration, accuracy
2012-050A	Patel	TVNZ	Close Up	Activities of Universal Church of the Kingdom of God	Privacy, controversial issues, accuracy, fairness, discrimination and denigration, responsible programming
2012-050B	Universal Church of the Kingdom of God	TVNZ	Close Up	Activities of Universal Church of the Kingdom of God	Privacy, controversial issues, accuracy, fairness, discrimination and denigration, responsible programming
2012-050C	Bowers	TVNZ	Close Up	Activities of Universal Church of the Kingdom of God	Privacy, controversial issues, accuracy, fairness, discrimination and denigration, responsible programming
2012-051A	Brown	Radio NZ	Book reading: Eggs	Story contained mature themes and coarse language	Good taste and decency

2012-051B	Barnett	Radio NZ	Book reading: Eggs	Story contained mature themes and coarse language	Good taste and decency
2012-051C	Dacey	Radio NZ	Book reading: Eggs	Story contained mature themes and coarse language	Good taste and decency
2012-052	Seager	TVNZ	Sunday	Photographs of concrete cutters following Christchurch February 2011 earthquake allegedly inaccurate and misleading	Accuracy
2012-053	Gillingham	TWWorks	3 News	Footage of a stripper wearing only a G-string and dancing erotically	Action taken – good taste and decency, children's interests
2012-055	Larsen	TVNZ	One News	Footage of rugby player mouthing obscenity	Good taste and decency, children's interests
2012-056	Russell	TWWorks	Homeland	Programme allegedly promoted 'Islamophobia'	Discrimination and denigration
2012-057	Te Kani-Green	TVNZ	Close Up	Interview with young Maori activist	Discrimination and denigration, controversial issues, good taste and decency
2012-059	Blackley	TVNZ	Last Chance Dogs	Dog trainer's techniques allegedly in breach of Dog Control Act and Animal Welfare Act	Law and order, controversial issues, responsible programming
2012-061	Towgood	TVNZ	Promo for Two and a Half Men	Promo contained sexual innuendo	Good taste and decency, responsible programming, children's interests
2012-062	Swadling	TWWorks	The GC	Programme allegedly promoted heavy drinking and promiscuity	Children's interests, law and order
2012-063A	Wallis	TVNZ	Piha Rescue 12 March	Reality series about lifeguard rescues at Piha Beach	Fairness, accuracy
2012-063B	Wallis	TVNZ	Piha Rescue 19 March	Reality series about lifeguard rescues at Piha Beach	Fairness, accuracy
2012-064	Simpson	The Radio Network	Overnight Talkback	Host's description of caller during discussion about gay marriage	Fairness, discrimination and denigration
2012-065	McDonald	TVNZ	Close Up	Item featuring complainant allegedly misleading as to nature of his complaints	Fairness, accuracy
2012-066	Johnson	The Radio Network	Jay, Flynny and Jacqui	Host's personal anecdote about fire alarm prank	Law and order
2012-067	McClung	The Radio Network	Kerre Woodham Talkback	Language of host in response to caller's comment	Good taste and decency, responsible programming
2012-068	McQueen	TWWorks	Campbell Live	Item about voluntary euthanasia allegedly unbalanced	Controversial issues
2012-071	Pettigrew	TWWorks	3 News	Report on Conservative Party leader and apparent party practices	Discrimination and denigration
2012-073	Charley	TVNZ	Media 7	Item critical of an Australian Dateline reporter and her story about Kandahar massacre	Fairness, accuracy
2012-075	Trussell	RNZ	Sunday Morning with Chris Laidlaw	Professor interviewed allegedly made comments about New Zealand poets	Accuracy, controversial issues, fairness
2012-076	Sperry	TVNZ	One News	Report on study into effects of 1080 poison on native robins	Controversial issues, accuracy
2012-077	O'Neill	TWWorks	3 News	Item relating to NZ man who raped and murdered hitchhiker from Czech Republic; interviewee and reporter used the term "nutters"	Discrimination and denigration, good taste and decency
2012-078A	Browne	TVNZ	Last Chance Dogs 19 April	Methods used by dog trainer allegedly outdated and harmful	Controversial issues, accuracy, responsible programming, violence

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under
2012-078B	Browne	TVNZ	Last Chance Dogs 3 May	Methods used by dog trainer allegedly outdated and harmful	Controversial issues, accuracy, responsible programming, violence
2012-078C	Browne	TVNZ	Last Chance Dogs 10 May	Methods used by dog trainer allegedly outdated and harmful	Controversial issues, accuracy, responsible programming, violence
2012-080	Ranger	Radio NZ	All Night Programme	Book review allegedly trivialised the Holocaust and tragic events	Good taste and decency
2012-081	Carpenter	The Radio Network	ZM Morning Crew	'Racial profiling' game	Good taste and decency, discrimination and denigration
2012-082	Seymour	TVNZ	One News	Colmar Brunton poll results on percentage of party votes for major political parties	Accuracy
2012-083	Dawson	Radio Bay of Plenty	1XX News	News items relating to repeated complaints about mayoral election overspending	Accuracy, controversial issues
2012-084	Agostino	TWWorks	60 Minutes	Footage of complainant's house incorrectly implied it was the scene of a murder	Privacy, accuracy, fairness, responsible programming
2012-085	Young	TWWorks	South Park	Cartoon comedy depicted the Queen committing suicide	Good taste and decency
2012-086	Clancy	TVNZ	Breakfast	Guest presenter's comment about "LSD in the water"	Law and order, responsible programming, children's interests
2012-088	IG	Radio Tarana	Tarana Drive Time Chit Chat Show	References to complainant's Facebook messages during discussion about "promiscuous characters"	Privacy
2012-089	Lockyer	TVNZ	MasterChef New Zealand	Low-level coarse language	Good taste and decency
2012-091	Newfield	TVNZ	One News	Reference to British Prime Minister David Cameron as "an old mate of John Key's"	Accuracy, fairness
2012-092	Road Transport Forum New Zealand	Radio NZ	Checkpoint	Discussion about results of "clamp down" on drug-taking truck drivers in New Zealand and Australia	Controversial issues
2012-094	Beckett	Radio NZ	Nine to Noon	Interview about Auckland housing market referred to section prices falling in outlying areas	Accuracy
2012-096	Henderson	TWWorks	Nightline	Strip club footage of woman wearing G-string dancing erotically on a pole	Good taste and decency
2012-097	Ryan	TVNZ	One News	Reporter's comment in relation to verdict in Ewen McDonald murder trial	Fairness, law and order
2012-098	Ambanpola	RadioWorks	Jay-Jay, Mike and Dom Show	'Olympic Athletes Hall of Names' segment	Good taste and decency, discrimination and denigration, responsible programming
2012-099	Fergusson	TVNZ	One News	Graphic of sign "For Sale, NZ SOEs"	Accuracy
2012-101	Baird	TVNZ	Votes for Women: What Really Happened? (More or Less)	Docudrama about New Zealand being first country to give women right to vote	Accuracy
2012-102	Ridley-Smith	Radio NZ	RNZ News	Use of the word "harsh" in report on French and Greek elections	Controversial issues, accuracy

2012-103	de Villiers	TWWorks	60 Minutes	Item disclosed address of high profile Chinese millionaire and footage of his assistant	Privacy
2012-105	Stables	RadioWorks	Jay-Jay, Mike and Dom Show	Discussion regarding court appearance of radio broadcaster Iain Stables	Privacy
2012-108	de Villiers	TVNZ	Police Ten 7	Wanted offender described as "possibly Māori but pale skinned" and "possibly Māori [with a] light complexion"	Discrimination and denigration
2012-110	Marshall	TWWorks	Campbell Live	Interviews with children about school lunches in NZ child poverty item	Privacy
2012-111A	Bird (Hampton Court Ltd)	TVNZ	Fair Go 4 July	Items investigated claims against wooden gate manufacturer	Privacy, law and order, controversial issues, fairness, accuracy, discrimination and denigration, responsible programming
2012-111B	Bird (Hampton Court Ltd)	TVNZ	Fair Go 15 August	Items investigated claims against wooden gate manufacturer	Privacy, law and order, controversial issues, fairness, accuracy, discrimination and denigration, responsible programming
2012-113	Gibson	Radio NZ	Radio New Zealand News	News report referred to incorrect ambulance service	Accuracy, fairness
2012-114	Goldring	TVNZ	Close Up	Firearm pointed at camera during visual reconstruction	Law and order
2012-115	Golden	TVNZ	One News	Item about Olympic Belarusian medalist's positive drugs test, comment about Belarus's "crazy president"	Good taste and decency, law and order, controversial issues, accuracy, fairness, discrimination and denigration, responsible programming
2012-116	Dawson	Radio Bay of Plenty	1XX News	Item contained summary of BSA decision on complaint previously made by complainant	Accuracy, controversial issues
2012-118	Lowry	TVNZ	Promo for Coronation Street	Brief image of woman slapping man's face	Good taste and decency, children's interests
2012-119	Brown	TVNZ	Promo for Beyond the Darklands	Included verbal reference to "kicking her head in"	Good taste and decency, responsible programming
2012-120	Caswell	TWWorks	What's Really In Our Food?	Human experiment on effects of Omega 3 on attention span in young boys	Accuracy
2012-123A	Phan	TVNZ	Fair Go 25 July	Items questioned safety of system developed to extend life of batteries in older hybrid vehicles	Fairness, accuracy, controversial issues
2012-123B	Phan	TVNZ	Fair Go 15 August	Items questioned safety of system developed to extend life of batteries in older hybrid vehicles	Fairness, accuracy, controversial issues
2012-124	Burford	The Radio Network	Paul Holmes Show	Guest host read text message which used the phrase "pre-op tranny"	Action taken - discrimination and denigration
2012-125A	McKay	TWWorks	Nightline	Convicted sex offender Stewart Murray Wilson referred to as "the Beast of Blenheim" and "the Beast"	Fairness, law and order
2012-125B	McKay	TWWorks	3 News	Convicted sex offender Stewart Murray Wilson referred to as "the Beast of Blenheim" and "the Beast"	Fairness, law and order
2012-126	Withy	TVNZ	Fair Go	Verbal estimate from complainant for plumbing work significantly less than final bill	Fairness
2012-127	Feenstra	TVNZ	Promo for Friday Night of Comedy	Allegedly contained footage from episodes that had already screened	Accuracy, responsible programming

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complainied Under
2012-128	Mathewson	TVNZ	Close Up	Man who quit smoking offered cigarette by presenter	Good taste and decency, fairness, responsible programming
2012-129	Blaker	Radio NZ	Spectrum	Interview with young woman during report on The Nelson Ark APART programme	Privacy
2012-130	Smith	TVNZ	Keep Calm and Carry On	Episode referred to 'The Unfortunate Experiment' at National Women's Hospital	Controversial issues, accuracy, fairness
2012-131	O'Neill	TVNZ	Breakfast	Tip Top ice cream competition	Responsible programming, children's interests
2012-134	Kirk	The Radio Network	Jay, Flynny and Jacqui	Reference to cohorts being "Jews" because they weren't betting at horse races	Discrimination and denigration
2012-135	Burrows	TVNZ	One News	Report on funding cuts to telephone support service for victims of rape and sexual assault	Controversial issues, discrimination and denigration
2012-136	Taueki	TVNZ	Close Up	Complainant featured in item about vandalism at Horowhenua Rowing Club	Fairness, accuracy, controversial issues
2012-137A	Fong	TVNZ	Close Up	Controversy around establishment of abortion clinic in Invercargill	Fairness, accuracy, discrimination and denigration
2012-137B	Collier	TVNZ	Close Up	Controversy around establishment of abortion clinic in Invercargill	Fairness, accuracy, discrimination and denigration
2013-003	Ruawai College Board of Trustees	TVWorks	3 News	Item reported on bullying incident at school	Good taste and decency, fairness, accuracy, privacy
2013-006	O'Connor	TVNZ	A Night at the Classic	Alleged unacceptable language	Good taste and decency, responsible programming
2013-007	Chaney	TVNZ	The Lord of the Rings: The Fellowship of the Ring	Characters referred to smoking "weed" and "leaf"	Law and order
2013-009	Radford	TVNZ	One News	Domestic violence statistics allegedly focused only on female victims	Controversial issues, accuracy, fairness, discrimination and denigration, responsible programming
2013-010	Allan	TVNZ	Scooby Doo! Mystery Incorporated	Children's cartoon showed characters kissing and making romantic comments	Good taste and decency, responsible programming, children's interests
2013-012	GW	TVNZ	Sunday	Brief footage of stolen car including its number plate	Privacy
2013-013	Bergman	TVWorks	Promo for The Graham Norton Show	Promo for Christmas special showed photograph of couple dressed as Mary and Joseph and a dog dressed as Jesus	Good taste and decency, discrimination and denigration
2013-015	Sargeant	The Radio Network	ZM Morning Crew	'Racial profiling' game in which hosts and contestant had to decide whether individuals who had committed offences were "black, white or Asian"	Good taste and decency, discrimination and denigration, responsible programming
2013-016	Macnaughtan	The Radio Network	Overnight Talkback with Bruce Russell	Meteorite exploding over Russia, host commented to the effect he would rather it happened in Russia than in New Zealand	Good taste and decency
2013-019	Chaney	TVWorks	Blender	Music video for Lana Del Rey song "Born to Die" contained lyrics "Let's go get high" and showed artist smoking	Law and order

DECLINED TO DETERMINE

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Reason
2012-093	Golden	Radio NZ	Checkpoint	Alleged comments by economics reporter	Accuracy, fairness, responsible programming	Complaint did not match any broadcast
2012-100A	McDonald	TVNZ	TVNZ News	Four items allegedly in breach of broadcasting standards	Accuracy, law and order	Complaint frivolous and trivial
2012-100B	McDonald	TVNZ	TVNZ News	Four items allegedly in breach of broadcasting standards	Accuracy, law and order	Complaint frivolous and trivial
2012-100C	McDonald	TVNZ	TVNZ News	Four items allegedly in breach of broadcasting standards	Accuracy, law and order	Complaint frivolous and trivial
2012-100D	McDonald	TVNZ	Close Up	Four items allegedly in breach of broadcasting standards	Accuracy, law and order	Complaint frivolous and trivial
2012-104A	Leitch	TWWorks	3 News	Items used the word "gay" to mean "homosexual"	Accuracy	Complaint frivolous, trivial and vexatious
2012-104B	Leitch	TWWorks	3 News	Items used the word "gay" to mean "homosexual"	Accuracy	Complaint frivolous, trivial and vexatious
2012-104C	Leitch	TVNZ	One News Tonight	Items used the word "gay" to mean "homosexual"	Accuracy	Complaint frivolous, trivial and vexatious
2012-109	Golden	Radio NZ	Checkpoint	References to Jamaica during interview with World Anti-Doping Agency founder	Good taste and decency, controversial issues, accuracy, fairness, discrimination and denigration, responsible programming	Matters of personal preference
2012-117	Baxter	TVNZ	One News	Item allegedly inconsistent with a BBC report	Accuracy	Broadcaster unable to locate comments, and concerns were matters of editorial discretion

NO JURISDICTION

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Finding
ID2011-168	Wylie	TVNZ	"Breaking News" ticker	"Breaking news" ticker regarding a container ship broadcast during advertisement break – allegedly inaccurate	Interlocutory jurisdictional matter	Authority has no jurisdiction to accept as ticker was not a 'programme'.

ACCEPTED JURISDICTION

Decision Number	Complainant	Broadcaster	Programme	Nature of Complaint	Standards Complained Under	Finding
ID2012-079	Gough	TVNZ	Fair Go	Items concerning complainant's medal replica business	Interlocutory matter concerning whether email complaint lodged in time	Complaint was lodged in time – Authority has jurisdiction to accept complaint

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