



**BROADCASTING STANDARDS AUTHORITY
STATEMENT OF INTENT 2010–2013
TE MANA WHANONGA KAIPĀHO TAUĀKĪ
WHAKAMAUNGA ATU 2010–2013**

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STATEMENTS FROM THE BSA AND THE MINISTER

30 May 2010

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

The BSA was set up in 1989 to provide oversight for content standards in New Zealand broadcasting. While the media environment has altered significantly since those early days, the commitment of the BSA to fairness and freedom in broadcasting remains strong and constant.

KEY INITIATIVES

This year the BSA will:

- Continue to produce timely, well-reasoned and fair decisions on formal complaints, written in plain language.
- Commence a review of the Pay TV Code of Broadcasting Practice.
- Publish two new practice notes interpreting Broadcasting Code issues.
- Commission an external review on the approach the BSA takes in applying a standard or an aspect of the process by which the BSA determines complaints.
- Carry out a study of freedom of expression in New Zealand.
- Carry out a study of public and broadcaster attitudes and expectations towards talkback radio.
- Survey all complainants involved in a formal complaint referred to the BSA in the previous year to assess satisfaction with BSA processes.
- Undertake campaigns designed to promote awareness of the BSA website, of standards in the Codes and of television classifications.

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



Peter Radich – Chair



Tapu Misa – Member



Mary Anne Shanahan – Member



Leigh Pearson – Member

In accordance with section 149 of the *Crown Entities Act 2004* I agree to lay this Statement of Intent of the Broadcasting Standards Authority for the three years ended 30 June 2013 before the House of Representatives.



Hon Dr Jonathan Coleman
Minister of Broadcasting



**PART 1:
INTRODUCTION
AND OVERVIEW**

THE BROADCASTING STANDARDS AUTHORITY

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

The BSA is an Independent Crown Entity which means, among other things, that the government cannot direct us in our work. Our functions, as outlined in section 21 of the Broadcasting Act, are to:

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

THE MEMBERS OF THE AUTHORITY

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

Members are required to declare any potential conflict and to withdraw from the consideration of any complaint where the other members of the BSA decide they are conflicted. A conflict of interest declaration is included on each meeting agenda and a conflicts register is maintained. Each member also signs a Declaration of Interest form annually.

OUR PROCESS

The BSA operates within a co-regulatory content regulation environment. This means that we share responsibility for regulation with the broadcasting industry. In most cases viewers and listeners who wish to make a complaint about content they have seen or heard must first complain to the broadcaster concerned. If the complainant is dissatisfied with the result they have the right to refer the matter to the BSA. The BSA may ask both parties for further information before the members of the Authority deliberate and reach a conclusion to either uphold or not uphold the complaint. Their reasoning is set out in a written decision that is required to be published. These decisions may be appealed to the High Court.

REPORTING TO THE MINISTER

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

We provide the Minister with regular reports about performance against operational targets set out in this SOI, summaries of complaint decisions published in the quarter, and forecasts of our projected year-end financial performance.

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

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

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

VISION, MISSION AND VALUES

Our vision is:

Responsible broadcasting

The concept of responsibility is not just the objective of all our activities; it also underpins the broadcasting standards regime in New Zealand. Broadcasters are required to maintain stated standards and the public are responsible for bringing complaints (thus ensuring the system is driven by need rather than doctrine). Responsibility carries with it the concepts of care and respect and the BSA is equally responsible for overseeing the system in a fair and even-handed manner.

Our mission, which explains how we intend to achieve our vision, is:

To promote fairness and freedom in broadcasting through impartial complaints determination, useful research and effective communication.

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

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

Our mission reflects the fact that when determining complaints we must justly balance fairness and freedom – ensuring that broadcasters fulfil the obligations they have agreed to follow under the broadcasting codes while supporting their rights to free speech.

We operate according to a set of **core values**. These values express what is important to us and inform our approach to our functions. They reflect how we act, how we treat others and how we expect to be treated in return:

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

Fairness – we believe in the equitable treatment of all people, holding firm to a sense of justice and reasonableness.

Impartiality – we act independently, without favour and in an informed manner.

Respect – we are responsive to the needs of our stakeholders and customers.

Passion for our work – we carry out our activities with enthusiasm and promote a culture of excellence in our organisation.

Courage – we take ownership of our decisions and actions and act without fear.



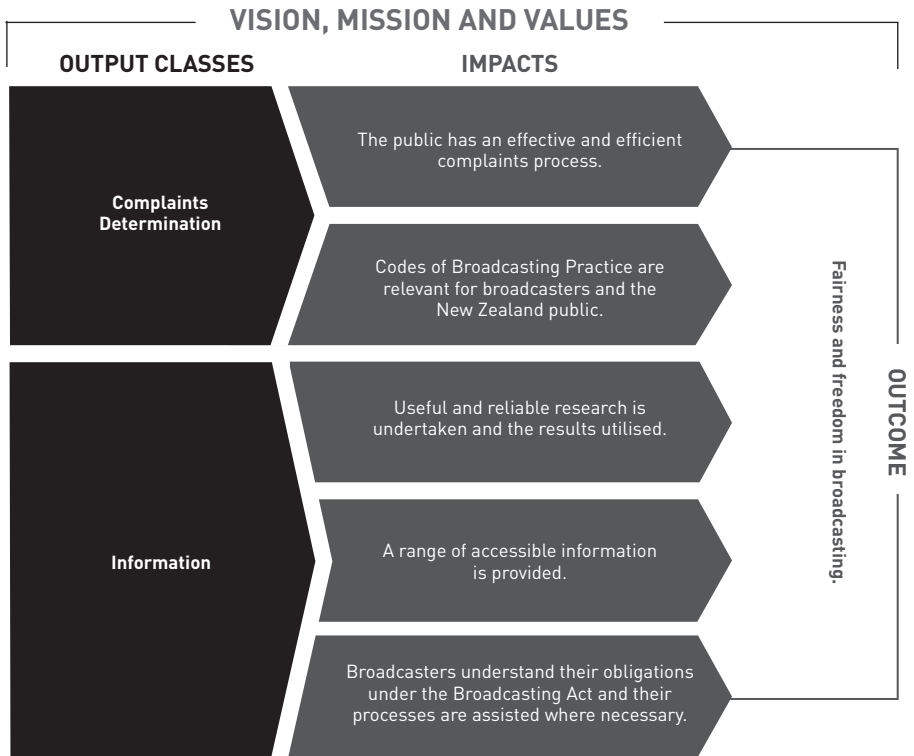
STRATEGIC FRAMEWORK

This year we have revised the BSA's Strategic Framework.

Our Output Classes correlate to the functions of the Authority as set out in section 21 of the Broadcasting Act. We have reduced the number of Output Classes from four to two. The Complaints Determination class now incorporates the former Codes of Broadcasting Practice class – the Codes

are more precisely a subset of our Complaints Determination function. The Information class incorporates the former Research class – research is carried out to provide the BSA with information. As a result, we have also condensed some of our Impacts.

Our Outcome is also new, better reflecting the impact we hope to make on society.



OUR OPERATING ENVIRONMENT

The term 'convergence', here meaning the coming together of various forms of media, is often assumed to be an end point. Commentators speak of 'a converged environment'. It is also assumed to have already largely taken place. In fact, convergence is a process and it is likely to be an ongoing state for media for some time as newer forms of media emerge and different methods of delivery rise and wane.

We are sensitive to the fortunes of the various media. We make it our business to understand their business and the challenges that they are facing, whether these challenges be technological, societal or financial. We are required to do a job but we bring a measure of both justice and common sense to that.

Over the past few years the process of convergence has brought many challenges to our organisation, especially given that our legislation was drafted in the late 1980s. However, we are fortunate to be a small and nimble regulator and this has enabled us to easily adapt to our environment where this is possible. Convergence continues to prompt debate about the future of standards and we will continue to ensure we are able to play an informed part in that discourse.


At present we are faced with a broadcasting industry suffering from reduced advertising spending and, like any government agency, constrained funding from the Crown.

Also, as has been the trend for several years, the number of complaints referred to the BSA is on the rise. We are aware that many other complaints organisations have also experienced an increased volume of

complaints. We have no ability to either control or accurately predict the number of complaints we receive. We are also aware that the BSA has experienced historical peaks and troughs of complaints numbers (see below). Our planning must be flexible enough to deal with the realities of our workload.

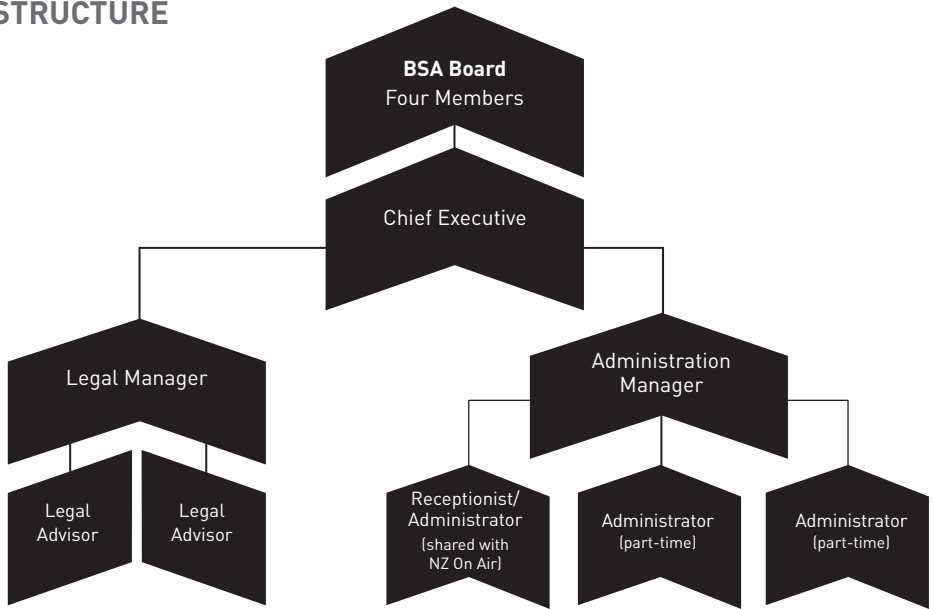
Year	Complaints Received
July 2009 – April 2010*	183
July 2008 – June 2009	162
July 2007 – June 2008	148
July 2006 – June 2007	131
July 2005 – June 2006	153
July 2004 – June 2005	184
July 2003 – June 2004	196
July 2002 – June 2003	171
July 2001 – June 2002	186
July 2000 – June 2001	197
July 1999 – June 2000	206
July 1998 – June 1999	204
July 1997 – June 1998	174
July 1996 – June 1997	206
July 1995 – June 1996	179
July 1994 – June 1995	162
July 1993 – June 1994	168
July 1992 – June 1993	159
July 1991 – June 1992	106
July 1990 – June 1991	52

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



**PART 2:
STRATEGIC
ISSUES
2010-2013**

STRUCTURE



BEING A GOOD EMPLOYER

We foster a collaborative organisation that values the input of all participants. We encourage and have a positive, flexible culture and have a clear appreciation of governance and management distinctions.

Our policies require us to conform to all the 'good employer' policies as determined by the Human Rights Commission and we have a commitment to providing equal employment opportunities. We do not permit or condone harassment or discrimination of any kind.

In order to continue to attract, develop and retain quality staff we need to maintain our focus on appropriate policies around recruitment, remuneration, development and training.

Our policies and procedures are consistent with the State Services Standards of Integrity and Conduct.

GOOD EMPLOYER OBJECTIVES

We will report on any issues that arise and the action taken in each of the following areas:

- Leadership, Accountability and Culture
- Recruitment, Selection and Induction
- Employee Development, Promotion and Exit
- Flexibility and Work Design
- Remuneration, Recognition and Conditions
- Harassment and Bullying Prevention
- Safe and Healthy Work Environment

[Human Rights Commission 'Good Employer' Elements]

CAPABILITY

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

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

Management reports regularly to the board on risk assessment and legislative compliance. Formal reports are required every six months but we monitor trends, risks and compliance on an ongoing basis and the board is kept informed of any issues in-between formal reports.

CAPABILITY OBJECTIVES – 2010-11 (How We Will Measure Our Internal Performance)

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

Goals	Measures
<i>Members</i>	
Members undertake an annual self-assessment exercise.	Board self-assessment completed and recommendations actioned by 30 June 2011.
Members continue to be knowledgeable both about their duties of governance and their quasi-judicial powers, and how to discharge these successfully.	Governance and questions relating to quasi-judicial functions included in annual board self-assessment, with training given as required.
Members continue to have a clear appreciation of the diversity of community views and public attitudes towards BSA decisions.	Board undertakes activities, including research, to enable them to stay in touch with social attitudes and opinions.
<i>Staff</i>	
Staff recruitment, training and retention policies focus on attracting and retaining skilled, flexible, knowledgeable and diverse team players.	Full-time staff turnover no more than one-third (two people) per annum.
	Individual staff needs assessed annually.
Staff members possess the tools, information and training necessary to perform to a high and multi-functional level.	Each staff member has a professional development plan.
<i>Office</i>	
Office space and equipment is safe and well-maintained.	Annual capital expenditure and maintenance programmes as approved by board.

WHAT WE WILL ACHIEVE – Explanation and Overview for the 2010-11 Year

Complaints Determination

Complaints

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

As we do each year, we will again seek an independent assessment of our decision making, to ensure processes are robust and just.

Codes of Broadcasting Practice

Complaints must allege a breach of one of the four existing Codes of Broadcasting Practice: Free-to-Air Television, Pay Television, Radio, and Election Programmes. Each Code is reviewed at least once every five years to ensure it remains relevant.

Our focus this year will be on the review of the Pay Television Code.

As in past years we will continue to publish practice notes on aspects of Code interpretation. These explain the BSA's likely approach to various standards to assist both broadcasters and the public.

Information

This output encompasses our work in both research and communication.

Research

Each year we receive a reasonable number of complaints relating to talkback radio and so we intend to undertake a study looking at how the audience, participants and broadcasters view this genre of programming.

The concept of the 'public interest' underlies some of our work and this year we will also seek to determine the difference between that concept and something that is merely of interest to the public.

We will continue to involve our stakeholders wherever practicable when we plan, commission and release research.

Communication

We undertake a range of activities that ensure stakeholders are aware of what we do, to explain and publicise decisions and to highlight broadcasting standards-related issues.

Last year we completed research into public awareness of the BSA, the Codes and the standards. This study of 1,000 people indicated certain strengths and weaknesses in public knowledge. We will use that study to inform the various communication projects we will undertake. We committing a sizeable, for us, amount of money to these projects.

It is very important to us that broadcasters, who first deal with most broadcasting standards-related complaints as a matter of course, receive sufficient information and support from us. We have specific targets around broadcaster communication to ensure we remain aware of and responsive to their needs.

We will, of course, continue all our other communication activities, including direct discussion with interested organisations and people, public speaking and participation in conferences, and providing useful information in a variety of forms and languages.

LONGER-TERM PROJECTS AND PLANNING

Explanation and Overview for the 2010-2013 Period

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

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

Measure	Previous Target Set for 2010-2012	Planned Progress during 2010-2011
<p>Audit broadcaster publicity of the complaints process (including an audit of notices advertising the complaints process on each channel).</p> <p>All broadcasters not complying with their obligations in the Act are notified and given information and/or assistance to comply where necessary.</p>	<p>An audit shows improved compliance by broadcasters.</p>	<p>Audit will be carried out in 2011-2012 year.</p>
<p>Survey all broadcasters involved in a formal complaint referred to the BSA in the two previous years to assess satisfaction with BSA processes.</p>	<p>Relevant recommendations from the survey are actioned and changes made to BSA processes or policies as required.</p>	<p>Recommendations will be actioned where relevant.</p>
<p>A public survey of awareness of the Codes and the standards is undertaken to obtain baseline figures for measurement.</p>	<p>Promotion of the Codes and standards is undertaken.</p> <p>A survey shows that public awareness of the Codes and the standards has increased by no less than 5% by 30 June 2012.</p>	<p>Projects relating to promotion of the Codes and standards have been provided for in this year's SSP (see: Impact: A range of accessible information is provided and communicated to the public).</p> <p>Survey for improvements in awareness will be carried out in the 2011-2012 year.</p>

PLANNING

Complaints Determination

Our prime function, deciding complaints referred to us, does not change from year to year. Therefore, the majority of our planning in this area involves keeping a watching brief on numbers and trends to ensure we can continue to deliver this service in a fair and professional manner. Our Codes of Broadcasting Practice follow a five-yearly review cycle and so planning for this is typically done well ahead of schedule.

Information

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

- To publish broad-based, innovative and practical research which adds to publicly available knowledge about a variety of broadcast and media content issues.
- To be continuously curious about, and informed of, New Zealanders' views about broadcasting standards and related matters.

- To consider longitudinal research where possible to maximise the value of the data and the consistency of the research programme.
- To use research to measure stakeholder satisfaction.

Specific research projects tend to flow from longitudinal work (for example, research on violence, acceptability of language, children) or from the day-to-day needs that flow from determining complaints.

Our communications strategies are:

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

Business-as-usual communications (eg. how to complain information) are reviewed when required but do not change significantly over time. Additional special projects are undertaken, based on gaps identified by research and feedback and are aimed at meeting more immediate needs.

HOW WE WILL MEASURE OUR OVERALL PERFORMANCE – 2010-2013

These key goals will underpin all our work over the three-year period ending 30 June 2013 in order to ensure our financial and non-financial success. We will report against these measures.

Goals	Measures
<i>Complaints Determination</i>	
The complaints determination process is effective, efficient and principled.	External reviews confirm the process is meeting these standards.
Codes of Broadcasting Practice remain relevant for broadcasters and the public.	Each Code is reviewed at least once every five years.
	Each Code review is completed within 18 months of commencement.
<i>Information</i>	
Useful and reliable research is undertaken and the BSA utilises results where appropriate.	The five-year research plan is followed (and is reviewed annually).
Broadcasters and the public receive the information they require.	External reviews confirm that information is meeting broadcaster and public expectations and requirements.
<i>Finance</i>	
Funding from the Crown and the broadcasting levy is applied to activities described in the prospective financial statements.	Compliance reviewed by Board half-yearly.
	Accounts formally audited each year.



**PART 3:
MEASURING
PERFORMANCE
2010-2013**

The following section presents a set of activities for the year ended 30 June 2011. It provides targets, budgets and performance measures in accordance with section 142 of the Crown Entities Act.

- Forecast statement of financial performance
- Forecast statement of changes in equity
- Forecast statement of financial position
- Forecast statement of cash flows
- Notes to the forecast financial statements, including a summary of significant accounting policies and the statement of key assumptions
- Forecast statement of service performance

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

For the year ending 30 June 2011

	2011 Forecast \$	2010 Forecast \$
REVENUE FOR ALL CLASSES OF OUTPUTS		
Revenue from Crown	609,000	609,000
Broadcasting Levy	750,000	761,000
Interest Income	40,000	40,000
Other Revenue	-	270
TOTAL REVENUE	1,399,000	1,410,270
LESS EXPENDITURE		
Output 1 - Complaints Determination	946,310	832,155
Output 2 - Broadcasting Codes	68,568	62,482
Output 3 - Research	235,311	190,925
Output 4 - Information	287,166	209,445
TOTAL EXPENDITURE	1,537,355	1,295,007
NET (Deficit) / Surplus for the year	(138,355)	115,263
Note: Expenditure consists of:		
Members Fees & Staff Remuneration	744,500	672,135
Depreciation	23,047	44,689
Amortisation	2,692	4,268
Audit Fees	16,832	16,832
Other expenditure for activities and overheads	750,284	557,083
	1,537,355	1,295,007

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

FORECAST STATEMENT OF CHANGES IN EQUITY

For the year ending 30 June 2011

	2011 Forecast \$	2010 Forecast \$
NET (Deficit) / Surplus for the year	(138,355)	115,263
PLUS Public Equity 1 July	573,616	458,353
PUBLIC EQUITY at 30 June	435,261	573,616

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

FORECAST STATEMENT OF FINANCIAL POSITION

For the year ending 30 June 2011

	2011 Forecast \$	2010 Forecast \$
CURRENT ASSETS		
Cash and Cash Equivalents	59,737	25,253
Investments	450,000	600,000
Debtors and Other Receivables	1,800	500
Prepayments	15,000	2,500
Net GST	18,000	12,000
	544,537	640,253
LESS CURRENT LIABILITIES		
Creditors and Other Payables	120,000	75,000
Employee Entitlements	50,000	49,100
	170,000	124,100
WORKING CAPITAL	374,537	516,153
NON-CURRENT ASSETS		
Property, Plant and Equipment	34,708	53,755
Intangible Assets	26,016	3,708
	60,724	57,463
NET ASSETS	435,261	573,616
Represented by PUBLIC EQUITY	435,261	573,616

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

FORECAST STATEMENT OF CASH FLOWS

For the year ending 30 June 2011

	2011 Forecast \$	2010 Forecast \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash will be provided from:		
Grants, Broadcasting Levy, and Other Income	1,345,200	1,379,335
Interest	40,000	40,000
Net GST	0	6,732
Cash will be disbursed to:		
Payments to Employees and Members	(743,600)	(669,787)
Payments to Suppliers & Other Operating Expenses	(687,132)	(618,171)
Net GST	(6,000)	0
Net Cash Flows From Operating Activities	(51,532)	138,109
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash was disbursed from:		
Investments	150,000	0
Cash will be disbursed to:		
Purchase of Property, Plant and Equipment	(15,660)	(50,481)
Purchase of Intangible Assets	(48,325)	(2,507)
Investments	0	(98,709)
Net Cash Flows From Investing Activities	86,015	(151,697)
Net Increase/Decrease in Cash Held	34,483	(13,588)
PLUS Opening Cash Brought Forward	25,254	38,842
BALANCE CARRIED FORWARD	59,737	25,254

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

NOTES TO THE FORECAST FINANCIAL STATEMENTS

REPORTING ENTITY

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

STATEMENT OF COMPLIANCE AND MEASUREMENT BASIS FOR PREPARATION

These forecast financial statements comply with NZ IFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The information in the forecast financial statements may not be appropriate for purposes other than the requirements of the Act. The forecast financial statements for the year ended 30 June 2011 are prepared in accordance with the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ('NZ GAAP').

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Revenue

Revenues are derived and recognised as follows:

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

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

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

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

The BSA's revenue is of a generic nature and is not directly derived from the outputs disclosed in the Statement of Service Performance. For this reason the income is not allocated to the outputs.

2. Statement of cash flows

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

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

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

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

3. Operating leases

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

4. Cash and cash equivalents

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

5. Debtors and other receivables

Accounts receivable are stated at their expected realisable value.

6. Investments in bank deposits

Investments in bank deposits are measured at fair value.

7. Property, plant and equipment

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

8. Depreciation

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

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

Artworks are fully depreciated in the year of purchase.

9. Intangible assets

Software acquisition

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

Amortisation

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

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

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

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

11. Employee entitlements

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

12. Taxation

Goods and Service Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

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

13. Output cost allocation

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

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 / information.

14. Statement of key assumptions

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

FORECAST STATEMENT OF SERVICE PERFORMANCE

For the year ending 30 June 2011

Results from previous years are given where comparable.

Results for the 2009-2010 year are not available at time of publication.

OUTPUT: COMPLAINTS DETERMINATION

Impacts: The public has an effective, efficient and principled complaints process.

Codes of Broadcasting Practice are relevant for broadcasters and the New Zealand public.

Description

Decision making on formal complaints lodged under the Broadcasting Act is undertaken by the BSA, with legal and administrative support provided by staff. Decisions can be appealed to the High Court.

The Codes of Broadcasting Practice underpin the complaints system. Each Code is reviewed at least once every five years to ensure it provides relevant guidance for both broadcasters and complainants.

Practice notes are designed to assist broadcasters and complainants understand the approach the BSA is likely to take in considering standards issues.

Impact: The public has an effective, efficient and principled complaints process.

Measures	Targets (quality, quantity, timeliness)	Results from Previous Years (where comparable)	
		2008-2009	2007-2008
Written acknowledgement of formal complaints.	100% of complaints acknowledged in 3 working days.	100% of complaints acknowledged in 3 working days.	100% of complaints acknowledged in 3 working days.
Formal board meetings convened in order that due process for complaints determination is followed.	No fewer than 10 formal board meetings recorded by 30 June 2011.	10 meetings formally recorded.	10 meetings formally recorded.

Continued.

Measures	Targets (quality, quantity, timeliness)	Results from Previous Years (where comparable)	
		2008-2009	2007-2008
Soundly reasoned decisions issued in a timely manner.	95% of all complaints decisions issued within 20 working days after board meeting at which decision is made.	100% of all complaints decisions issued within 20 working days.	100% of single-meeting complaints decisions and 92% of multi-meeting complaints decisions issued within 20 working days.
	In the event of an appeal, any advice or direction given by the Court is implemented into the appropriate procedures and practice notes within six months of the date of the decision.	Advice given by the Court implemented.	Advice given by the Court implemented.
Externally assess the quality of BSA reasoning.	Commission an external review of the way the BSA interprets a standard or an aspect of the process by which the BSA determines complaints.	External review of the BSA's decisions from a journalistic perspective published.	External review of the approach the BSA takes in applying the balance standard published.
	Review published by 30 June 2011.		
	Relevant findings are applied in the BSA's processes.		
Survey complainants to assess satisfaction with the quality of the BSA processes and service.	Survey all complainants involved in a formal complaint referred to the BSA in the previous year to assess satisfaction with BSA processes.	Survey of all broadcasters involved in a formal complaint referred to the BSA in the two previous years completed and published by 30 June 2010.	
	Survey completed and published by 30 May 2011.		
	Relevant recommendations from the survey are actioned and changes made to BSA processes or policies as required.		

Impact: Codes of Broadcasting Practice are relevant for broadcasters and the New Zealand public.

Measures	Targets (quality, quantity, timeliness)	Results from Previous Years (where comparable)	
		2008-2009	2007-2008
Practice notes on aspects of code interpretation.	Two new practice notes published by 30 June 2011.	Practice notes on balance in radio and programme classification published.	Practice notes on liquor and violence published.
Commence a review of the Pay TV Code of Broadcasting Practice.	Pay TV Code of Broadcasting Practice commenced before 31 December 2010.		

Output Class ‘Complaints Determination’ Cost:

Personnel	\$631,988
Direct Operating	\$105,500
Overhead	\$277,390
	\$1,014,878
% of total budget	66%

OUTPUT: INFORMATION

Impacts: Useful and reliable research is undertaken and the results utilised.

A range of accessible information is provided.

Broadcasters understand their obligations under the Broadcasting Act and their processes are assisted where necessary.

Description

Research on topics relevant to broadcasting standards provides information about community attitudes and behaviour. This assists the Authority when making decisions.

It is important for us, our stakeholders and the integrity of the standards regime, that a variety of material is provided to assist the public and, when required, broadcasters.

Effective information on broadcasting standards processes and issues assists New Zealanders to understand their media environment. An informed and media-literate public is better able to control their engagement with all forms of broadcasting content.

It is in the public interest that complainants have their complaints dealt with professionally by broadcasters. Broadcast organisations that receive the majority of complaints have resources and well-developed processes in place to meet their broadcasting standards obligations. Advice on processes from the BSA is therefore rarely required. However, to ensure the robustness and consistency of the overall complaints process, there is value in an ongoing dialogue with these broadcasters.

Smaller broadcasters and those which rarely encounter formal complaints sometimes need specific support and tailored information.

Impact: Useful and reliable research is undertaken and the results utilised.

Measures	Targets (quality, quantity, timeliness)
An analysis of issues relating to freedom of expression in New Zealand.	Relevant tendering and commissioning procurement processes recommended by the Office of the Auditor General followed.
	Research published by 30 June 2011.
A study of public and broadcaster attitudes towards, and expectations of, talkback radio.	Relevant tendering and commissioning procurement processes recommended by the Office of the Auditor General followed.
	Research published by 30 June 2011.

Impact: Codes of Broadcasting Practice are relevant for broadcasters and the New Zealand public.

Measures	Targets (quality, quantity, timeliness)	Results from Previous Years (where comparable)	
		2008-2009	2007-2008
Business-as-usual communications to stakeholders and the public.	100% of decisions published on BSA website within 10 working days of sign-off by Chair.	100% of decisions published on website within 10 working days.	Not applicable.
	Publish by 30 June 2010 no fewer than six editions of a newsletter designed to keep stakeholders informed.		
	Publish all newly reviewed Codes in both English and Te Reo Māori.		
The Complaints Determination process and the Codes of Broadcasting Practice are promoted to the public.	Undertake a campaign designed to promote awareness of the BSA website.		
	Undertake a campaign designed to promote awareness of the standards in the Codes.		
Special communications projects undertaken.	Undertake a campaign designed to raise awareness of television classifications.		

Impact: Broadcasters understand their obligations under the Broadcasting Act and their processes are assisted where necessary.

Measures	Targets (quality, quantity, timeliness)
Meetings with the two broadcasters from which the BSA receives the most referred complaints in the preceding year (in 2009-2010 this was TVNZ and Mediaworks).	Two meetings each with TVNZ and Mediaworks by 30 June 2011.
Meetings with broadcasters from which the BSA receives a significant number of referred complaints (including for the next twelve months at least Radio NZ, The Radio Network, SKY TV and Māori TV).	At least one meeting with each of the other significant broadcasters by 30 June 2011.
Meetings with no less than five additional broadcast organisations to discuss and advise on complaints process matters.	No less than five meetings with various broadcasters by 30 June 2011.
Meet formally with broadcaster associations.	At least one meeting with the Television Broadcasters' Council and Radio Broadcasters Association by 30 June 2011.
	Areas of cooperation agreed.

Output Class 'Information' Cost:

Personnel	\$112,513
Direct Operating	\$317,500
Overheads	\$ 92,464
	<hr/>
	\$522,477
% of total budget	34%

FORECAST OUTPUT INCOME AND EXPENDITURE SUMMARY

For the year ending 30 June 2011

	Forecast Income	Forecast Expenditure
Complaints Determination	\$923,340	\$1,014,878
Information	\$475,660	\$522,477
TOTALS	\$1,399,000	\$1,537,355

DIRECTORY

MEMBERS

Peter Radich of Blenheim, Chair

Tapu Misa of Auckland

Mary Anne Shanahan of Auckland

Leigh Pearson of Wellington

STAFF

Dominic Sheehan

Chief Executive

Christina Sophocleous

Legal Manager

Julie Bath

Administration Manager

Matthew Dearing

Legal Advisor

Patricia Windle

Legal Advisor

Zhao Xiaofeng

Administrator (part-time)

Margaret Gianotti

Administrator (part-time)

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