

BEFORE THE BROADCASTING STANDARDS AUTHORITY

Decision No: 26/91

Dated the 28th day of June 1991

IN THE MATTER of the Broadcasting Act 1989

AND

IN THE MATTER of a complaint by

HERITAGE MINING NL AND  
GOLD RESOURCES LIMITED

Broadcaster

TELEVISION NEW ZEALAND  
LIMITED

J.B. Fish                      Acting Chairperson  
J.L. Hardie  
J.R. Morris

DECISION

Introduction

On Sunday 1 July 1990 a programme produced by Television New Zealand Limited, entitled "Quartz and All", was broadcast on TV1's *Frontline*. The programme dealt with gold mining and, placing its emphasis on the Coromandel region, looked at its value both to the local community and to the country as a whole.

Heritage Mining NL and Gold Resources Limited's Complaint to Television New Zealand Limited

The solicitors for the two complainants, both of whom were members of the New Zealand Mining and Exploration Association (NZMEA), lodged a formal complaint with TVNZ Ltd in a letter dated 27 June 1990. The letter cited s.4(1)(d) of the Broadcasting Act 1989 which requires broadcasters to observe standards consistent with:

- (d) The principle that when controversial issues of public importance are discussed, reasonable efforts are made, or reasonable opportunities are given, to present significant points of view either in the same programme or in other programmes within the period of current interest.

The complainants added that, despite some hesitation in view of television's biased treatment of mining in the past, the NZMEA had decided to co-operate with the programme's producer as the NZMEA's president had been assured in writing that



TVNZ intended to present a balanced programme.

The complaint continued:

Despite these assurances, it is our clients' firm opinion that the programme was unbalanced and simply provided a vehicle for the small anti-mining lobby to express its views.

One of the complainants' principal concerns, they stated in conclusion, was that there had been a significant misrepresentation in the programme when it presented the so-called findings of a BERL economic report commissioned by *Frontline* that gold mining had no significant economic benefits for the country. The BERL report, it was claimed, failed to acknowledge the 1988 industry commissioned independent economic report on this subject by Dr Grant Scobie which had been made available to the *Frontline* programme.

Fourteen specific matters were noted in support of the complaint. In their correspondence both the complainants and TVNZ have discussed these specific complaints in some detail. To ensure that this Decision adequately reports the issues, it has been necessary to summarise this lengthy correspondence. However, as its bulk might distract from a focus on the major concern about the programme's balance, the summary of the correspondence dealing with the specific complaints has been placed in an appendix. It is expected that this will assist with the comprehension of the issues raised. The summary of the correspondence retained in the body of the Decision focuses only on the principal points made by the parties.

### TVNZ's Response to the Formal Complaint

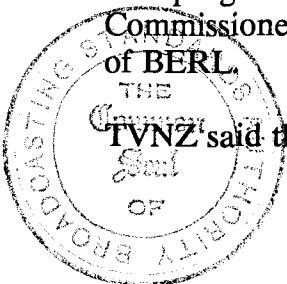
The complainants were advised of the result of TVNZ's Complaints Committee's deliberations in a letter dated 3 September 1990. The Committee had examined the programme in the context of s.4(1)(d) of the Broadcasting Act 1989 and, in addition, standard 12 of the Television Code of Broadcasting Practice which states that:

12. News must be presented accurately, objectively and impartially.

The letter pointed out that the views of the mining industry were presented throughout the programme by Mr David Ingle of Golden Cross, Mr Richard Tweedie of the NZMEA, by an interview on site with the Martha Hill mine manager (Mr Richard Carlton), and by a Martha Hill mine tourist guide. Local views against mining were presented by a newspaper editor and district councillor and this was balanced by interviews with two local businessmen who favoured mining.

The programme also devoted considerable time to two independent observers - the Commissioner for the Environment (Mrs Helen Hughes) and Dr Adolf Stroombergen

of BERL. TVNZ said that a piece of investigative journalism should highlight some questions and



reach conclusions. It continued:

The Committee accepted that many of the questions raised in this programme may not have been to the liking of the gold mining industry, but noted that this does not make the programme invalid nor does it make it unbalanced.

TVNZ responded to the complainants' specific complaints (recorded in the appendix). By way of summary the Complaints Committee noted that the *Frontline* team and BERL had held several meetings to ensure that the BERL information, much of which was conveyed through an interview with Dr Stroombergen, was given the correct emphasis.

TVNZ concluded:

Overall the Committee found that there were some imperfections in this programme. The inaccuracy in the introduction was noted - as was the failure to mention industry as one of the main users of gold. The portrayal of the Waihi Leader as the only newspaper in town was also deemed unfortunate.

However, taking everything into consideration the Committee did not judge these imperfections to be serious enough to constitute a breach of either the section of the Broadcasting Act quoted, or the Television Programmes Standards Code.

Accordingly, your complaint was not upheld.

**Heritage Mining NL and Gold Resources Limited's Complaint to the Broadcasting Standards Authority**

As the complainants were dissatisfied with TVNZ's decision, on 2 October 1990 they referred the complaint to the Broadcasting Standards Authority under section s.8(a) of the Broadcasting Act 1989.

They expressed the opinion that TVNZ's Complaints Committee had acknowledged some comparatively minor errors and omissions but had evaded the main issues. The complainants noted the following as the bases of their complaint:

- the programme's unquestioning acceptance of most of the arguments put to it by dedicated opponents of mining;
- the emotive, exaggerated and misleading commentary provided by the reporters; and
- the failure to use the very substantial body of available information on the industry contained in official publications, company publications, independent studies of the industry and Planning Tribunal decisions despite the fact that some of this information was provided to *Frontline*.

The complainants agreed that the programme had included mining industry spokesmen



and that it should not have been a public relations exercise for the industry. However, the programme had been coloured by TVNZ's view which saw mining in terms of conflict and by its insistence that investigative journalism had to reach conclusions.

The complainants then dealt with the specific complaints (recorded in the appendix) and their letter concluded:

Our view that the programme was unbalanced and simply provided a vehicle for a small anti-mining lobby to express its views is not seriously challenged by the response of TVNZ. It simply evades the substance of the complaints or relies on arguments (many not advanced in the actual programme itself) that can be demonstrated as groundless.

### TVNZ's Response to the Authority

As is its usual practice, the Authority asked TVNZ for its comment on the complaint. The request to TVNZ was dated 3 October 1990 and its response was dated 22 March 1991 - 24 weeks later.

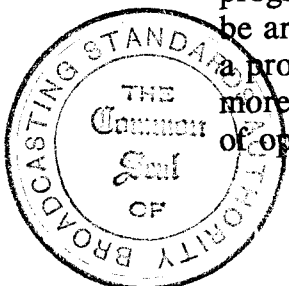
Pointing out that the complaint was one of considerable detail and complexity, TVNZ stated that the three experienced journalists who were the members of the Complaints Committee which had considered the original complaint had reached a balanced, fair and sustainable decision. It was added that although the complainants had only referred to s.4(1)(d), the Committee had also considered the complaint under standard 12 of the Television Code of Broadcasting Practice.

TVNZ also made the point that the *Frontline* programme "Quartz and All", unlike a previous programme about mining which had been referred to the Authority, was not a documentary. Rather:

Among the various aspects it reflected on were the viewpoints of those who might be regarded as concerned citizens on the one hand, and the modus operandi and imperatives of mining concerns on the other. This, together with mining economics and the interests of the country, might well describe, in compressed form, what the programme segment was all about.

TVNZ continued:

It would seem the complainants are implying a connivance with the so-called protest movement by the programme's producer when they speak of "unquestioning acceptance of most of the arguments put to it by dedicated opponents of mining". In this respect it needs to be explained that the programme was in no position, nor was it entitled to accept anything that might be argued by mining opponents. The medium reflects viewpoints and edits into a programme those aspects according to context and relevance. There is much more than a subtle difference or distinction in that. Unquestioning acceptance of opinion and viewpoint and the contextual placement of so-called arguments,



from whatever party, should not be confused.

TVNZ challenged the complainants' assertion that the language was emotive, describing the manner of presentation as dispassionate. While agreeing that extensive material about gold mining existed, its relevance was a matter of editorial judgment. Furthermore, it was said "no substantial current record of independently researched information on the industry existed prior to the BERL report".

Regarding the complainant's comment that it saw mining in terms of conflict, TVNZ said, first, that it did not have a viewpoint, and secondly, if the contributors to the programme reflected a viewpoint of conflict, then "the camera must be seen as telling the existing story". TVNZ then commented on the specific complaints and by way of summary, noted that much of the complaint was based on single lines of text taken out of context. It remarked that the complainants had no direct links with the Golden Cross or Martha Hill mines and wondered why TVNZ had not heard from the operators of these mines.

TVNZ observed:

The company does not believe that because the so-called anti-mining lobby was given the opportunity for its opinions to be put on a major industrial development having serious landscape implications, and which does not operate in obscurity under the shelter of a factory roof, that the programme "simply provided a vehicle ..." Such terminology appears to be implying the offering of a free publicity plug for a cause. Even if such interpretation were to be accepted, or construed as a public relations exercise, it is submitted that it would be wrong to argue that it was a factor, per se, in unbalancing the programme.

It noted:

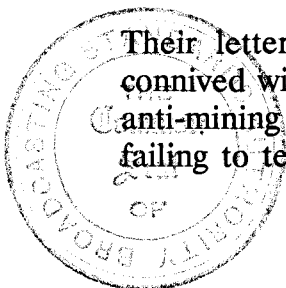
The fact is that "Quartz and All" canvassed and represented the views of both the pro and anti-mining lobbies and then drew some conclusions through reference to an independent economic study.

TVNZ then expressed the firm opinion that the programme had breached neither s4(1)(d) of the Broadcasting Act 1989 nor standard 12 of the Television Code of Broadcasting Practice.

#### Heritage Mining NL and Gold Resources Ltd's Final Comment to the Authority

At the Authority's invitation, the complainants commented on TVNZ's response in a letter dated 2 May 1991.

Their letter emphasised that the complainants did not imply that the programme connived with anti-mining interests in unquestioningly accepting the arguments of the anti-mining lobby. Rather, the complaint focused on the programme's inadequacies in failing to test anti-mining arguments. Such inadequacies, the complainants observed,



could have arisen from investigative shortcomings rather than from connivance.

The complainants also disputed TVNZ's claim that recent independent research was unavailable. The Jardine and Scobie report, it said, had been produced by independent consulting economists and, following comprehensive research, it had produced an economic model for the gold mining industry in New Zealand. On the other hand, the BERL report, based on just two documents, was superficial and contained several factual errors and invalid assumptions.

After discussing the specific complaints (see the appendix), the complainants wrote:

In conclusion, we reiterate that the response by TVNZ to our clients' complaint acknowledges three imperfections. However, in our submission, the serious defects in the programme were poorly defended in an unconvincing manner. We confirm our clients' view that the programme was unbalanced and simply provided a vehicle for a small anti-mining lobby to express their views without serious challenge by TVNZ. Our clients' concern is that "Quartz and All" built a sensational programme around the opinions and arguments advanced by a small, vocal minority.

The complainants requested the Authority, if it upheld the complaint, to order TVNZ to give gold mining industry spokespeople an opportunity to present their views.

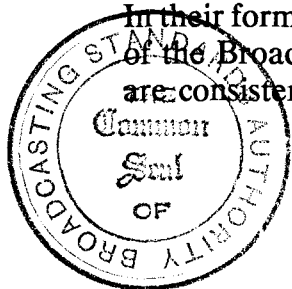
### Decision

The Authority has expressed its displeasure in some recent decisions about the time TVNZ has taken to respond to some referrals. It repeats the point, notwithstanding the complexity of this complaint, that it finds inexcusable the fact that it took TVNZ more than five months to respond to the Authority's reference of the complaint to it.

The Authority noted the complainants' preference to appear before the Authority to give evidence or make further submissions in support of the complaint. Pursuant to s.10 of the Broadcasting Act 1989 which permits the Authority, if it thinks fit, to determine a complaint without a formal hearing, the Authority's usual practice is to determine complaints on the papers. Accepting TVNZ's position in its letter of 22 March 1991 that the Authority had sufficient material to reach a determination without a formal hearing, it saw no compelling reason to vary its usual practice in this instance.

The Authority has studied the voluminous correspondence and carefully considered the detailed arguments put forward by the complainants in support of their complaint and by TVNZ in response. The members have viewed the *Frontline* programme "Quartz and All" which gave rise to the complaint.

In their formal complaint to TVNZ, the complainants related their complaint to s.4(1)(d) of the Broadcasting Act 1989. This requires broadcasters to maintain standards which are consistent with:



- (d) The principle that when controversial issues of public importance are discussed, reasonable efforts are made, or reasonable opportunities are given, to present significant points of view either in the same programme or in other programmes within the period of current interest.

TVNZ elected, in addition, when examining the complaint to apply standard 12 of the Television Code of Broadcasting Practice which reads:

12. News must be presented accurately, objectively and impartially.

The Authority has ruled in decisions released since TVNZ took that action, that standard 12 is confined to "News" and does not apply to a current affairs programme such as *Frontline*. However, in these decisions (for example Nos: 26/90 and 27/90) the Authority has accepted that the complainant's concerns when citing standard 12 are usually canvassed in standards 1 and 6, should those standards be raised.

They require broadcasters:

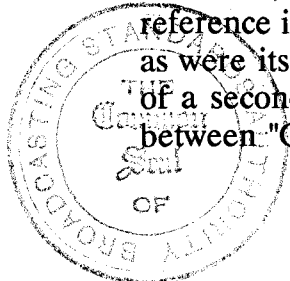
1. To be truthful and accurate on points of fact.
6. To show balance, impartiality and fairness in dealing with political matters, current affairs and all questions of a controversial nature.

In deciding under which standards to examine this complaint, the Authority notes, first, that TVNZ nominated standard 12 to encompass the matters raised in the formal complaint and that the complainants have not commented positively or adversely on this action, secondly, that the Authority's ruling on the inapplicability of standard 12 to current affairs programmes was released after TVNZ had exercised this initiative, and thirdly, that standards 1 and 6 are similar to standard 12 in the criteria to be applied to programmes. Thus, in the circumstances, the Authority's examination of the complaint will concentrate primarily on s.4(1)(d) as this provision incorporates the complainants' concerns about the programme's balance, although incidental reference will be made to standard 1 when the Authority considers this to be appropriate. It is emphasised however, that the Authority's ruling shall be confined to the s.4(1)(d), the standard nominated by the complaint.

In examining this complaint, the Authority has focused on the overall thrust of the programme, that is whether or not it was, in the complainants' words:

... unbalanced and simply provided a vehicle for the small anti-mining lobby to express its views.

As the programme's overall impression is to some extent a culmination of details broadcast, the Authority points out that TVNZ acknowledged that the programme's reference in its introduction to three open cast mines in the Coromandel was incorrect, as were its omissions in failing to mention the industrial use of gold and the existence of a second local newspaper in Waihi. Further, it finds spurious TVNZ's distinction between "Quartz and All" and an earlier mining programme referred to the Authority



now described by TVNZ as a "documentary". The complainants in this case allege a breach of s.4(1)(d) of the Broadcasting Act 1989 and this provision applies to all programmes which are broadcast - whether they are described as news, current affairs or documentaries.

The Authority has examined the specifically detailed complaints, and TVNZ's responses, which are listed in the appendix. It considers that a ruling on each one is unnecessary. Some amount to questions of semantics, for example, whether the proposed Golden Cross open pit is a "massive" open pit or whether Martha Hill is a mountain. Some raise questions of fact on which the Authority is not qualified to rule, for example whether the existing data about mining is unreliable, the extent of the independence of the Jardine and Scobie report and the quality of the BERL report. It is noted that the complaints about the BERL report are being addressed independently.

The Authority has focused on the complaint recorded under (d) in the first page of the appendix, and TVNZ's responses thereto, as this point encapsulated both the broadcasting standards matters raised by the complainants in their reference to s.4(1)(d) and a number of the other detailed complaints. The specific complaint (d), as summarised in the appendix reads:

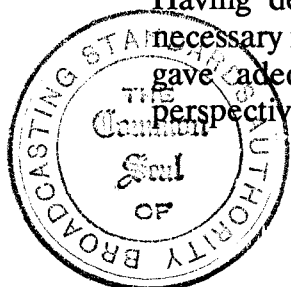
The programme's overall impression that the "mining industry did not pay for the resource and that it had dubious economic benefits combined with unacceptable environmental costs", failed to explore the numerous matters examined by various bodies before approving the Golden Cross project.

TVNZ replied that the programme raised questions about the economic and environmental costs and benefits of the mine. It had considered the Planning Tribunal rulings but had not examined the detailed points as that would have diverted the programme from its central theme. Having been refused permission to interview the Planning Tribunal's Chairman, it had discussed the decisions with the Parliamentary Commissioner for the Environment.

In their complaint to the Authority, the complainants maintained that brief coverage of the planning procedures and requirements would have given balance to the programme. TVNZ said that the programme was balanced as comments covering both sides of the issue had been broadcast.

The first point which the Authority makes is that it disagrees with TVNZ that the economic costs and benefits of mining was the sole theme of the programme. It is not disputed that economic issues were both an important and a major focus. It adds, however, and this point was made when the programme presented the BERL findings, that environmental costs and benefits were important to an assessment of mining and were inextricably linked with economic questions.

Having decided that coverage of both economic and environmental questions was necessary for balance, the Authority was then required to assess whether the programme gave adequate coverage to those issues from both the mining and anti-mining perspectives.





The Authority does not expect current affairs programmes to resolve issues. The spokespeople with different positions are expected to state their viewpoints forcefully. For example, the point was made on "Quartz and All" that the Coromandel Watchdog group felt that its limited financial resources are a substantial impediment in its legal contests with the mining companies. This was a substantial concern to the group and was noted by several of its representatives. While the Authority does not expect that participants on current affairs programmes will modify their views, it does expect, as is required by s.4(1)(d) of the Broadcasting Act 1989, representatives from the major participants will be given the opportunity to express their views.

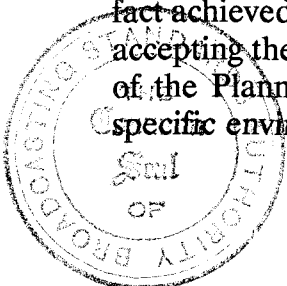
TVNZ, as the presenter of "Quartz and All", in its comments about the programme both to the complainants and to the Authority, has stressed the range of the people who were interviewed. The Authority has considered the detailed complaint about whether the divergent views of the residents of Waihi were presented adequately in view of the occupations of the parties interviewed. The Authority concluded that this point, as with the errors acknowledged by TVNZ noted above, were niggling issues which should not distract the Authority from the substantive issue of balance of the programme as a whole.

The Authority decided that determining the substance of the issue about balance involved an assessment of the programme's treatment of the confluence of the economic and environmental questions. These are the matters which presumably had been at issue before the Planning Tribunal. Hence the core of the question about the programme's balance required an assessment of the programme's coverage of the Planning Tribunal decision on the Golden Cross project.

It will be recalled that TVNZ had said that a detailed examination of the Planning Tribunal decisions would have been diversionary to the programme's central theme. Further, having been declined permission to interview the Planning Tribunal's Chairman, the decisions were discussed with the Parliamentary Commissioner for the Environment (Ms Helen Hughes).

The Authority considered that Mrs Hughes advocated a reasoned and thoughtful stance. She spoke about the Planning Tribunal and, in a general way, emphasised the Tribunal's influence on mining when deciding mining issues which came before it.

The Authority was divided as to whether the interview with Mrs Hughes provided a sufficient summary of the Planning Tribunal's decision on the Golden Cross project. A majority decided that Mrs Hughes' contribution to the programme about the work of the Planning Tribunal in the Coromandel in general and about its decision on the Golden Cross project in particular was sufficient, overall, to provide a balance to the programme. Further, the majority was of the view that the presentation of the fact that the anti-mining lobby had never won a case before the Tribunal appeared to limit the credibility of the arguments put forward by that lobby and hence considered that balance was in fact achieved adequately in the programme. However, a minority of the Authority, while accepting the importance of Mrs Hughes' contribution to the programme about the role of the Planning Tribunal in general, decided that there was insufficient focus on the specific environmental and economic issues relating to the Golden Cross project which



had presumably been traversed by the Tribunal. Together with the minor inaccuracies in the programme, which no members considered had warranted the upholding of any other specific complaint (i.e. under standard 1), the minority concluded that, overall, the programme had not achieved balance.

**For the reasons given above, the majority of the Authority declines to uphold the complaint that the programme breached s.4(1)(d) of the Broadcasting Act 1989.**

Signed for and on behalf of the Authority

*Jocelyn Fish*

Jocelyn Fish  
28 June 1991



## APPENDIX

Heritage Mining NL and Gold Resources Limited's Complaint to Television New Zealand Limited

The solicitors for the complainants, in their letter of complaint to TVNZ Ltd dated 27 June 1990, detailed fourteen specific matters. The following is a summary of these issues.

- (a) The complainants recorded that the programme's introduction said that there were three open cast mines in the Coromandel hills and the programme's focus would be on why miners did not pay royalties. There was only one open cast mine in the Coromandel, the complainants wrote, and the programme's investigation of the royalties issue was minimal.
- (b) The programme was incorrect in stating that multi-national companies were making numerous applications for licences in New Zealand prior to the enactment of the Resource Management Bill. First, the search for gold in New Zealand had declined sharply in the last few years. Secondly, in the six months between the Bill's release and the date of the programme, licence applications were at a low level.
- (c) In view of the public information available about gold mining in New Zealand, the programme's theme that little information was available was untrue.
- (d) The programme's overall impression that the "mining industry did not pay for the resource and that it had dubious economic benefits combined with unacceptable environmental costs", failed to explore the numerous matters examined by various bodies before approving the Golden Cross project.
- (e) The inference that the Golden Cross proposal was not properly assessed because of the objectors' limited financial resources omitted reference to the resources of a number of official bodies, especially the Department of Conservation which has statutory responsibility for conservation and has access to considerable expertise.
- (f) Three examples were given to justify the following point.

Despite assurances that the programme intended to take a "hard interview line" with the anti-mining lobby, the possibility that Coromandel Watchdog's allegations could be scare-mongering or simply wrong was not considered.

- (g) Using both local and international quarries and coal mines as examples, the Golden Cross open pit was small - not "massive" as stated in the programme.

(h) It was misleading to state that most of the gold and silver from the Martha Hill open pit would be stored in vaults as a hedge against inflation. Most of Martha Hill's



output would be used by industry.

- (i) The statement that the local paper in Waihi adopted an anti-mining stance omitted mention of the second local paper which took a balanced approach to mining.
- (j) The statement in the programme that "a mountain is being dug up and ground into paste" was exaggerated, and evidence of the programme's bias. Martha Hill was not a mountain and not all of it was being dug up.
- (k) The programme lacked balance as the only Waihi councillor interviewed, unlike other councillors, opposed the project.
- (l) Martha Hill wished to truck some waste not as the programme stated to speed up the process, but to avoid damage to the conveyor.
- (m) The programme's statement based on the BERL report, that "the sheer ignorance and uncertainty ... renders such operations marginal in terms of economic welfare" was based on inadequate research and not on the economics of operational gold mines.
- (n) It was misleading, in relation to Waitekauri Valley, to suggest that the entire natural amphitheatre would be used to store crushed rock.

### TVNZ's Response to the Formal Complaint

Using the numbering system adopted by the complainants, TVNZ reported the findings of its Complaints Committee on the specific issues in a letter to the complainants dated 3 September 1990.

- (a) TVNZ, describing the mistake as "a scripting error", acknowledged that the reference to three open cast mines should have referred to New Zealand - rather than the Coromandel. However, other references in the programme, TVNZ maintained, made the intention of the script clear.
- (b) Noting that the complainant had emphasised the decline in the number of exploration licences, which was an inappropriate measure for the Coromandel, TVNZ maintained that the number of applications for prospecting and mining licences justified the comments in the programme and the reference to the Resource Management Bill.
- (c) In view of the paucity of recently published information, TVNZ argued that it was correct for the programme to refer to limited availability of information about the effect of gold mining on New Zealand's economy. It continued:

The BERL research, undertaken at the request of *Frontline* made reference to, and use of, the Jardine and Scobie publication of 1988.



- (d) TVNZ disagreed with the complaint that the programme's overall effect:

... was that mining did not pay for the resource and that it had dubious economic benefits combined with unacceptable environmental costs.

As investigative journalism, the programme had raised questions about these points. The programme had considered the effects of the Planning Tribunal rulings and, having been declined permission to interview the Tribunal's chairman, had discussed the decisions with the Parliamentary Commissioner for the Environment. Moreover, a detailed examination of the points mentioned by the complainants would have diverted the programme away from its central theme.

- (e) TVNZ's Complaints Committee was unable to find any evidence of the programme's implication alleged by the complainant that the Golden Cross project was not properly assessed. The point in mentioning Coromandel Watchdog's limited resources, it was added, was its grass roots role in contrast to, for example, the Department of Conservation.
- (f) TVNZ denied that the programme's comment from Coromandel Watchdog involved scaremongering. Furthermore, Mr Ingle from Golden Cross and the Parliamentary Commissioner for the Environment were given the opportunity to respond to the group's comments about environmental risks in the Waitekauri Valley.
- (g) The Golden Cross pit, TVNZ insisted, would become a major feature in the local environment.
- (h) TVNZ acknowledged its error in not acknowledging that industry made substantial use of gold and silver. Nevertheless, TVNZ added, some would be used in jewellery as a hedge against inflation.
- (i) The editor of the Waihi paper was interviewed as part of the balance given by local business, although *Frontline* had been careless in identifying the paper as "the" local paper, rather than as "one" of the local papers.
- (j) Referring to Martha Hill as a mountain was a question of semantics and was correctly used in regard to Waihi's landscape.
- (k) The interview with only one district councillor was part of the balance of local views.
- (l) Trucking "waste" was the same thing as "mine rubbish" and the mine manager chose not to comment on the matter.
- (m) Commissioning the BERL report was necessary as existing data were unreliable, if not irrelevant.

- (n) The complainant had misinterpreted the words "this natural amphitheatre". It did



not refer to the entire Waitekauri Valley but the section of the valley shown on the programme.

**Heritage Mining NL and Gold Resources Limited's Complaint to the Broadcasting Standards Authority**

Retaining the numbering system in the original complaint in their referral, the complainants noted the following matters with regard to their specific complaints in their letter to the Authority dated 2 October 1990.

- (a) The complainants maintained that the promised examination of royalties had not taken place. Instead, the programme relied on a superficial and inconclusive report from BERL. Explaining the costs the existing licensing system imposed and how this had been treated at some length in the Jardine and Scobie report, it was noted:

The programme failed entirely to investigate the benefits and dis-benefits of imposing royalties on gold mining and for that reason the claim by the Committee that royalties were the nub of the story is not substantiated.

- (b) Quoting the declining number of applications for exploration and prospecting licences, the complainants repeated their comment that New Zealand was not a target for multi-national companies. Mining licence applications were not cited in the letter of complaint as their numbers were low and they were not relevant to the search for gold. Moreover, the Coromandel Peninsula was not covered with exploration licences as the existing exploration licences covered only 37% of the Coromandel gold-field area.

Objection was also taken to TVNZ citing Ministry of Commerce figures issued more than a month after the *Frontline* programme.

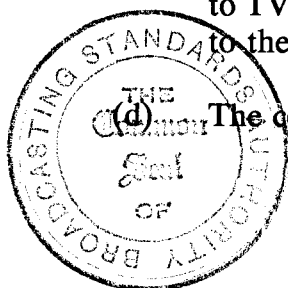
We consider that the inference can be clearly drawn that *Frontline* failed to check the statistics until after the programme went to air.

Moreover, these statistics indicated a declining interest in gold prospecting in New Zealand. On this point the letter concluded:

In our view, the evidence indicates that the *Frontline* presenters used damaging and invalid arguments advanced by opponents of mining, and failed to check their validity until after the programme was presented.

- (c) The complainants maintained that comprehensive information about the economics of gold mining was available in New Zealand. Further, and contrary to TVNZ's response, the BERL report commissioned by TVNZ had not referred to the Jardine and Scobie report of 1988.

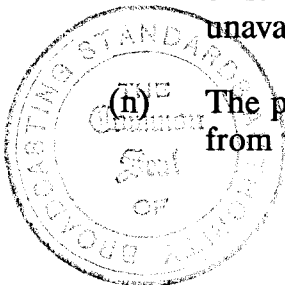
- (d) The complainants quoted four comments from the first pages of the transcript as



evidence of their complaint that the programme's impression was that the industry did not pay for the resource and that it had dubious economic benefits combined with unacceptable environmental costs. Noting some of the programme's references to Golden Cross and Martha Hill, the letter observed:

Brief coverage of current environmental requirements and procedures would have greatly assisted in achieving balance.

- (e) The complainants quoted the script as evidence of their complaint that the programme suggested that the Golden Cross project was not properly assessed. It added that the Coromandel Watchdog Group was based several hours' drive away from the Waihi district in which Golden Cross was based and that it did not represent the interests of the local people. Of particular significance, in view of the Group's concern about future water quality, was the programme's failure to mention the Group's consent to 26 water rights.
- (f) Some of the Watchdog Group's comments were scaremongering in view of the Planning Tribunal's dismissal of its scenarios as implausible. TVNZ's dismissal of the Tribunal's findings as irrelevant, noted the complainants, reinforced their argument about the programme's bias.
- (g) The programme's reference to a "massive" open pit at Golden Cross was not sustained on the facts which showed that the pit would cover an area of 13 hectares (or 0.3%) of the Waitekauri Valley.
- (h) In view of the industrial demand for gold which outstripped supply in the western world, it was highly misleading to suggest that "most" of the gold produced would go into bank vaults. This was another example of the Watchdog's anti-mining publicity being accepted without question.
- (i) TVNZ's claim that the comments by two civic leaders were balanced by the remarks from two businessmen was illusory in view of their respective roles.
- (j) The reference to digging up a mountain and grinding it into paste was not a question of semantics. It illustrated the use of exaggerated and emotive language.
- (k) The councillor interviewed was alone among councillors in his anti-mining stance and, to repeat the point in (i) above, indicated the programme's imbalance.
- (l) As mine rubbish and waste rock were not the same thing, TVNZ's Complaints Committee had misunderstood the point of the complaint.
- (m) By commissioning the BERL report on the Golden Cross project, TVNZ ignored existing producers and based its research on a project for which hard data were unavailable. Thus, TVNZ guaranteed that the findings would be inconclusive.
- (n) The picture accompanying the natural amphitheatre comment about the tailings from the Golden Cross project did not adequately portray the limited impact of



the site for the tailings.

- (o) Stating that the deficiencies of the BERL report were being addressed independently, the complainants stated that their complaint did not allege that the programme had misused the findings, but that TVNZ glossed over the nebulous nature of the report's findings.

A prudent producer would probably have written off the BERL report as an unproductive exercise.

### TVNZ's Response to the Authority

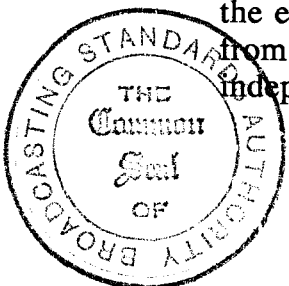
In its letter to the Authority dated 22 March 1991, TVNZ discussed each of the specific points raised by the complainants.

- (a) Citing two parts of the script, TVNZ noted that the programme discussed the costs imposed by the licensing system on miners. Moreover, the BERL report, around which the programme was built, examined the benefits and dis-benefits of imposing royalties on gold mining, contrary to the complainants' assertion that this issue was overlooked.
- (b) TVNZ stood by the programme's statement that "the Peninsula - or those parts of it which have any potential at all for mining - is largely covered" by exploration, prospecting and mining licences. It produced a map for the Authority which, it said, substantiated this claim.

The programme did not state, it was written, that the number of licence applications was increasing. The issue was whether there was on-going interest in gold mining in the Coromandel. Although there might be a decrease in the number of licence applications, a significant amount of prospecting and exploration continued. As the programme made a thorough check on licensing trends during the research, it was incorrect to suggest that *Frontline* checked only after the broadcast of the programme. Those figures had been supplied to the Complaints Committee after the original complaint was received to ensure the use of the most recent statistics.

- (c) TVNZ acknowledged that it had been in error when it had said that *Frontline* made use of Jardine and Scobie 1988 report. There were in fact two Scobie publications in 1988 and the BERL report had made use of the other.

TVNZ argued, nevertheless, that the Jardine and Scobie report was not an entirely independent document as it was paid for by the mining industry. This was contrasted with the BERL report which was "an independent examination of the economics of gold mining". TVNZ repeated that apart from some statistics from the Ministry of Commerce, facts and figures about gold mining from an independent source were scarce.





- (d) Comments on matters about the industry's payment for resources were dealt with under the rubric of the programme's overall impression. However, citing programme extracts, it was added that the comments covered both sides of the issues.
- (e) It was denied that the programme carried the implication alleged by the complainants that the Golden Cross project was not properly assessed. What was implied, and this it described as indisputable, was that everyone was not equal before the Planning Tribunal. However, that implication was balanced by the comments about the Tribunal's competence from the Commissioner for the Environment.

TVNZ agreed that the complainants were correct in stating that the residents in Waitekauri Valley had not objected; but this omitted the point that the Valley was sparsely populated and that the mining company had purchased some of the farms close to the mining site.

As water rights were a technical issue, they could not be addressed satisfactorily in a programme of limited length and a question to the Watchdog Group about its concurrence to them was incidental to the programme's thrust.

TVNZ added:

Taking this part of the complaint as a whole, it needs to be recognised that *Frontline* covered the environmental concerns with both the Commissioner for the Environment, Helen Hughes, and the Mine Manager, David Ingle.

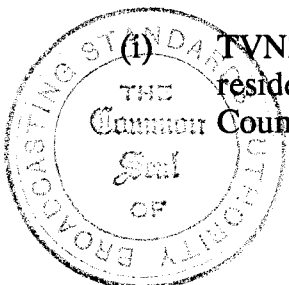
- (f) The complainants had identified the Watchdog Group's comments about the tailings dam as scaremongering. Nevertheless, TVNZ added, it was also a concern for the Commissioner for the Environment.

Pointing out that there was a limited time to cover all the issues, TVNZ said that *Frontline* had to cover the salient points. TVNZ added:

It is submitted that if allegations of bias are centred on the basis of programming constraints, the role of television current affairs will continually be in jeopardy.

- (g) Describing a debate about what is "large" as futile, TVNZ maintained that the Golden Cross pit represented a massive feature in the Waitekauri Valley.
- (h) TVNZ repeated that the Complaints Committee had acknowledged the programme's error in not identifying the industrial use of gold although, it was added, it was also used as a hedge against inflation.

- (i) TVNZ maintained that balance was achieved by interviewing four Waihi residents, with two on each side of the debate. It added that voter support for the Councillor interviewed suggested that he was not, as the complainants implied,



a maverick.

- (j) In a local topographical sense, a mountain was being dug up. The mine manager used the phrase of it "being ground into paste".
- (k) Taking the mine manager's comments about the trucking of rubbish into account, TVNZ insisted that the programme was balanced.
- (l) Whether waste was defined as mine rubbish or mine waste, TVNZ argued that the Councillor's argument and the mine manager's response remained valid.
- (m) Appreciating the complainants difficulty in understanding a journalistically logical decision, TVNZ stated that the programme focused on the Golden Cross project as it was (a) the newest project underway, (b) topical and dealt with the current issues concerning mining, and (c) used as a case study as to the effect of a big mining project locally, regionally and nationally.

The BERL report was commissioned as *Frontline* had been unable to locate a recent and independent economic study on the impact of gold mining to the nation's economy.

- (n) *Frontline*, TVNZ maintained, made clear that the tailings dam would be in the Upper Waitekauri Valley and would cover about 30% of that area.
- (o) Explaining that the BERL report said that the economics of the project could lead to a negative impact if there was large scale environmental damage, TVNZ disagreed that the report was nebulous. It added that BERL was held in high regard for its independence and the quality of its work.

#### **Heritage Mining NL and Gold Resources Ltd's Final Comment to the Authority**

The complainants' final comments about the specific complaints were included in their letter to the Authority dated 2 May 1991.

- (a) The BERL report, contrary to TVNZ's argument, investigated the royalty issue only with regard to the Golden Cross project.
- (b) The programme's assertion that New Zealand was the target for multi-national mining was incorrect. As revealed by the statistics previously supplied, interest in gold exploration had declined dramatically recently. TVNZ's map was of limited relevance and the complainants attached a map which demonstrated the declining trend in applications for exploration licences over New Zealand from 1987 to 1991.

The Jardine and Scobie report, the complainants stated, was prepared by the authors, and not by the industry, because of their independence.



- (d) TVNZ, the complainants wrote, evaded the issue by describing the high level of environmental scrutiny of the Golden Cross project as a peripheral issue. The complainants maintained that it was central to the complaint about the programme's bias.
- (e) The Golden Cross project had purchased only one farm in the Waitekauri Valley and the programme's failure to point out Watchdog's consent to the project's water rights was repeated.
- (f) Surprise was expressed that the programme had excluded the Planning Tribunal decision. That body had undertaken an exhaustive investigation and had received submissions from many interested parties across the spectrum.
- (g) TVNZ's response, it was said, merely rephrased its original argument.
- (h) and
- (i) TVNZ's response had restated its previous argument.
- (k) The complainants noted that the programme had interviewed the District Council's Chairman, who did not oppose the project, but had only broadcast the arguments of the Councillor who opposed the project.
- (l) The complainants maintained that the programme's reference to the trucking of rubbish was misleading and inaccurate and another example of bias.
- (m) TVNZ's response, the complainants stated, was self-serving for the BERL report.
- (n) In the complainants' opinion, TVNZ's explanation about the scope and usage of the natural amphitheatre to be used for the tailings dam indicated its confusion on this point.

