

# BROADCASTING STANDARDS AUTHORITY ANNUAL REPORT

---

Te Mana Whanonga Kaipāho  
Te Pūrongo Ā-Tau 2016

**2016**

PRESENTED TO THE HOUSE OF REPRESENTATIVES  
UNDER S 150(3) OF THE CROWN ENTITIES ACT 2004

# 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**

# CONTENTS

2	MEMBERS
3	<b>PART ONE: INTRODUCTION</b>
4	CHAIR'S INTRODUCTION
6	WHAT WE DO
6	WHO WE ARE
7	STRATEGIC CONTEXT OF OUR WORK THIS YEAR
8	STRATEGIC FRAMEWORK
9	<b>PART TWO: WHAT WE HAVE ACHIEVED THIS YEAR</b>
10	OVERALL PERFORMANCE STORY
15	COMPLAINTS DETERMINATION
21	OVERSIGHT OF THE BROADCASTING STANDARDS SYSTEM
23	INFORMATION AND COMMUNICATION
24	OPERATIONS
27	<b>PART THREE: ACCOUNTABILITY STATEMENTS</b>
28	STATEMENT OF RESPONSIBILITY
29	STATEMENT OF SERVICE PERFORMANCE
41	FINANCIAL STATEMENTS
42	STATEMENT OF FINANCIAL PERFORMANCE
43	STATEMENT OF CHANGES IN EQUITY
44	STATEMENT OF FINANCIAL POSITION
45	STATEMENT OF CASH FLOWS
46	NOTES TO THE FINANCIAL STATEMENTS
54	INDEPENDENT AUDITOR'S REPORT
55	<b>PART FOUR: APPENDICES</b>
56	APPENDIX 1: DECISION STATISTICS
61	APPENDIX 2: DECISION DETAILS
71	DIRECTORY

# MEMBERS



## 01. Peter Radich – Chair

Peter is a partner in Radich Law and has been a solicitor of the High Court since 1969. He was Chair of the New Zealand Law Practitioners Disciplinary Tribunal until it was disbanded in January 2009.

He also serves as Milk Commissioner for the Fonterra Dairy Group, is District Solicitor to the Marlborough District Council, and was a member of the Law Practitioners and Conveyancers Disciplinary Tribunal.

Peter was appointed an Officer of the New Zealand Order of Merit in the New Year Honours List 2012 for his services to the law.

Peter took up the position of Chair of the BSA in January 2010. He was reappointed for a further term in December 2012.

## 02. Paula Rose

Paula Rose has a background in policing, having previously been National Manager of Road Policing. She was also the Deputy Chair of the independent task force reviewing workplace health and safety and has served as an executive advisor to the Minister for Social Development.

Paula is a current member of the Online Media Standards Authority complaints committee, the New Zealand Parole Board, the St John South Island Regional Trust Board and the WorkSafe NZ Board.

In 2013 Paula was awarded a Companion to the Queen's Service Order for her contribution to policing and the community. Paula joined the BSA in July 2015.

## 03. Leigh Pearson

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

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

Leigh is also a former Chair of the Parliamentary Press Gallery. She joined the BSA in January 2010 and was reappointed for a further term in December 2012.

## 04. Te Raumawhitu (Te Rau) Kupenga

Te Rau has a legal background, having worked previously as a Crown Prosecutor as well as holding senior solicitor positions at the Office of the Māori Trustee and in a commercial law firm in Wellington.

He has worked as a television presenter, including a stint as a regular panellist on a lifestyle television show, and over the last two years has helped to produce television shows.

Te Rau is Ngāti Porou and is very involved in iwi and whānau development.

Te Rau joined the BSA in December 2010. He was reappointed for a further term in November 2013.

# **PART ONE**

## **INTRODUCTION**



# CHAIR'S INTRODUCTION



Tēnā koutou e te hunga e whai pānga ki ngā mahi papaho, ki a koutou hoki e pānui ana i ēnei kōrero, kā nui te mihi ki a koutou, ki a tātau.

In this past year we have continued with our work as the environment in which we operate has continued to change around us. We have changing attitudes, changing expectations from broadcasters, listeners and viewers and quickly changing broadcasting products. We have evolved to the extent that we can within our statutory constraints and we can now see that some statutory changes are inevitable and imminent, as a result of the announcement by Minister Adams in August 2016 that our remit is to be extended to cover complaints about certain on-demand content, excluding news and current affairs, and user-generated content.

We are a body that deals primarily with complaints that have been made to broadcasters but where the broadcaster has not satisfied the complainant. So usually we are an appellate body but in the area of privacy we can receive complaints directly from complainants.

The complaints we receive are evaluated against a set of broadcasting standards. These standards were developed as separate codes designed to apply to the way in which broadcasting products were delivered. So there was a code for radio, one for free-to-air television and one for pay television. Over the past two years the BSA and broadcasters have reviewed these codes and standards and we have collectively produced a new Codebook that contains standards for radio, free-to-air television and pay television. Perhaps this new Codebook is not as it should ideally be, in terms of responding to the range of content that reaches New Zealanders, but we are constrained by the statutory requirements of the Broadcasting Act 1989 in what we can do. We believe that the new Codebook is more informative and helpful than the documents it has replaced. The Codebook reflects the reality that in New Zealand we have a responsible broadcasting industry which is committed to the maintenance of proper standards.

The development and implementation of broadcasting standards could not occur in our system in New Zealand in the absence of complaints. Our statutory structure does not allow the BSA to intervene of its own volition. It functions in response to complaints and the statutory assumption is that if nobody is complaining then there must not be anything to complain about. It is complaints which fuel the regulatory machine. We respect complainants and greatly value their contributions.

Some of the complaints we receive raise challenging issues of privacy and individual freedoms. The fact that a complaint may not be upheld does not diminish its value as each complaint allows the line of acceptability to be marked. These various marks form a confluence which helps to produce a discernible boundary to give guidance to broadcasters and viewers and listeners. Complainants who are dissatisfied with our decisions have rights of appeal to the High Court. There have been no such appeals in recent years.

We do not set standards; it is our function to judge what are the proper community expectations and reflect these in our decisions. We have often remarked, for example, that language which would once never be spoken on radio or television is now commonplace there, as it is in the workplaces and homes of many of us. Some say we are worse off as a society, but others think that we are now less uptight than we once were. It is not for us to try to interfere with these tidal currents but we have to be aware of them and allow them to run as our society wishes. To gauge what society values are we endeavour to maintain an awareness. We also regularly undertake what we call 'litmus testing'. We take a selection of our decisions to focus groups where they are examined and debated by members of the community and where we listen to the responses. As is to be expected, the responses differ markedly. What may be acceptable in metropolitan Auckland may not be seen to be acceptable in regional South Island. We do our best to blend these responses and reflect the nuances of community views in our decisions.

The concept of freedom of expression is deeply embedded in liberal democratic societies such as ours. It was given statutory recognition in 1989 but its increasing significance took time to gather momentum. Now within the BSA it is at the forefront of all of our considerations and we believe it should be. This is reflected in our general approach where we try not to intervene in a heavy-handed and directive way but rather to intervene when necessary to prevent harm.

When we measure the harm that we are looking to avoid through intervention we consciously weigh that against the harm that is done through being too heavily interventionist. What this means is that to some we are seen to be too light-handed but nevertheless to others we remain too interventionist. We are much more ready to intervene in situations of specific harm or damage than we are when some generalised less tangible harm or damage is being asserted by a complainant. Our decisions are published and visible and we are attuned to responses.

We are one of the smallest Crown entities. Our funding comes from broadcaster levies and a Crown allocation. We try to be prudent with expenditure. We always keep well within our budget. This year as in previous years we will have a surplus. Out of our surplus we will make a return to Government.

We think we are seen as being an interesting place in which to work. We do have a succession of people coming to us, developing experience and skills and then looking to use these in other fields. In this past year as in others, we have had valued people move on to other things with our best wishes. Our Chief Executive Karen Scott-Howman left us for another Chief Executive's position but happily we have been joined by Belinda Moffat. Some of our legal and administrative staff have gone to other places but we have had capable people come in. We see these movements as being healthy and stimulating. We have had the great privilege of long service from our Legal Manager Patricia Windle.

We share services with our neighbours NZ On Air and greatly appreciate the opportunity to have access to their skilled people who we would not be able to employ on our own.

We have had an interesting and challenging year. We express our appreciation to our staff, those in the Ministry for Culture and Heritage who support us, broadcasters, those who complain about broadcasts and the public with whom we interact.

Nā reira kia ora anō tātau katoa.



**Peter Radich**  
Chair

# WHAT WE DO

The media is part of the everyday lives of New Zealanders and plays a vital role in a democratic society. Today we access media content not only through the traditional platforms of radio, television, and print but on computers and smart devices – allowing us to access the media at all times and in all places. Democracy values the exercise of the broadcasters’ right to freedom of expression. Broadcast media informs us, entertains us, stimulates us and connects us to our community and the world. However, at times it has the potential to cause harm – it may offend, annoy or upset us.

Broadcasters have agreed to content standards for broadcast radio and television. These standards recognise the harms that may be caused by broadcasting and seek to guard against them. We oversee these standards on behalf of New Zealanders in a number of ways – by making decisions on complaints, by overseeing and developing the broadcasting standards system, and by providing information about the system and our decisions.

# WHO WE ARE

The Broadcasting Standards Authority (BSA) is an independent Crown entity and quasi-judicial tribunal established by the Broadcasting Act 1989 (the Act). We are governed by a four-member board and our operations are overseen by a team of six staff.

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.

As an independent Crown entity, we are accountable to the Minister of Broadcasting but the government cannot direct or seek to influence us in our work.



# STRATEGIC CONTEXT OF OUR WORK THIS YEAR

At the time of writing, the Minister of Broadcasting has just announced the Government's plans to update the Broadcasting Act to better reflect the converged media market. The proposed changes include extending the Broadcasting Act to capture certain on-demand content and ensure it meets classification and content standards, and to provide clarity as to which legislation applies. It is intended that our standards oversight role will be expanded to include online content (excluding news and current affairs programmes and user-generated content). This provides some certainty for standards oversight in the rapidly changing and competitive media environment. We will work with the sector and the policymakers to assist in the implementation of these changes where we can.

We have undertaken our work during this year in anticipation that some change was certain. We have carefully considered our decisions in the knowledge that regard may be had to the principles applied in a wider context in the future.

This year we celebrated the launch of the new *Broadcasting Standards in New Zealand Codebook* which took effect on 1 April 2016. This is the culmination of considerable work by us, broadcasters and the public to review the radio, free-to-air television and pay television codes to ensure that they were robust, fit for purpose and reflective of New Zealand's diversity.

During the reporting period, we welcomed a new Chief Executive and a new board member. We also refreshed our strategic framework which is now set out in the Statement of Performance Expectations for the year ending 30 June 2017. The previous strategic framework that governed our work this year is summarised in the following chart.

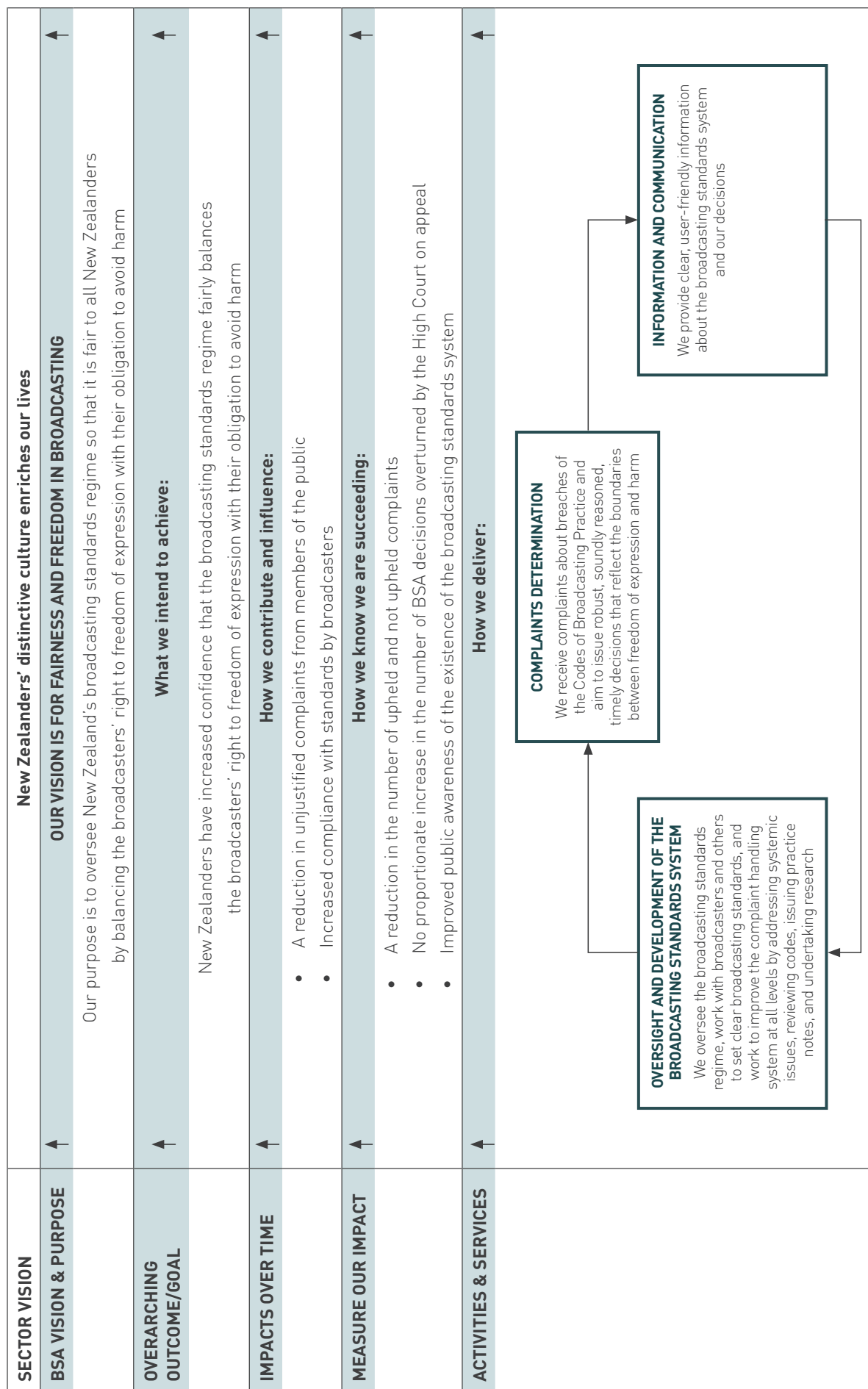
All our work supports our overarching goal, which is to ensure New Zealanders have increased confidence that the broadcasting standards regime fairly balances broadcasters' right to freedom of expression with their obligation to avoid harm.

We have continued to operate in a tight fiscal environment and 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. Our shared service arrangements with NZ On Air continue to provide value and promote efficiencies. We continue to look for ways to further maximise sector-wide efficiency and effectiveness.

In this converged environment, engaging with other complaints organisations and content regulators has been a key focus. We maintain regular contact with stakeholders such as the Advertising Standards Authority and the Press Council. We believe in openness and transparency and publish our decisions and key research outcomes for the benefit of the media sector and all stakeholders. We report regularly on key developments in our operating environment through our BSA Bulletin and website.

While we continue to operate under outdated legislation, we have been committed to ensuring that our decisions are robust and relevant to the media and social environment in which we operate. We have tested some of our decisions around the good taste and decency standard through litmus testing to understand prevailing public attitudes towards this standard. The results of that research have and will continue to inform our decision-making. This year we have critically reviewed our complaints management process and have begun to design a refreshed inquiry process which will enhance the timeliness of our decisions and make the complaints process more accessible and effective for complainants and broadcasters.

# STRATEGIC FRAMEWORK



We have refreshed our strategic framework and made some adjustments to our measures and impacts. The new strategic framework applies from 1 July 2016 and is set out in our Statement of Performance Expectations for the year ending 30 June 2017.

# PART TWO

## WHAT WE HAVE ACHIEVED THIS YEAR



# OVERALL PERFORMANCE STORY

## HIGHLIGHTS

This year has had a number of highlights. We:

- completed public consultation on our code reviews and launched the new *Broadcasting Standards in New Zealand Codebook* in English and Te Reo in April 2016
- responded to 880 inquiries
- received 124 formal complaints and issued 101 decisions
- had no new appeals lodged against our decisions, and there are no appeals currently outstanding
- undertook focus group litmus testing of our decisions relating to the good taste and decency standard. The research showed that the public's attitudes have changed over time, with some New Zealanders having more tolerance of bad language and nudity but heightened sensitivity to sexist or racist content. The research also showed that most participants could follow and accept the BSA's rationale for its decisions
- surveyed broadcasters who had dealt with us in the previous 12 months. They expressed a high level of satisfaction with our processes and relationships with 100% of those surveyed rating their relationships with the BSA as 'good' or 'very good', and 80% rating BSA processes as 'good' or 'very good' (with the remaining 20% 'neither good nor bad')
- received positive ratings for the various components of BSA service in our regular complainants' survey, with the average rating for good/very good written correspondence being 74%, for telephone contact 85%, and for clarity and ease of use of the website 75%
- reviewed and improved our complaints inquiry process to enhance efficiency and timeliness in dealing with complaints
- appeared as an intervenor in the appeal brought by the Electoral Commissioner in *Electoral Commission v Watson and Jones CA239/2015* in order to assist the Court in its consideration of the election programme provisions in the Broadcasting Act
- completed our two-yearly audit of broadcaster publicity notices which found a high level of compliance. We provided guidance to those broadcasters where improvements were needed
- continued to share services with NZ On Air which delivers our financial services robustly and effectively
- received a positive audit management report with best possible grades in all categories of assessment
- returned a portion of our reserves (\$203,000) to the Crown for the third consecutive year.

## OUTCOMES WE ARE WORKING TOWARDS

Our overarching goal 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 and influences this goal by having an impact over time in two ways:

- reducing unjustified complaints
- increasing broadcaster compliance with the broadcasting standards.

A critical aspect to achieving these two impacts is for us to educate the public and broadcasters about the standards and complaints system so that the public understand how to complain and the broadcasters willingly comply with the standards. We also recognise that we have a role in engaging with stakeholders so that the standards system can be developed with input from us, broadcasters and the public.

Our key activity is complaints determination. In addition, we provide two other critical services and activities 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.

Our 2014–2018 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?

For this reporting period, we identified three key measures to determine our impact over time through our three interrelated activities and services.

These are:

- Reduction in the number of upheld and not upheld complaints
- No proportionate increase in the number of our decisions overturned on appeal
- Improved public awareness of the broadcasting standards system

We do not have direct control over all of the factors that may influence the outcome of these measures. The rapidly changing environment in which audiences consume media content is beyond our control. The attitude of the New Zealand public to what is acceptable content on our televisions and radios continues to evolve over time. We consider that to be effective, we cannot operate in a vacuum.

For that reason, engagement with the public and the broadcasting sector, undertaking research and delivering robust decisions which reflect changing social attitudes are critical to our delivering the impact we intend to achieve.

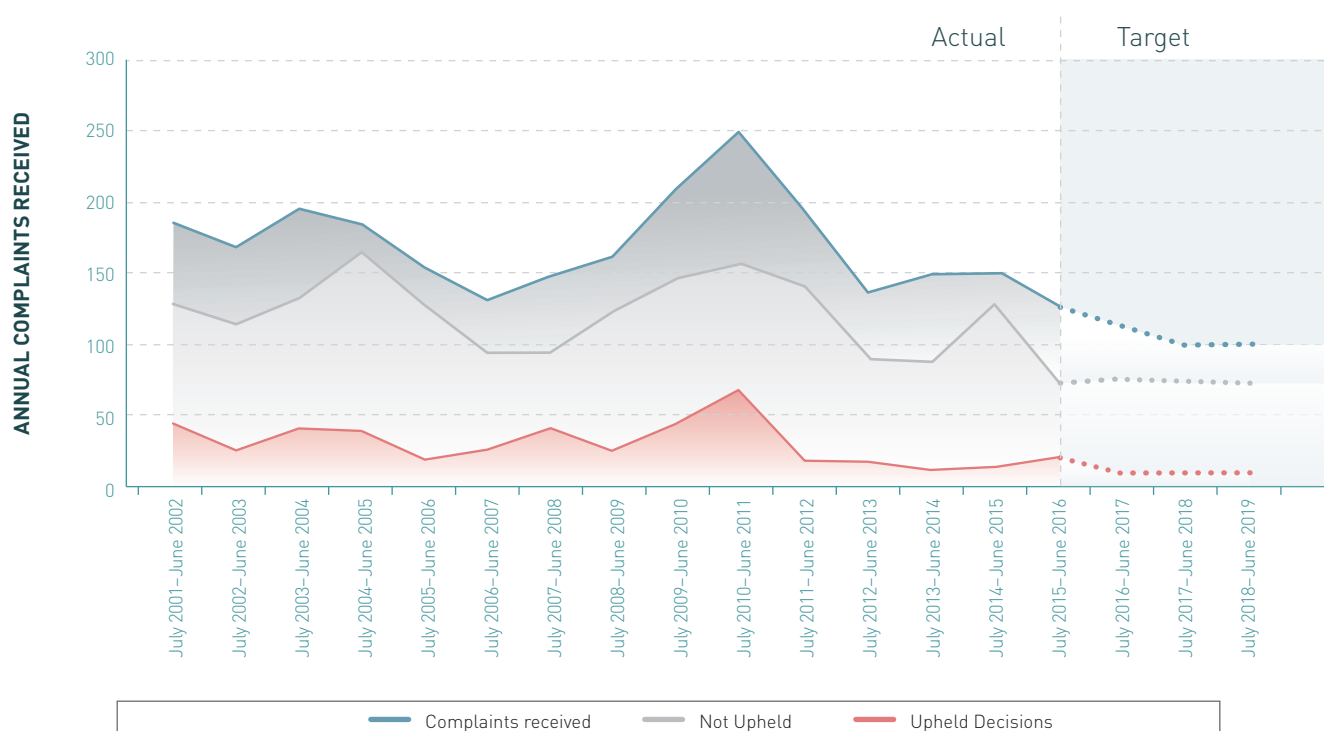
The measures we have chosen for this reporting period may be open to different interpretations, particularly our quantitative measures. For example, a reduction in complaints could mean less awareness of the complaints process, less confidence in our decisions, a shift in attitudes about what is acceptable, increased complacency by audiences about complaining, or that there is less consumption of traditional broadcasting. Alternatively, it could mean that the system is working effectively, and only threshold and challenging decisions are reaching us, which is the goal we are aiming for.

Notwithstanding their potential ambiguities taken together, the following three measures provide a good indication of whether the broadcasting standards system is working as efficiently and effectively as it should.



## 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 believe:

- 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 have a good understanding of the types of complaints that ought to be brought to our attention and how to bring them
- the **total** number of complaints decline reflecting that the broadcasters are dealing with complaints in the first instance more effectively, and that compliance with standards results in fewer complaints being made. This, in turn, means lower BSA costs.

Figure 1 shows complaint numbers have reduced, and the number of upheld decisions has increased compared to the previous year. The number of not upheld complaints has decreased, and this may be linked to the lower number of complaints received and therefore the lower number of decisions issued this year. Overall, however, numbers

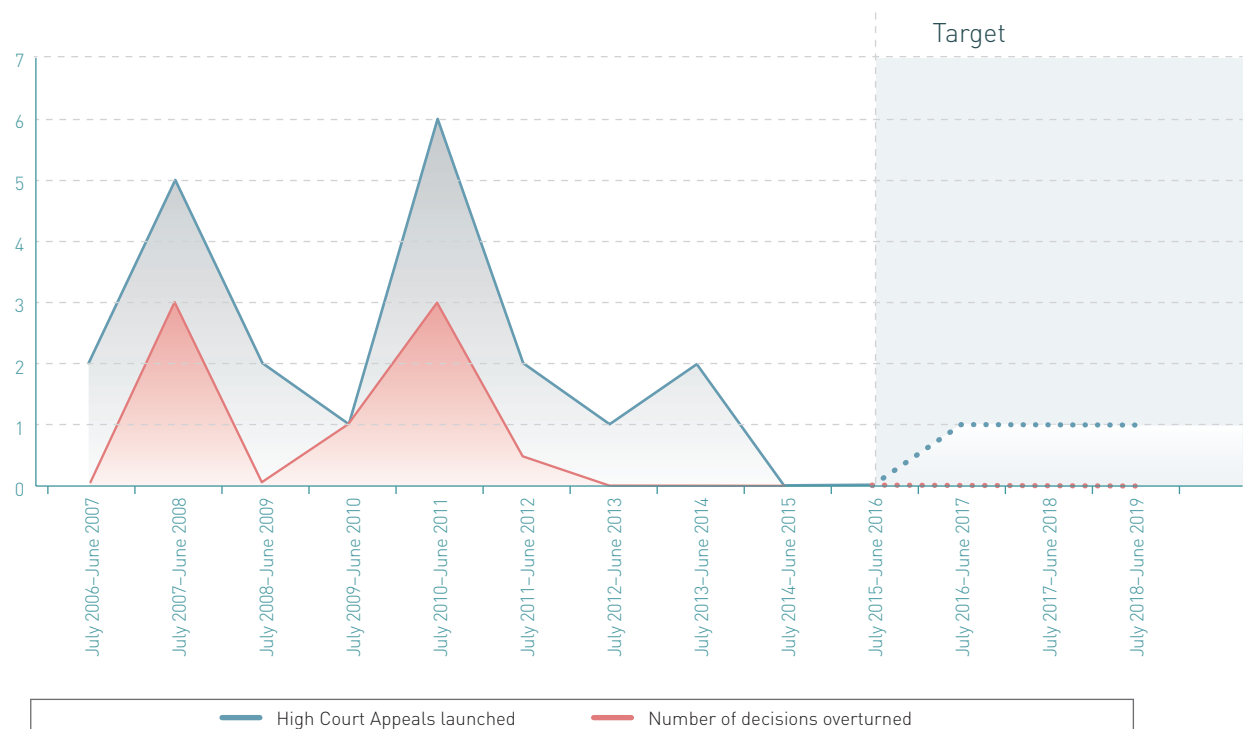
remain relatively low which we see as a positive reflection of the system's effectiveness and functionality. In a well-functioning system:

- the public manage their (and their children's) viewing within the standards regime and therefore make fewer complaints and fewer trivial ones
- the complaints system (including the broadcasters' own complaints determination systems) allows effective determination of frivolous, vexatious or trivial complaints
- broadcasters understand their obligations and/or resolve complaints effectively so that fewer complaints are referred to the BSA – and those that are referred generally raise issues 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 appealed to the High Court. This is a key part of the process as it holds the Authority to account in terms of the process that is followed and the decisions that are made. Appeals also ensure that complainants have an avenue for review of our decisions. Valuable jurisprudence on the standards is generated through the appeal process. Where an appeal is successful on a point of our process it will highlight areas for improvement in the decision-making process.

Where an appeal successfully overturns a decision on substance, it may indicate that the Authority is out of step with community standards and expectations 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.

The number of decisions overturned by the High Court has always been low, and this year no appeals have been made.



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

Our 2014–2018 Statement of Intent explains that we will survey public awareness against our existing benchmark every two years.

Through that survey we will measure the percentage of New Zealanders who are:


- aware of the BSA;
- aware that they can make a formal complaint; and

- able to identify a course of action which would lead them to find out about the correct process for making a formal complaint.

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.

The 2014 public awareness survey (published in March 2015) showed high levels of public awareness, but indicated that awareness may be tracking downwards:

**79%** 

of New Zealanders are aware that they can make a formal complaint about television and radio content (compared to 85% in 2013 and the 89% benchmark of 2010)

**85%** 

of New Zealanders could take a course of action which would lead them to find out about the correct process for making a formal complaint (compared to 92% in 2013 and the 96% benchmark of 2010)

**81%** 

of New Zealanders are aware of the BSA (compared to 85% in 2013 and the 95% benchmark of 2010).

Our target currently 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 believe that basic awareness of the broadcasting standards system is promoted through publicity notices which broadcasters are required to air in accordance with the requirements of the Broadcasting Act. We completed an audit of broadcaster publicity notices this year. In most cases, the notices complied with the requirements of the Broadcasting Act, but we consider that the absence of any reference to the right of referral of a complaint to the BSA, may have an impact on public awareness of the BSA complaints service. We are engaging with broadcasters to address this. We also anticipate that technology on broadcast devices that enables audiences to skip over ads is reducing the impact that these notices have on viewers.

We also raise awareness through our own communications and information activities which include: publication and promotion of our decisions and research on our website, through our BSA Bulletin, and Twitter; participating in a wide range of presentations and workshops with stakeholders; and ensuring that our website is up to date with useful information on the standards and complaints process.

In the reporting period, we have refreshed our communications strategy which is designed to ensure that we spend our time and limited resources on the most important communications activities which will deliver the greatest impact. As part of this, we will be undertaking a further public awareness survey which will be reported at the end of the next financial year.



# COMPLAINTS DETERMINATION

**880**

Total Enquiries

**124**

Formal Complaints

**101**

Decisions Issued

## Key Outcomes



**23**

Decisions Upheld

**73**

Decisions Not Upheld

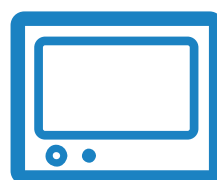
**5**

Declined to determine/other



**31**

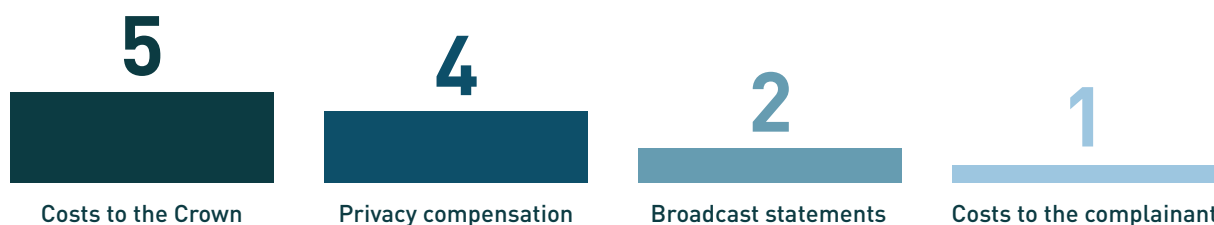
Decisions about Radio Broadcasts



**70**

Decisions about TV Broadcasts

## Orders Made



Costs to the Crown

Privacy compensation

Broadcast statements

Costs to the complainant

## Key Issues - Upheld Decisions

Accuracy

**8**

42 Decisions Total

Fairness

**6**

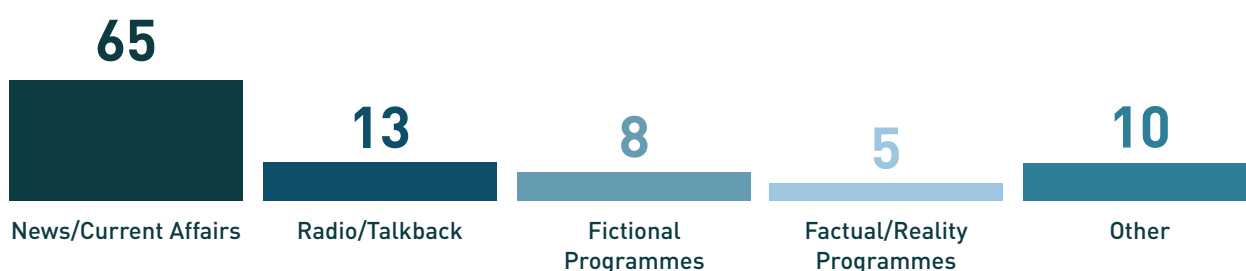
31 Decisions Total

Balance

**4**

29 Decisions Total

## Decisions by Programme Genre



News/Current Affairs

Radio/Talkback

Fictional Programmes

Factual/Reality Programmes

Other



This year we received

**124**  complaints

and issued

**101**  decisions.

The total number of complaints received this year (124) was a reduction of approximately 18% compared to the number of complaints received in the last financial year (151). Complaints numbers ebb and flow, often for no clear reason, so it is difficult to identify the drivers for the reduction. Having said that, while overall complaint numbers have reduced this year, we have received increasing numbers of more complex and challenging complaints requiring a greater level of thought and careful consideration – which is what we generally hope to see. Our complaints team has continued to make improvements to streamline the process overall, to ensure that we spend more time on these complex matters and less on routine and trivial complaints.

In total, 23 out of 101 decisions released (23%) were upheld in full or in part. This is an increased uphold rate from the two previous financial years – with 12% of decisions upheld in 2013/14 (12 out of 99 decisions) and only 10% in 2014/15 (14 out of 143 decisions). The upheld decisions are discussed further in the sections that follow.

## Complaints Summary

	2015/16	2014/15	2013/14	2012/13	2011/12
Complaints received	<b>124</b>	151	149	136	195
Decisions issued	<b>101</b>	143	99	111	162
Upheld (all or in part)	<b>23</b>	14	12	18	17
Not upheld	<b>73</b>	120	74	86	132
Interlocutory/ Jurisdictional matters	<b>1</b>	-	-	2	4
Declined to determine	<b>4</b>	9	13	5	9
Orders	<b>12</b>	9	6	5	7
Practice notes	-	-	-	1	1
Decisions issued within 20 working days	<b>97%</b>	92%	75%	99%	99%

### NOTES about this chart:

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

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 issued 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/Jurisdictional decisions consider whether the BSA can accept the complaint).

98 out of 101 decisions were issued within 20 working days of the last board meeting at which they were considered. Of the 3 remaining decisions, 2 decisions took 22 days and 1 decision took 23 days, due to ongoing deliberation and drafting discussions among the Authority.

Practice notes have not been issued in the last three financial years, as the focus has been on incorporating guidance into the new Broadcasting Standards in New Zealand Codebook, released on 1 April 2016.

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



## WHAT ARE AUDIENCES COMPLAINING ABOUT?

Consistent with previous years, complaints received this year suggest that viewers and listeners remain most likely to complain about news and current affairs programmes and the core values underpinning the role and functions of news media – fair, balanced and accurate reporting. Sixty-five out of the 101 decisions issued this year (64%) related to news and current affairs programming. Fourteen of those 65 decisions were upheld in full or in part (22%). Accuracy, fairness, and balance topped the list of standards most complained about – with 42 decisions considering the accuracy standard (19% upheld), 31 considering the fairness standard (19% upheld) and 29 considering whether a programme was sufficiently balanced (14% upheld).

In a close fourth position was the good taste and decency standard – raised in a total of 27 decisions issued. However, only three of the Authority's decisions (11%) found that a programme crossed the line and went beyond current norms of what is acceptable in terms of good taste and decency. Our litmus testing this year (discussed further below) explored whether community attitudes towards the notion of 'good taste and decency' have changed and whether people are now less concerned about material typically considered under this standard – that is, sexual material, nudity, coarse language and violence – and more concerned about potentially racist, sexist or degrading content.

Two of the three upheld complaints about good taste and decency fell into the first category of material typically considered under the standard: the first involved the broadcast of a Nicki Minaj music video which contained numerous expletives and sexual references in a late afternoon programming slot when children could be watching (*McCaw and SKY*, 2015-011); and the second concerned a promo that contained gory and distressing images, broadcast during a G-rated, animated family movie (*McKenzie and MediaWorks*, 2015-055).

The third upheld case concerned content that was seen to be sexist, bullying and degrading. The item subject to the complaint involved two breakfast radio hosts 'naming and shaming' two female users of photo-sharing social media platform Instagram, described as 'do-nothing bitches', among other things. The Authority upheld the complaint and made orders including a fine of \$2,000 costs to the Crown, as well as privacy compensation awards to both of the individuals referred to in the broadcast (*Ihaia and IM and MediaWorks*, 2015-074).



## WHAT SHOULD BROADCASTERS BE THINKING ABOUT?

The BSA's decisions provide guidance to broadcasters about the standards. Upheld decisions highlight areas for broadcasters to pay close attention to in their preparation and presentation of programmes. Issues on which the BSA provided guidance in decisions this year included:

- The importance of achieving balance in relation to ongoing hotly debated issues. The BSA has previously said that where a controversial issue has an ongoing period of current interest, it is likely that varying viewpoints will be presented in programmes from time to time. However, there may be exceptions to this approach. In one decision this year the BSA considered a programme regarding voluntary euthanasia. In this case, the BSA said balance was not achieved by other programmes screened at the time, and broadcasters should not be able to rely on the possibility of future broadcasts presenting an alternative perspective (*Right to Life NZ and TVNZ*, 2015-023).
- The need for broadcasters to take particular care in live or paid-for broadcasts, where third parties may say things that are unanticipated by the host. In one decision, the BSA highlighted the value of 'devil's advocate' questioning or broadcasting a follow-up segment when balance is needed where an interviewee advances a particular viewpoint (*Maasland & Others and RNZ*, 2014-118; and *Mitchell and Te Reo Irirangi O Te Arawa*, 2015-104).
- The importance of being mindful when preparing and scheduling promos for programmes. The Authority determined six complaints about the scheduling of promos containing sexual or violent content during programmes likely to be viewed by children or families, and half of these complaints were upheld (*Cripps and MediaWorks*, 2015-043; *McKenzie and MediaWorks*, 2015-055; and *Black and MediaWorks*, 2015-037).

## Decisions summary

	2015/16	2014/15	2013/14	2012/13	2011/12
<b>Decisions issued</b>	<b>101</b>	143	99	111	162
Television programmes	<b>70 (69%)</b>	98 (69%)	73 (74%)	78 (70%)	134 (83%)
Radio broadcasts	<b>31(31%)</b>	45 (31%)	26 (26%)	33 (30%)	28 (17%)
<b>Upheld (all or in part)</b>	<b>23 (23%)</b>	14 (10%)	12 (12%)	18 (16%)	17 (11%)
Television programmes	<b>16 (70%)</b>	8 (57%)	8 (67%)	12 (67%)	16 (94%)
Radio broadcasts	<b>7 (30%)</b>	6 (43%)	4 (33%)	6 (33%)	1 (6%)



## DECISIONS OF INTEREST

## Investigative journalism and the public interest

Freedom of expression, including the broadcaster's right to impart ideas and information and the public's right to receive that information, is the starting point in the BSA's consideration of complaints. The BSA may only uphold complaints where the limitation on the right is reasonable, prescribed by law and demonstrably justified in a free and democratic society. Freedom of expression may be limited where it has the effect of causing harm in society or to an individual. The level of public interest in a broadcast is particularly important in undertaking the assessment of whether the right should be limited. If the broadcast deals seriously with political issues or other topics that help us govern ourselves and hold our leaders accountable, or if it furthers our social, cultural and intellectual growth, it will carry a high level of public interest. The BSA's role in determining complaints is to try to take into account the public interest value and strike an appropriate balance between the right to freedom of expression and avoidance of harm. Below are four examples of cases demonstrating this balancing exercise (two upheld and two not upheld).

In the reporting period the BSA issued three significant decisions relating to current affairs programme *Campbell Live*. In both cases when assessing whether these items represented fair, accurate and balanced reporting, the Authority found that the broadcasts went just one step too far.

**Insurance Council of New Zealand and MediaWorks TV Ltd** (2014-146)

*Campbell Live* marked the fourth anniversary of the first Canterbury earthquake with a live broadcast from a Christchurch school hall in front of a live audience of local residents with unresolved insurance claims. The BSA recognised the high public interest in the broadcast and that *Campbell Live* played an important advocacy role following the earthquakes. The BSA nevertheless upheld the complaint that the broadcast breached the controversial issues and accuracy standards because the programme did not include the insurance industry's perspective and was misleading about the industry's willingness to participate in the programme. *Upheld: Controversial Issues, Accuracy. Order: Section 13(1)(a) – broadcast statement.*

**South Taranaki District Council and MediaWorks TV Ltd** (2014-149)

*Campbell Live* covered a story about a pit for raw milk waste in the town of Eltham in Taranaki that was allegedly making local residents ill. The South Taranaki District Council complained that the item was inaccurate and unfair. The BSA found that this was an important story which carried high public interest and that much of it was accurate and well-reported. Nevertheless, a number of statements conveying the gravity of the problem did not have a sufficient basis and were exaggerated, which was misleading and unfair. Accordingly, the Authority upheld some aspects of the complaint. *Upheld: Accuracy, Fairness. No Order.*

The third complaint related to hidden camera footage obtained on the property of the Gloriavale Christian

Community and was found not to have breached the BSA's privacy principles. Again, the Authority cited the high public interest in the issues raised in the programme, and therefore the value in attempting to obtain comment from those involved.

**Cave and MediaWorks TV Ltd** (2015-026)

An item on *Campbell Live* sought to investigate allegations of misconduct within Gloriavale Christian Community. A reporter and a cameraman visited Gloriavale and spoke to two senior members of the community. The Authority did not uphold a complaint that the broadcast breached these men's privacy. While the circumstances of the filming may have amounted to 'prying', the broadcast did not disclose any private information about the men in a manner that was highly offensive. *Not Upheld: Privacy.*

The Authority also considered a complaint about a 3D investigation into the cervical cancer vaccine Gardasil. The BSA considered that the item was an important piece of investigative journalism which looked into an aspect of New Zealand's public health system. It carried a high level of public interest and gave a platform for minority voices to be heard.

**Seqirus (NZ) Ltd and MediaWorks TV Ltd** (2016-015)

3D reported on the cervical cancer vaccine Gardasil, and the stories of several girls and their families who believed that they had suffered serious health problems after being vaccinated. It also reported on the as-yet-unexplained sudden deaths of two girls who had recently received the vaccine. The BSA did not uphold a complaint from the maker of Gardasil alleging that the programme misleadingly suggested that Gardasil was unsafe and thus deceived and disadvantaged the public when there was no evidential basis for doing so. The BSA found the story was well-reported, was measured in its presentation and gave viewers a range of information and perspectives about the vaccine, which enabled viewers to make up their own minds about the vaccine. *Not Upheld: Accuracy, Responsible Programming.*

## Privacy and fairness

Complaints alleging breaches of individuals' privacy, or unfair treatment of participants in broadcasts, continue to represent some of the most important and challenging areas of the BSA's work. The key issues considered by the BSA in this year's decisions included:

- what makes an individual 'identifiable' for the purposes of the privacy standard and whether this can include sources outside the broadcast
- when and where an individual has a reasonable expectation of privacy, including what is defined as a 'public place'
- whether programme participants' informed consent is required and what the conditions (including duration) of that consent should be
- what constitutes informed participation
- what constitutes a fair and reasonable opportunity to comment

- what are a broadcaster's obligations to ensure fair treatment where a programme segment is paid for by a third party
- what matters carry legitimate public interest.

These issues are discussed in the four decisions below, in which the complaints were upheld.

**NS and SKY Network Television Ltd** (2015-032)

A story on *60 Minutes* featured tragic driveway accidents involving children. Part of the story focused on the death of an 18-month-old boy, and the subsequent struggles of his mother. The mother also discussed her other son, S, and photos and footage were shown of him. The Authority upheld a complaint from S's father that the programmes breached S's privacy. S was identifiable by name and image. He was linked with details of his mother's historic drug addiction and prostitution, which constituted private facts, and this disclosure was highly offensive. In the circumstances, the broadcaster's primary concern ought to have been the best interests of the child, regardless of any consent obtained. The BSA recognised the value and public interest in the story but this was outweighed by the need to protect the child. *Upheld: Privacy. Order: Section 13(1)(d) – \$1,500 compensation for breach of privacy.*

**SW and Television New Zealand Ltd** (2015-030)

An episode of *Dog Squad* showed dog handlers with the Department of Corrections searching visitors to a prison. The episode showed two occasions of the complainant (SW) being searched; firstly, her bag was searched when she was driving onto prison premises, and secondly, a sniffer dog identified that she was carrying contraband (tobacco) inside the prison and she was shown surrendering this to Corrections staff. In both instances, her face was blurred. The BSA upheld SW's complaint that broadcasting the footage breached her privacy. She was identifiable despite her face being blurred (by clothing, body type, voice, location, etc), and the disclosure of private facts about her, including that she was taking prescription drugs, among other things, was highly offensive. SW did not give informed consent to the broadcast and the public interest message about prison protocol could have been communicated without identifying SW. *Upheld: Privacy. Order: Section 13(1)(d) – \$1,000 compensation for breach of privacy.*

**Wildman and MediaWorks TV Ltd** (2015-075)

An item on *Story* investigated an alleged issue within the Auckland property market. It was introduced: 'Some real estate agents are helping investors and traders... get the houses first [before auction]'. An actor approached different real estate agencies and asked agents to sell him properties for investment prior to auction and at a lower price, which the presenter claimed would be in breach of the industry code. One of the agents approached was filmed with a hidden camera apparently agreeing to sell a property prior to auction. The BSA upheld a complaint from the agent that she was treated unfairly. The broadcast was damaging to the agent and did not fairly represent her position, and the use of the hidden camera footage was, on balance, not justified by public interest considerations. *Upheld: Fairness.*

*Not Upheld: Privacy, Accuracy. Orders: Section 13(1)(a) – statement published online; section 16(1) – legal costs to the complainant \$1,000.*

**Mitchell and Te Reo Irirangi O Te Arawa** (2015-104)

The Pukeroa Oruawhata Trust pays for a regular broadcasting programme on Te Arawa FM, which enables the Trust to 'share its views on issues affecting the Trust with its beneficiaries'. The programme featured an interview with the Trust's deputy chairman, in which he made a number of negative comments about Te Komiti Nui o Ngāti Whakaue, Ngāti Whakaue Tribal Lands Incorporation (NWTLI) and its former chairman. The BSA upheld the complaint that the former chairman of NWTLI, the complainant, was treated unfairly. While the former chairman was not expressly named, listeners would have realised who was being spoken about, and he ought to have been given a fair opportunity to comment in response to the criticism of him. The BSA also upheld the complaint that the programme was unbalanced, as it contained a discussion of issues that were controversial and of public importance to Te Arawa's audience, but did not present any significant countering viewpoints to those expressed by the interviewee. *Upheld: Controversial Issues, Fairness; Not Upheld: Accuracy. No Order.*



## PLANET KEY PROCEEDINGS

While no BSA decisions were appealed in the reporting period, the BSA appeared as an intervenor in the Court of Appeal on 18 May 2016, in an appeal brought by the Electoral Commissioner (*Electoral Commission v Watson and Jones* CA239/2015).

The appeal related to 'Planet Key', a satirical protest song about John Key, and accompanying Monty Python-style animated music video, which was produced in the lead-up to the 2014 general election. At the time, the Electoral Commission stated its view that the song and music video amounted to an 'election programme', and that their broadcast would be unlawful. The artists, Mr Watson and Mr Jones, were concerned by the implications of that position and brought proceedings in the High Court seeking a declaratory judgment as to the meaning of 'electoral advertising' in the Electoral Act 1993 and 'electoral programme' in the Broadcasting Act 1989.

The BSA and the Electoral Commission have previously taken different views on the role of the Bill of Rights Act and the importance of freedom of expression in determining whether a programme is an election programme. It was for this reason that the BSA sought leave to appear as an intervenor in the proceedings. The issue raised in the appeal is an important one for the BSA and for the broadcasting industry (especially as the 2017 general election nears) and these proceedings presented an opportunity to seek some clarity from the Court. At the time of writing the Court's decision had just been released and is being considered.

In July 2016, the Minister of Justice announced that the Government would consider the recommendations by the Justice and Electoral Select Committees about election broadcasting, as part of the work on digital convergence and content regulation led by the Ministry for Culture and Heritage.



## COMPLAINANTS' SATISFACTION SURVEY

The provision of a complaints service to the New Zealand public is at the core of what we do. Providing a complaints service that is accessible, easy to use, fair and effective is a key measure of our success. It is important that we understand the experience of complainants and do what we can to improve the service year on year.

Accordingly, we assess and improve the quality of our complaints process through information provided in a survey of complainants. This year we received survey responses from 52 complainants who had received a decision from the BSA between 1 April 2015 and 31 March 2016. The results of the survey are summarised below.

- 52 complainants completed the survey (out of 111 who were invited to, representing a response rate of 47%).

- 40% of complainants who completed the survey agreed or strongly agreed that the BSA handled its part of the complaints process well, compared with 38% in 2014/15. There was a noticeable increase in the proportion of complainants who strongly agreed that the BSA handled the process well – from 3% to 13% this year.
- The outcome of a complaint still demonstrably affects respondents' perceptions of the process – those whose complaints were not upheld were more likely to disagree that the BSA handled its part of the complaints process well.
- Satisfaction with various aspects of the BSA's service and contact remained relatively high and is illustrated in the following infographic:

**74%** 

An average of 74% rated the written correspondence good or very good.

**85%** 

An average of 85% rated phone contact good or very good.

**75%** 

An average of 75% gave ratings of good or very good in relation to the website being easy to use/a valuable resource/clear and easy to understand.

In response to feedback provided by complainants, our areas of focus have been improving timeliness in determining complaints and increasing contact with complainants where it is reasonable to do so.



## LITMUS TESTING

In March 2016, we conducted litmus testing research into the public's attitudes to good taste and decency, with reference to five BSA decisions. Four focus group meetings were conducted in Ashburton, Wellington, Hamilton and Auckland, with 6-8 participants in each group (28 participants in total).

The objectives were to determine how well BSA decisions align with public opinion, whether the public can understand (and accept) the rationale for the BSA's decisions in relation to the good taste and decency standard, and to understand whether public attitudes to the concept of 'good taste and decency' have changed. In particular, we were interested in the level of concern among viewers around potentially sexist, racist or degrading content, compared with the types of content traditionally considered under the good taste and decency standard (sexual material, nudity, violence and coarse language).

The majority of participants either initially reached the same view as the BSA on the five decisions tested, or after reading a summary of the decisions were able to follow the BSA's rationale and agree with, or at least accept, the decisions made, when they considered the decisions in the context of the legal and other guidelines the Board operates within. An average of 89% of the participants ranked the decisions tested as acceptable, good or very good on a five-point scale – with an average of 68% ranking the decisions good or very good – in terms of how well the reasoning was understood and supported the outcomes.

Key themes in the research included:

- The findings suggested that some New Zealanders now have a higher tolerance of bad language and sexual content than in previous years. Participants believed this was strongly influenced by greater exposure to broad and diverse content through the internet.
- The findings also suggested that some New Zealanders have heightened sensitivity to material containing potentially sexist or racist content. Participants in the litmus testing were less accepting of content that appeared to denigrate or demean someone based on their race or gender.
- The context of the programme and the presenter was important. Many participants took into consideration the reputation or style of the programme or the presenter when evaluating the clips.
- If a programme or presenter was well known for being inflammatory or provocative, participants felt there was more flexibility in regards to the good taste and decency standard. The exception to this was if participants thought children might be inadvertently exposed to offensive content.
- An expectation of self-censorship – most participants did not feel that they would be inclined to complain on the grounds of good taste and decency, as they felt that self-censorship should prevail.



# OVERSIGHT OF THE BROADCASTING STANDARDS SYSTEM

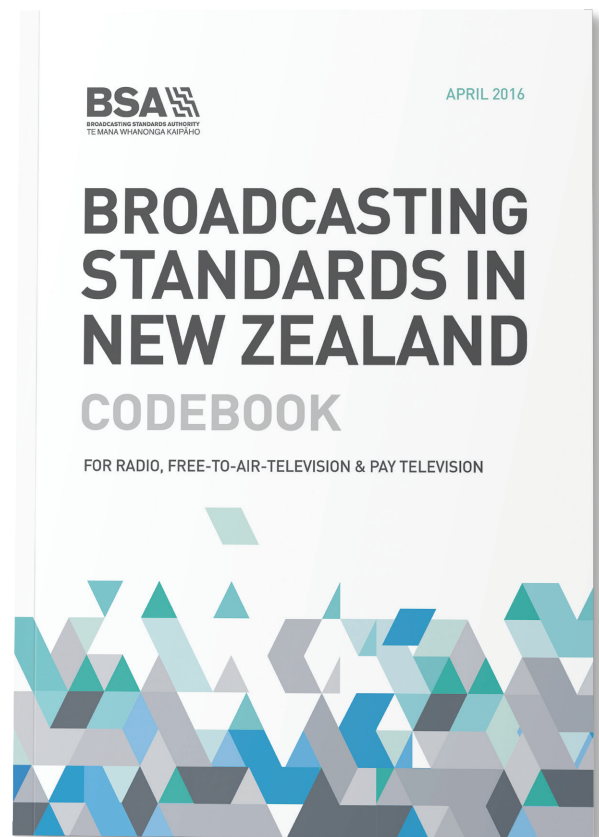
The implications of convergence and the future of content regulation continued to be a key focus through the year. Yet alongside this we continued to perform our services under our existing legislation. The highlight of the year was the launch of the new Codebook which is the product of the co-regulatory environment in which we operate. The review of the Codes enabled us, broadcasters and the public to review the standards and to ensure that they remain relevant to the radio and television broadcasting context.

Cognisant of potential change in the oversight of media content, we had a strong focus on ensuring that we delivered principled, impartial and robust decisions which reflect a pragmatic application of the standards. Equally important has been to ensure our decisions reflect current community expectations, attitudes and norms and that we use our past research of community views to inform these decisions. Throughout the year we had a high level of contact with a wide range of stakeholders as we progressed the code review and delivered our research and information services. A key aspect has been to assist complainants to understand the complaints process and to support broadcasters to comply with the standards and to participate in the complaints process.

## CODE REVIEWS: BROADCASTING STANDARDS IN NEW ZEALAND CODEBOOK 2016

In the reporting period, we completed the reviews of our three main codes of broadcasting practice. A new Codebook, containing updated codes of practice for Radio, Free-to-Air Television, and Pay Television, was released on 1 April 2016.

The review involved extensive engagement with broadcasters including a broadcaster working group, consideration of submissions from a wide range of stakeholders including members of the public, analysis of previous decisions, and research against the standards in the Codes.



The Codebook continues to reflect what is required under the Broadcasting Act 1989. However, it endeavours to approach the requirements of the Act in a way which is more helpful and meaningful in our rapidly evolving media landscape. Our objective in developing the Codebook was to provide a modern, principles-based and consistent set of codes that are as user-friendly and informative as possible. To this end, the three separate codes have been collated into one Codebook. The Codebook is designed to provide guidance to broadcasters about the standards they are expected to maintain and the factors the BSA takes into account when applying them, as well as to provide guidance to the public about what they can expect from broadcasters and what they can complain about.



## Collaborative effort

We consider the Codebook represents the outcome of a constructive partnership between broadcasters and the BSA, reflecting our co-regulatory approach to maintaining broadcasting standards in New Zealand. The Codebook is the result of over two years of consultation and collaboration with broadcasters, whose expertise and practical knowledge of the industry was invaluable in developing codes that are workable and fit for purpose.

Our broadcasting standards system must also reflect the values and attitudes of New Zealand's diverse society. As well as consulting with broadcasters, we undertook public consultation on the draft Codebook as developed by the industry and BSA. We received 21 submissions from a variety of individuals and organisations which we drew on in the final version of the Codebook.

## Flexibility, consistency and transparency

The new Codebook does not represent a significant departure from the previous codes of broadcasting practice. Rather, changes have been made to better reflect the Authority's approach to the main principles underlying the standards, which remain the same. A principles-based approach allows the codes to be flexible enough to apply to a wide variety of situations, as well as to adapt to any future regulatory change.

In a world where traditionally separate broadcasting platforms are converging, a principles-based approach to the codes also enables us to treat each platform in a more consistent manner. The wording and objective of each standard is now largely the same across all three codes, with any differences in the application of the standard outlined in the guidelines.

The Codebook also contains a more comprehensive explanation of the considerations the Authority takes into account when assessing complaints under the relevant standards. This provides further guidance and information to broadcasters and the public and also increases transparency around the Authority's determinations. New material in the Codebook includes an introductory section which sets the scene and explains the environment in which the BSA operates, additional guidelines (which inform the interpretation of each standard), commentary on the application of the standards, and guidance sections on the complaints process and specific aspects of the BSA's work.



## BROADCASTERS' SATISFACTION SURVEY

In order to assess our effectiveness in the co-regulatory environment and to identify areas for improvement, we undertake an annual survey of broadcasters who have been engaged in the complaints process during the year. Through the survey, we gain an understanding of broadcasters' satisfaction with the quality of the BSA's processes and services and are able to assess the BSA's working relationship with broadcasters. The outcomes of the survey assist the BSA to measure its effectiveness and to identify any areas for improvement. An executive summary of the findings was published on our website in September 2016.

In response to the feedback provided our primary areas of focus have been improving timeliness in dealing with complaints by communicating and working to clear timelines, and enhancing the functionality of our website.



100%

of broadcasters surveyed rated their working relationships with the BSA as good or very good on a five-point scale (with 60% very good).



100%

of the broadcasters surveyed rated all aspects of their contact with BSA staff as very good.



80%

rated the BSA processes as good or very good, and the remaining 20% neither good nor bad.



# INFORMATION AND COMMUNICATION

Effective communication and information on broadcasting standards processes and issues help New Zealanders understand their broadcasting environment. 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. It is critical that in the current changing digital environment we ensure that the public and our stakeholders are clear about the role that we play in the content regulation framework and that they can see the impact we have and the difference we make.

Our website is our key interface with the public. It is vital that it is accessible and user-friendly, that the content is clear and accurate, and that decisions are easily searchable. Over the last two years, our website has been ranked 1st out of over 100 websites assessed by e-Gov Watch. Notwithstanding this, over the last year we have continued to critically assess and improve our website to ensure that our information is accessible, usable and up to date.

As part of the launch of our Codebook we undertook a wide-ranging outreach programme to ensure that our broadcasters, stakeholders, and the public were aware of the release. The Codebook has been distributed to over 250 entities and individuals and is available on our website. A Te Reo translation has also been released and guides to the complaints process are being prepared in a range of languages and will shortly be available on our website. We have commenced a series of workshops with broadcasters and stakeholders to bring the new Codebook to life and to enable a strong understanding of it.

Our decisions are our primary communication tool for providing guidance to broadcasters and the public on the application of standards. We publish all of our decisions on our website and issue press releases for those decisions that have high public interest or educational value. This year we managed our media function in-house and issued 16 press releases. Our monthly BSA Bulletin contains links to our recent decisions.

In August 2015 we opened a Twitter account as a channel of communication. The number of followers is increasing.

In addition to dealing with complaints, we field a variety of enquiries on a range of issues related to the media and broadcasting sector. Where we are unable to assist we direct those who contact us to the right port of call. This year we fielded 880 enquiries.



# OPERATIONS

## OPERATIONAL OVERVIEW

Ensuring that we operate efficiently and cost-effectively is critical to our overall organisational performance. We are a small agency and strive to operate effectively using our limited financial and people resources. This year we have again delivered our services within budget, despite some changes in personnel and our large code review work plan.

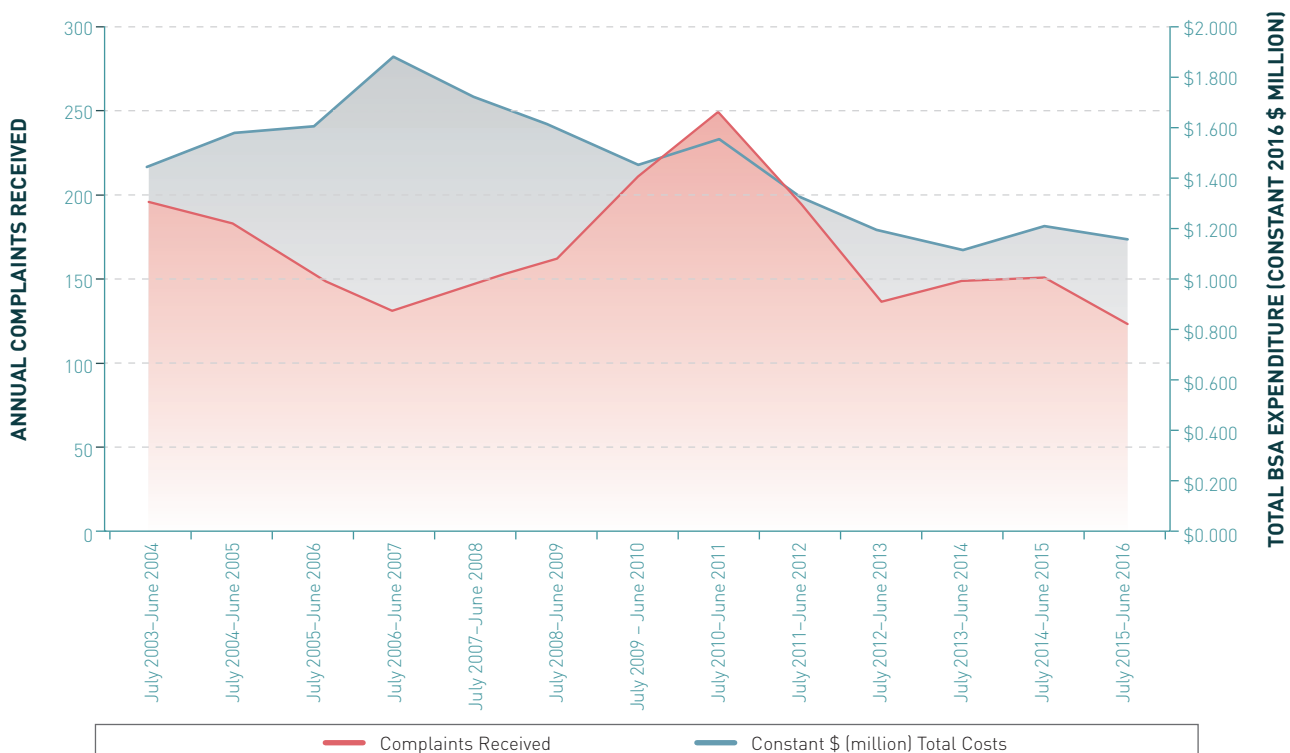
The arrangements we have for sharing financial services, reception duties, and offices with NZ On Air have continued to work extremely well.

The graph below shows that costs are relatively steady. In the current tight fiscal environment, and given the expectations of the public sector, we continue to focus on reducing costs and increasing efficiency while carrying out our statutory duties. Our costs are not directly correlated with the number of complaints we receive as complex

complaints and other core functions relating to oversight of the broadcasting standards system, research and provision of information also consume our resources. We are continuing to receive more complex and challenging complaints raising significant local and international issues, which require more time and resource to assess than in the past. In addition, this year our code review project demanded considerable work from our board and staff. Notwithstanding this, we have delivered our functions within budget and with a surplus.

We continue to hold relatively high reserves compared to our budget. This is the result of variable levy returns and careful cost management across our operations. This puts us in a healthy financial position to take on the wider scope indicated by the Government's recent announcement on the convergence reforms. Notwithstanding this, we are actively monitoring the level of our reserves and have again returned \$203,000 to the Crown in this financial year.

Fig.3 Overall Performance and Cost Analysis



## ORGANISATIONAL HEALTH AND CAPABILITY

We are committed to being a good employer and promote equal employment opportunities (EEO) to ensure that our approach to people capability is in line with these obligations. Our EEO policy underpins the positive and collaborative environment that we foster to ensure that we support fair and flexible policies that enable individual needs and circumstances to be acknowledged. We encourage staff involvement in all EEO matters and we review our policies and procedures annually to look for any enhancements or improvements that can be made. Our staff are involved in that review.

Our people who bring specialist expertise to our operations are critical to our success. While we have seen a change in some of our staff this year, we continue to attract and retain capable staff by providing training and development opportunities and support, and ensuring that the BSA is a great place to work. We foster a collaborative culture that values the input of all of our staff. Our Board and staff work constructively together with a clear appreciation of governance and management distinctions.

In terms of workplace profile, the BSA has a small number of staff based at its Wellington office, with most staff working full time. Over the 2015-2016 year, our staff was predominantly women. Most (but not all) staff were relatively new to the organisation, with a majority having been with the BSA for less than three years. While there have been some changes to our staff this year, as noted above, we continue to attract talented people who see our organisation as a great place to work.

Over the past year, the Board comprised a small but diverse group of individuals.

Each year we set ourselves goals to enhance our capability and provide us with ongoing targets to meet. Our main focus is to develop talent, integrate work practices that promote or enhance work/life balance amongst our employees and encourage professional development and a wide range of experiences within the scope of our activities.

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 and are accountable for outputs relevant to their areas. Staff are encouraged to devise and manage own solutions	None	Feedback, coaching and mentoring is given to staff in regular meetings
Recruitment, selection and induction	All permanent staff vacancies are advertised. Focus is on the best range of skills for each position	Retention of staff and diversity in small specialised organisations can be an issue	Transition plans, induction training and development plans regularly reviewed
Employment development, promotion and exit	Annual appraisal reviews and professional development undertaken	None	Completed
Flexibility and work design	Flexible work practices and use of annual leave is encouraged – focus is on work/life balance	None	Discussed with individuals
Remuneration, recognition and conditions	Equitable gender-neutral remuneration is in place. Staff are rewarded and recognised for their contribution, skill and expertise	None	No action required
Harassment and bullying prevention	Zero tolerance policy	None	No action required
Safe and healthy environment	Proactive health and safety approach. Health and safety processes have been updated in line with the new Health and Safety at Work legislation	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"> <li>Continue to share facilities and one front-of-house staff member with NZ On Air</li> <li>Receive back-office financial services and associated professional advice from NZ On Air</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> <li>Achieved</li> </ul>
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"> <li>Each staff member has an annual assessment of individual training needs and professional development plan</li> <li>Board members undertake an annual self-assessment around the exercise of their quasi-judicial powers and governance</li> <li>We conduct staff engagement surveys annually; results to be in the top quartile of the cultural sector</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> <li>Achieved</li> <li>Achieved</li> </ul>
3. Our infrastructure is fit for purpose	<ul style="list-style-type: none"> <li>Our complaints data management system is reviewed and improved to better reflect the current working environment</li> <li>Our hard copy and electronic file structure reflects the current working environment</li> </ul>	<ul style="list-style-type: none"> <li>Achieved – new complaints management system (Compass) has been in place for two years</li> <li>A review of our file structure and compliance with the new information management standards issued by Archives NZ is underway</li> </ul>
4. Our office environment and equipment are safe and well maintained	<ul style="list-style-type: none"> <li>Safety hazards reported are attended to promptly and significant hazards are attended to immediately</li> <li>Zero tolerance of harassment, bullying and discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> <li>Achieved</li> </ul>
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"> <li>EEO principles are included in all relevant documents and practices</li> </ul>	<ul style="list-style-type: none"> <li>Achieved</li> </ul>

## MINISTERIAL DIRECTION RECEIVED AND PROGRESS REPORT

As required by section 151(f) of the Crown Entities Act 2004, we report that on 30 May 2016 we received a Ministerial Direction under section 107 of the Crown Entities Act 2004 from the Ministers of Finance and State Services. This is a Direction to support a whole-of-government approach and sets out requirements for agencies to implement the New Zealand Business Number (NZBN). The NZBN has been created to enable improved electronic delivery of services.

As a Tier 3 entity under the Ministerial Direction, the BSA must have regard to six of the requirements and give effect to four requirements.

### Progress

We are implementing the requirements of the Direction where necessary. Since receiving the Direction, there have been no system changes. As system changes are planned, the requirements of the Direction will be implemented where possible.

# PART THREE

## ACCOUNTABILITY STATEMENTS



# BROADCASTING STANDARDS AUTHORITY STATEMENT OF RESPONSIBILITY

**FOR THE YEAR ENDED 30 JUNE 2016**

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.

Pursuant to section 19A of the Public Finance Act 1989, the Board accepts responsibility for any end-of-year performance information provided by the BSA.

In the opinion of the Board, the Financial Statements and Statement of Service Performance for the year ended 30 June 2016 fairly reflect the financial position and operations of the BSA.

**Peter Radich**

Chair

21 October 2016

**Leigh Pearson**

Member

21 October 2016

# STATEMENT OF SERVICE PERFORMANCE

## FOR THE YEAR ENDED 30 JUNE 2016

The statements in this section provide the detailed results of our outputs against targets, budgets and performance measures for the year ended 30 June 2016 as set out in our Statement of Performance Expectations for the year ended 30 June 2016 and the longer-term goals set out in our Statement of Intent for the period 2014–2018.

	SPE INCOME \$	ACTUAL INCOME \$	SPE EXPENDITURE \$	ACTUAL EXPENDITURE \$
Complaints determination	915,850	1,015,061	877,500	681,266
Oversight of broadcasting standards system	211,350	234,245	202,500	189,042
Information and communication	281,800	312,327	270,000	286,347
<b>TOTAL</b>	<b>1,409,000</b>	<b>1,561,633</b>	<b>1,350,000</b>	<b>1,156,655</b>

## OUTCOMES AND IMPACTS

As described in our Strategic Framework, the three outputs articulated in the chart above work together and all contribute to the overarching goal 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.

We aim to contribute and influence this goal by:

- reducing unjustified complaints from members of the public
- increasing compliance with standards by broadcasters.

We have identified three 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	389,752	453,850
Direct Operating	32,546	125,000
Overhead	258,968	298,650
	<b>681,266</b>	<b>877,500</b>
<b>% OF TOTAL BUDGET</b>	<b>58.90%</b>	<b>65%</b>

OVERSIGHT AND DEVELOPMENT OF BROADCASTING STANDARDS SYSTEM		
Personnel	71,263	81,950
Direct Operating	79,127	80,000
Overhead	38,652	40,550
	<b>189,042</b>	<b>202,500</b>
<b>% OF TOTAL BUDGET</b>	<b>16.34%</b>	<b>15%</b>

INFORMATION AND COMMUNICATION		
Personnel	85,283	105,200
Direct Operating	112,165	90,000
Overhead	88,899	74,800
	<b>286,347</b>	<b>270,000</b>
<b>% OF TOTAL BUDGET</b>	<b>24.76%</b>	<b>20%</b>



# OUTPUT: COMPLAINTS DETERMINATION

## DESCRIPTION

Complaints determination is our core activity. It is supported by and linked to the other two activities we deliver, and each is an integral part of the broadcasting standards system.

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 undertook litmus testing of our decisions relating to the good taste and decency 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. Overarching this was our ongoing consultation on the new Codebook. That consultation enabled us to obtain feedback on the guidelines to the standards and the approach that we take when applying the standards. We incorporated that feedback into the review which resulted in some changes to the guidelines for the standards and the structure of the Codebook.

COST	ACTUAL 2015/16	BUDGET 2015/16	ACTUAL 2014/15	ACTUAL 2013/14
TOTAL COST	681,266	877,500	748,865	698,638
% OF TOTAL COST	58.90%	65%	63.1%	65.7%

KEY DELIVERABLES	PERFORMANCE MEASURES	ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
Receive complaints	Quantity Formal complaints received and processed	124	Less than 150	151	149
Issue decisions	Issue decisions for all complaints that are within our jurisdiction in accordance with the Broadcasting Act 1989	100%	100%	100%	100%



KEY DELIVERABLES	PERFORMANCE MEASURES	ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
<b>Quantity</b>					
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 summaries of the research into complainants' satisfaction with the complaints processes and system	One full report for the full 2015/16 year provided by survey company in June 2016 was analysed and appropriate improvements are being made  Decision was made not to receive a December summary report due to the small sample size available at the time	2 reports provided by survey company to BSA are analysed and appropriate improvements made	2 reports provided by survey company to BSA; the results were analysed and appropriate improvements were made where appropriate	2 reports provided by survey company to BSA; the results were analysed and appropriate improvements were made where appropriate
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	Focus groups litmus tested 5 decisions on good taste and decency. Research was published on our website on 15 July 2016	Litmus test 5 decisions	Focus groups litmus tested 5 decisions on the accuracy standard (the distinction between fact and opinion). Research was published on our website in June 2015	Focus groups litmus tested 5 decisions on the discrimination and denigration standard. Research was published on our website in May 2014
<b>Timeliness</b>					
Acknowledgment of complaints in a timely manner	Complaints acknowledged in writing within 3 working days	97% – 4 out of 124 complaints required follow-up with the broadcaster before being accepted (3 of the 4 were lodged simultaneously by one complainant and raised the same issue)	100%	94% – 9 out of 151 complaints received acknowledged outside period – due to staff absence, or follow-up with broadcasters before being accepted	97% – 2 complaints took 4 days to action, and 2 required follow-up with broadcasters before being accepted
Decisions issued in a timely manner	Decisions issued within 20 working days of the board meeting at which final decision is made	97% (98 out of 101 decisions) – 2 decisions took 22 days and 1 decision took 23 days, due to ongoing deliberation and drafting discussions among board	90% (92% target revised slightly downward. This reflects that BSA is appropriately now spending more time on complex decisions)	92% (132 out of 143 decisions) – 5 decisions took between 21 and 25 days due to complexity in drafting of decisions; 5 had a planned delay due to Chair's absence; 1 delayed to avoid predetermination of related complaint	75% (74 out of 99 decisions) – 10 decisions delayed due to 21 July earthquake; 1 decision delayed at complainant's request pending Ombudsman and Privacy Commission decisions; 4 decisions delayed due to complexity in drafting of decisions; 10 decisions had planned delay of 3 days due to absence of key legal staff

KEY DELIVERABLES		PERFORMANCE MEASURES	ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
		Quality				
Decisions soundly reasoned	External assessment conducted to assess whether BSA reasoning, processes and/or interpretation of a standard are appropriate and reasonable	An external assessment was not undertaken, instead feedback on BSA interpretation and approach was provided by external stakeholders and taken into account in the Code review process	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	An external review of 10 BSA balance decisions was conducted in April and published on the BSA website in June. The report concluded that all 10 of the decisions reviewed reached the correct outcome and were comparable with the approach of overseas jurisdictions. It found the BSA's interpretation of the balance standard and the general approach taken in the Codes and decisions, while liberal, are correct. The report also contained useful suggestions and recommendations which were applied in decision-making where appropriate	An external review of 11 BSA privacy decisions was conducted in May, completed at the end of June and published on the BSA website. The report noted the reviewed decisions were all correctly decided in terms of substantive privacy law, that the Authority was consistent in its approach, and that the decisions were clearly written and easy to follow. The report also contained useful suggestions and recommendations. Improvements were made where appropriate	
	Decisions overturned by the High Court are analysed to enable improvements to BSA's reasoning and process	No appeal decisions issued since 2012 and no new appeals lodged in this financial year	Direction or advice provided by the High Court in any appeal are analysed and applied in subsequent decisions as appropriate. Target to refer to appeals in 8 decisions removed as it is no longer appropriate. There are no appeals in progress and there have been no appeal decisions since 2012	High Court decisions referenced in 6 BSA decisions. No appeal judgments issued since early 2012, and existing judgments not directly relevant to most complaints considered in period	High Court decisions referenced in 3 BSA decisions. Target of 10 references no longer appropriate given fewer appeal judgments (none issued since early 2012), existing judgments not directly relevant to most complaints considered in period, and fewer decisions	



KEY DELIVERABLES	PERFORMANCE MEASURES	ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
<b>Quality</b>					
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	An average of 89% of the participants ranked the decisions on good taste and decency as acceptable, good or very good on a 5-point scale (an average of 68% ranked this selection of decisions as good or very good) in terms of how well the reasoning is understood by the public and supports the outcomes	75% or more rank decisions as acceptable, good or very good on a 5-point scale in terms of how well the reasoning is understood by the public and supports the outcomes	An average of 92% of the participants ranked the decisions as acceptable, good or very good on a 5-point scale (an average of 80% ranked this selection of decisions as good or very good) in terms of how well the reasoning is understood by the public and supports the outcomes	An average of 89% of the participants ranked the decisions as acceptable, good or very good on a 5-point scale (an average of 68% ranked this selection of decisions as good or very good) in terms of how well the reasoning is understood by the public and supports the outcomes
	Decisions reference findings from research into community standards and/or litmus testing	References to research on community standards and/or litmus testing included in 6 decisions	5 decisions reference research on community standards and/or litmus testing	References to research/ litmus testing included in 5 decisions	References to research/ litmus testing included in 2 decisions – fewer decisions and different subject matter of complaints have contributed to a low number of references
High-quality service provided to complainants	Complainants rate individual aspects of their interaction with BSA positively in twice-yearly reports on complainants' satisfaction	An average of 74% of complainants who responded to the survey agreed or strongly agreed with positive statements about the BSA's written correspondence, and an average of 85% with positive statements regarding telephone contact (though only 17% of those surveyed had contact by phone) 89% of those who had phone contact agreed or strongly agreed that the BSA staff were friendly and professional	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	An average of 71% of complainants who responded to the survey agreed or strongly agreed with positive statements about written correspondence, an average of 64% with positive statements regarding telephone contact (though only 20% of those surveyed had contact by phone), and 73% regarding BSA's professionalism. It is likely these numbers are a reflection of complainants' dissatisfaction with the outcome of their BSA complaint – as only 8% of complainants surveyed had their complaints upheld (compared with 24% in the 2013/14 survey)	An average of 80% of complainants who responded to the survey agreed or strongly agreed with positive statements about written correspondence, an average of 94% with positive statements regarding telephone contact, and 100% agreed with positive statements about BSA's professionalism

# OUTPUT: OVERSIGHT AND DEVELOPMENT OF THE 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, undertaking research and issuing practice notes.

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 on complaints. Research will also be undertaken to inform any potential future regulatory system.

Codes of Broadcasting Practice underpin the complaints system. In April 2016 we launched the new *Broadcasting Standards in New Zealand Codebook* which we have developed in conjunction with broadcasters. This covers the standards for Radio, Free-to-Air Television and Pay Television. The Codebook is a user-friendly, principles-based codebook that allows for the range of different platforms and includes the different codes.

COST	ACTUAL 2015/16	BUDGET 2015/16	ACTUAL 2014/15	ACTUAL 2013/14
TOTAL COST	189,042	202,500	196,321	147,575
% OF TOTAL COST	16.34%	15%	16.5%	13.8%

KEY DELIVERABLES	PERFORMANCE MEASURES	ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
Quantity and timeliness					
Regular interactions with broadcasters to monitor and improve complaint handling systems, and to consult with, and agree areas of cooperation	Meetings held regularly	At least 3 meetings with each of TVNZ, MediaWorks, SKY, NZME, 1 with RNZ, 2 with Māori TV, being the main broadcasters, were held. 9 meetings were held with other broadcasters. In addition, staff had numerous interactions with various broadcasters in relation to complaints	3 meetings with each of the main broadcasters or with groups of their representatives and 10 meetings with other broadcasters (this target has been supplemented to reflect BSA's work with broadcasters who are not main broadcasters)	At least 3 meetings with each of the main broadcasters or with groups of their representatives (and four meetings with broadcasters who are not main broadcasters)	At least 3 face-to-face meetings with each of the major broadcasters or with groups of their representatives took place in the year supporting ongoing open telephone communication on mutual issues



KEY DELIVERABLES		PERFORMANCE MEASURES		ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
		Quantity and timeliness					
Issue practice guidance on standards issues or process matters		Practice guidance consulted on with broadcasters and issued		Guidance on standards issues and process matters incorporated into the code reviews and reflected in the new Codebook	Guidance on standards issues and process matters will be incorporated into the code reviews rather than issued piecemeal	Guidance on standards issues and process matters has been incorporated into the code reviews rather than issued piecemeal	Guidance on standards issues and process matters is being incorporated into the code reviews rather than issued piecemeal
Continue process to modernise and review Radio, Free-to-Air TV and Pay TV Codes		Review and modernise codes in conjunction with broadcasters and after public consultation		New Codebook gazetted and published on 1 April 2016	New codes gazetted and Codebook published	Process of consultation with broadcasters on code reviews complete, with public consultation on draft codes launched 20 July 2015	Process of consultation underway with broadcasters on form of modernised codes. First draft of Codebook developed. Revised approach agreed
Commission research that analyses or examines the relevant application of a standard, or an aspect of broadcasting, and/or informs any future regulatory system		Commission and publish research in one of these areas		Code review process incorporated analysis and examination of the application of standards and views provided by broadcasters and external stakeholders  In light of substantial work undertaken in code review process, research activity was deferred. A research project has been commenced and will be reported in 2017	At least one piece of research or analysis produced by June 2016	Research on children's media use commissioned with NZ On Air and published in March. This updates previous research and helps provide useful longitudinal data	We undertook an examination and commissioned legal analysis of the application of the Bill of Rights to the definition of 'election programme' and have received 2 opinions on the issue. Publication was delayed pending the election
		Commission research on attitudes to acceptability of swear words in broadcasting, with diverse participants		Research deferred due to changed priorities for the Authority's research programme	Research completed and published by June 2016 (every two years – next scheduled for 2017/18)	N/A – new measure in 2015/16	N/A – not a measure this year
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		Audit complete and 100% of non-compliant broadcasters notified and guidance provided within a month of completed audit	Audit completed and 100% of non-compliant broadcasters notified within a month of the completed audit	N/A (every two years)	Audit completed and 100% of non-compliant broadcasters notified within a month of completed audit

KEY DELIVERABLES	PERFORMANCE MEASURES	ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
<b>Quantity and timeliness</b>					
Commission survey measuring percentage of New Zealanders aware of the BSA and aware they can make a formal complaint	Survey complete and analysed in Annual Report against benchmark set in 2010	N/A (every two years)	N/A (every two years)	Survey completed November-December 2014 and analysed against benchmark. The survey shows 81% of New Zealanders are aware of the BSA and 79% are aware they can make a formal complaint	
<b>Quality</b>					
Survey broadcasters to assess satisfaction with the quality of the BSA processes, services and working relationships	Broadcasters rate BSA processes and working relationships as good or better and identify any issues	100% of broadcasters surveyed rate the BSA working relationships as good or very good on a 5-point scale (with 60% very good)  80% rated the BSA processes as good or very good, and the remaining 20% neither good nor bad	80% or more of broadcasters surveyed rank BSA processes and working relationships as good or very good on a 5-point scale  88% also rated the BSA processes as neither good nor bad, good or very good (with 63% good or very good)	88% of broadcasters surveyed rate the BSA working relationships as good or very good on a 5-point scale  88% also rated the BSA processes as neither good nor bad, good or very good (with 63% good or very good)	88% of broadcasters surveyed rate the BSA working relationships as good or very good on a 5-point scale  88% also rated the BSA processes as neither good nor bad, good or very good (with 63% good or very good)
Any issues identified considered by board, and appropriate changes made and recorded or raised with broadcasters		Report has been analysed and issues identified are: to continue to improve timeliness in dealing with complaints by communicating and working to clear timelines, and to enhance the functionality of our website. These will be discussed with broadcasters and actioned appropriately	100% of issues discussed with broadcasters and resolved to satisfaction of both broadcasters and BSA or explanation provided by BSA	Reports have been analysed and raised no issues not already under consideration or outside BSA control	Reports have been analysed and raised no issues not already under consideration or outside BSA control
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	Research adds value for policy-makers, broadcasters, and BSA in developing and assessing standards and aspects of any future regulatory scheme	Code review process incorporated analysis and examination of the application of standards and views provided by broadcasters and external stakeholders  In light of substantial work undertaken in code review process, research activity was deferred. A research project has been commenced and will be reported in 2017	Feedback is received (and recorded) from at least three key stakeholders that the research is valuable	Feedback received (and recorded) from 5 broadcasters as part of satisfaction survey that the children's media use research is valuable (with 100% of those 5 rating it as 'somewhat valuable' or 'valuable')	Feedback from the opinions/analysis of 'electoral programme' put on hold pending further policy work on interpretation

# 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. We constantly review and enhance it to ensure it is accessible and user-friendly, that the content is clear and accurate, and decisions are easily searchable.

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

COST	ACTUAL 2015/16	BUDGET 2015/16	ACTUAL 2014/15	ACTUAL 2013/14
TOTAL COST	286,347	270,000	242,273	217,604
% OF TOTAL COST	24.76%	20%	20.4%	20.5%



KEY DELIVERABLES	PERFORMANCE MEASURES	ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
<b>Quantity and timeliness</b>					
Assessment of website shows it is easy to use with clear content and high accessibility	<p>Assessment of website against other government websites undertaken and shows website:</p> <ul style="list-style-type: none"> <li>• is easy to use, clear in content and high in accessibility</li> <li>• ranks in the top 10 websites assessed against usability, clarity and accessibility criteria</li> </ul> <p>Measures for 2014/15 have been combined – new measure incorporates both targets</p>	Assessment deferred given no substantial changes to the website since the last review, following which recommended enhancements were implemented	<p>Assessment by e-Gov Watch of website undertaken by June 2016 with recommendations analysed and where appropriate implemented, and results showing website ranks in the top 10 websites assessed against usability, clarity and accessibility criteria</p> <p>Measures for 2014/15 have been combined this year – new measure incorporates both targets</p>	<p>Assessment of website undertaken and website ranking remains 1st out of over 160 sites assessed. Platform has been upgraded and made more responsive, and other recommendations have been analysed and where appropriate, implemented</p> <p>Assessment of website by e-Govt watch against other government websites shows it ranks in the top 10 websites assessed against usability, clarity and accessibility criteria – new measure</p>	Initial assessment by e-Gov Watch in June 2013 had given our website an All of Government rank of 3rd of all websites surveyed in June 2013 (out of 108). After analysis and improvements it was reassessed in November 2013 as 1 <sup>st</sup> out of 110 sites assessed
Visitors to website indicate that they can find the information that they need	Visitors to website indicate that they can find the information that they need	<p>52% (356 out of 684) said 'yes' they had found what they needed. However, the overall response rate represents only 0.006% of total visits (120,966) to BSA web pages in this financial year</p> <p>For those who said they could not find what they needed and submitted feedback, the feedback has been analysed and improvements made where appropriate</p>	80% of those that complete an online website question say that they have found what they need	54% (407 out of 753) of respondents said they had found what they needed – however, results are skewed because 83% of responses saying they could not find what they needed were spam. This fault has now been fixed	Not a measure in 2013/14
Decisions published on BSA website	Decisions published on website within 10 working days of signoff by Chair	100%	100%	100%	100%
Production of newsletter to keep stakeholders informed	Newsletters published	9	9	8. One less newsletter published due to transition to new format	9



KEY DELIVERABLES	PERFORMANCE MEASURES	ACTUAL 2015/16	TARGET 2015/16	2014/15	2013/14
<b>Quantity and timeliness</b>					
Strategic media releases	Decisions of high public interest or particular educational interest communicated by way of a media release	Releases for 13 decisions issued along with 2 releases relating to the new Codebook	Releases for at least 15 decisions issued before 30 June 2016	14. One less media release due to delayed decision (complex case)	12. The reduced number of decisions issued this year resulted in a lower number of decisions suitable for profiling in a media release. Decisions of note also included a number of privacy decisions which were unsuitable for further publicity
<b>Quality</b>					
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 the value and clarity of the BSA website as good or very good on a 5-point scale	Between 73% and 78% of complainants surveyed rated the value, ease of use and clarity of the website as good or very good on a 5-point scale  Between 67% and 100% (average of 83%) of broadcasters surveyed rated the value, ease of use and clarity of the 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 68% and 71% of complainants surveyed rated the value, ease of use and clarity of the website as good or very good on a 5-point scale  Between 67% and 100% (average of 83%) of broadcasters surveyed rated the value, ease of use and clarity of the website as good or very good on a 5-point scale	85% of complainants surveyed rated the value, ease of use and clarity of the website as good or very good on a 5-point scale  Between 63% and 88% (average of 78%) of broadcasters surveyed rated the value, ease of use and clarity of the website as good or very good on a 5-point scale

# FINANCIAL STATEMENTS



# BROADCASTING STANDARDS AUTHORITY STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 ACTUAL \$	2016 BUDGET \$	2015 ACTUAL \$
<b>Revenue</b>				
Revenue from the Crown	2	609,000	609,000	609,000
Broadcasting levies		884,503	760,000	858,891
Interest income		68,130	40,000	82,694
<b>Total Revenue</b>		<b>1,561,633</b>	<b>1,409,000</b>	<b>1,550,585</b>
<b>Less Expenditure</b>				
Personnel costs	3	582,949	680,000	575,167
Other expenses	4	519,475	615,000	542,187
Depreciation and amortisation	8 & 9	54,231	55,000	70,105
<b>Total Expenditure</b>		<b>1,156,655</b>	<b>1,350,000</b>	<b>1,187,459</b>
<b>SURPLUS</b>		<b>404,978</b>	<b>59,000</b>	<b>363,126</b>

Explanations of major variances against budgets are provided in Note 16.

The accompanying notes form part of these financial statements.

# BROADCASTING STANDARDS AUTHORITY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

	2016 ACTUAL \$	2016 BUDGET \$	2015 ACTUAL \$
Public equity as at 1 July	1,715,783	1,561,657	1,555,657
Return of Equity to the Crown	(203,000)	(203,000)	(203,000)
Surplus for the year ended 30 June	404,978	59,000	363,126
<b>PUBLIC EQUITY AS AT 30 JUNE</b>	<b>1,917,761</b>	<b>1,417,657</b>	<b>1,715,783</b>

*Explanations of major variances against budgets are provided in Note 16.*

*The accompanying notes form part of these financial statements.*



# BROADCASTING STANDARDS AUTHORITY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

	NOTE	2016 ACTUAL \$	2016 BUDGET \$	2015 ACTUAL \$
<b>Assets</b>				
Bank accounts and cash	5	191,636	66,157	146,445
Investments	6	1,750,000	1,340,000	1,500,000
Debtors and prepayments	7	29,809	7,500	18,674
Net GST		16,991	18,000	7,341
		1,988,436	1,431,657	1,672,460
Property, plant and equipment	8	74,186	95,000	118,116
Intangible assets	9	6,581	11,000	14,220
		80,767	106,000	132,336
<b>Total Assets</b>		<b>2,069,203</b>	<b>1,537,657</b>	<b>1,804,796</b>
<b>Less Liabilities</b>				
Creditors and accrued expenses	10	120,206	80,000	54,926
Employee entitlements	11	31,236	40,000	34,087
		151,442	120,000	89,013
<b>Assets less Liabilities</b>		<b>1,917,761</b>	<b>1,417,657</b>	<b>1,715,783</b>
<b>REPRESENTED BY PUBLIC EQUITY</b>		<b>1,917,761</b>	<b>1,417,657</b>	<b>1,715,783</b>

Explanations of major variances against budgets are provided in Note 16.

The accompanying notes form part of these financial statements.

# BROADCASTING STANDARDS AUTHORITY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	NOTE	2016 ACTUAL \$	2016 BUDGET \$	2015 ACTUAL \$
<b>Cash Flows from Operating Activities</b>				
Revenue from the Crown		609,000	609,000	609,000
Broadcasting levies		883,858	760,000	858,891
Interest received		66,722	40,000	76,973
GST (net)		(155,361)	-	(131,710)
Payments to employees & members		(585,674)	(680,000)	(592,096)
Payments to suppliers & other operating expenses		(317,692)	(625,000)	(424,299)
<b>Net Cash Flow from Operating Activities</b>		<b>500,853</b>	<b>104,000</b>	<b>396,759</b>
<b>Cash Flows from Investing Activities</b>				
Purchase of property, plant and equipment		(2,662)	(24,000)	(5,639)
Receipts from sale of investments		-	110,000	3,800,000
Acquisition of investments		(250,000)	-	(4,150,000)
<b>Net Cash Flow from Investing Activities</b>		<b>(252,662)</b>	<b>86,000</b>	<b>(355,639)</b>
<b>Cash Flows from Funding Activities</b>				
Return of equity to the Crown		(203,000)	(203,000)	(203,000)
<b>Net Cash Flow from Funding Activities</b>		<b>(203,000)</b>	<b>(203,000)</b>	<b>(203,000)</b>
<b>Net increase/(decrease) in cash held</b>		<b>45,191</b>	<b>(13,000)</b>	<b>(161,880)</b>
Opening cash brought forward		146,445	79,157	308,325
<b>BALANCE CARRIED FORWARD</b>	<b>5</b>	<b>191,636</b>	<b>66,157</b>	<b>146,445</b>

Explanations of major variances against budgets are provided in Note 16.

The accompanying notes form part of these financial statements.



# BROADCASTING STANDARDS AUTHORITY NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

## 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.

BSA's 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 (PBE) for the purposes of financial reporting.

The financial statements for the BSA are for the year ended 30 June 2016, and were approved by the board on 21 October 2016.

### 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 generally accepted accounting practice in New Zealand ("NZ GAAP"). The financial statements have been prepared on the basis that the BSA is a going concern.

The BSA has total expenditure less than \$2 million and is, therefore, eligible to report in accordance with Tier 3 PBE accounting standards. Accordingly, these financial statements have been prepared in accordance with Tier 3 PBE accounting standards, using the criteria set out in *Public Benefit Entity Simple Format Reporting – Accrual (Public Sector)* (PBE SFR-A (PS)).

#### Measurement base

The financial statements have been prepared on a 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.

### 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

This revenue is restricted in use for the purpose of BSA meeting its objectives specified in the Broadcasting Act 1989 and the scope of the relevant appropriation of the funder. BSA considers there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement.

#### Broadcasting levy

Broadcasting levies are recognised on the occurrence of a recognition event, being the earlier of receipt of payment or receipt of levy return. Levies are paid by broadcasters in accordance with the Broadcasting Act 1989 and are based on broadcaster revenue for the qualifying period.

#### 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 Financial Performance.

### Bank accounts and cash

Bank accounts and cash held by the BSA include bank balances and on-call bank deposits.

### 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 Financial Performance.

### 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 Financial Performance.

### 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 Financial Performance 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 Financial Performance.

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 Financial Performance, 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 or when the employee is notified that the bonus has been granted. No liability is recognised for sick leave.

## Superannuation scheme

### *Defined contribution scheme*

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Statement of Financial Performance as incurred.

## Goods and services tax (GST)

The BSA is registered for 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 Performance Expectations 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 the 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. (2015: Nil)

### 3 Personnel costs

	2016 ACTUAL \$	2015 ACTUAL \$
Staff salaries and board remuneration	567,257	562,808
KiwiSaver employer contributions	15,692	12,359
<b>TOTAL PERSONNEL COSTS</b>	<b>582,949</b>	<b>575,167</b>

### 4 Other expenses

	2016 ACTUAL \$	2015 ACTUAL \$
Audit of financial statements	21,416	20,985
Consultancy	44,274	46,107
Research	53,050	139,925
Travel, accommodation & training	32,944	48,911
Rent	49,470	49,470
IT	90,053	76,845
Office expenses	228,268	159,944
<b>TOTAL OTHER EXPENSES</b>	<b>519,475</b>	<b>542,187</b>

### 5 Bank accounts and cash

	2016 ACTUAL \$	2015 ACTUAL \$
<b>Cash on hand</b>		
Petty cash	200	200
<b>Banks</b>		
Current accounts	35,399	29,161
Call accounts	156,037	117,084
<b>TOTAL BANK ACCOUNTS AND CASH</b>	<b>191,636</b>	<b>146,445</b>

### 6 Investments

	2016 ACTUAL \$	2015 ACTUAL \$
Term deposits	1,750,000	1,500,000
<b>TOTAL INVESTMENTS</b>	<b>1,750,000</b>	<b>1,500,000</b>
Weighted average effective interest rate	<b>3.46%</b>	<b>4.11%</b>



## 7 Debtors and prepayments

	2016 ACTUAL \$	2015 ACTUAL \$
Trade receivables	644	-
Accrued interest	13,102	11,694
Prepayment	16,063	6,980
<b>TOTAL DEBTORS AND PREPAYMENTS</b>	<b>29,809</b>	<b>18,674</b>

The carrying value of receivables approximates their fair value.

## 8 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 \$
<b>Cost or valuation</b>							
Balance at 1 July 2014	9,082	89,506	53,928	124,755	20,399	11,672	309,343
Additions	-	-	5,639	-	-	-	5,639
Disposals	-	-	-	-	-	-	-
Balance at 30 June 2015	9,082	89,506	59,567	124,755	20,399	11,672	314,982
<b>Accumulated depreciation</b>							
Balance at 1 July 2014	9,082	45,424	30,483	24,108	20,399	5,502	134,998
Depreciation expense	-	27,780	7,271	24,951	-	1,866	61,868
Eliminate on disposal / reclassification	-	-	-	-	-	-	-
Balance at 30 June 2015	9,082	73,204	37,754	49,059	20,399	7,368	196,866
<b>CARRYING AMOUNT AT 30 JUNE 2015</b>	<b>0</b>	<b>16,302</b>	<b>21,813</b>	<b>75,696</b>	<b>0</b>	<b>4,304</b>	<b>118,116</b>

<b>Cost or valuation</b>							
Balance at 1 July 2015	9,082	89,506	59,567	124,755	20,399	11,672	314,982
Additions	-	712	-	-	-	1,950	2,662
Disposals	-	(894)	-	-	-	-	(894)
Balance at 30 June 2016	9,082	89,324	59,567	124,755	20,399	13,622	316,750
<b>Accumulated depreciation</b>							
Balance at 1 July 2015	9,082	73,204	37,754	49,059	20,399	7,368	196,866
Depreciation expense	-	12,974	6,842	24,951	-	1,825	46,592
Eliminate on disposal / reclassification	-	(894)	-	-	-	-	(894)
Balance at 30 June 2016	9,082	85,284	44,596	74,010	20,399	9,193	242,564
<b>CARRYING AMOUNT AT 30 JUNE 2016</b>	<b>0</b>	<b>4,040</b>	<b>14,971</b>	<b>50,745</b>	<b>0</b>	<b>4,429</b>	<b>74,186</b>

## 9 Intangible assets

Movements for each class of intangible asset are as follows:

	ACQUIRED SOFTWARE \$
<b>Cost of valuation</b>	
Balance at 1 July 2014	59,060
Additions	-
Disposals	-
Balance at 30 June 2015	59,060
<b>Accumulated amortisation</b>	
Balance at 1 July 2014	36,603
Amortisation expense	8,237
Disposals	-
Balance at 30 June 2015	44,840
<b>CARRYING AMOUNT AT 30 JUNE 2015</b>	<b>14,220</b>
<b>Cost of valuation</b>	
Balance at 1 July 2015	59,060
Additions	-
Disposals	-
Balance at 30 June 2016	59,060
<b>Accumulated amortisation</b>	
Balance at 1 July 2015	44,840
Amortisation expense	7,639
Disposals	-
Balance at 30 June 2016	52,479
<b>CARRYING AMOUNT AT 30 JUNE 2016</b>	<b>6,581</b>

## 10 Creditors and accrued expenses

	2016 ACTUAL \$	2015 ACTUAL \$
Creditors	49,814	25,613
Accrued Expenses	48,726	13,811
PAYE	21,666	15,502
<b>TOTAL CREDITORS AND ACCRUED EXPENSES</b>	<b>120,206</b>	<b>54,926</b>

Creditors and accrued expenses are non-interest bearing and are normally settled on 30-day terms; therefore, the carrying value of creditors and accrued expenses approximates their fair value



## 11 Employee entitlements

	2016 ACTUAL \$	2015 ACTUAL \$
<b>Current employee entitlements are represented by:</b>		
Accrued salaries and wages	13,639	15,186
Annual leave	15,097	12,651
Salary 'at risk'	2,500	6,250
<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>31,236</b>	<b>34,087</b>

## 12 Commitments

	2016 ACTUAL \$	2015 ACTUAL \$
Not later than one year	35,970	35,970
Later than one year and not later than two years	35,970	35,970
Later than two years and not later than five years	38,387	74,357
<b>TOTAL NON-CANCELLABLE OPERATING LEASE</b>	<b>110,327</b>	<b>146,297</b>

The operating lease is for the rental of premises on Level 2, 119 Ghuznee Street, occupied from 26 July 2013.

## 13 Contingent assets and liabilities

### Contingent assets

As at 30 June 2016 the BSA had no contingent assets. (2015:Nil)

### Contingent liabilities

As at 30 June 2016 the BSA had no contingent liabilities. (2015:Nil)

## 14 Related party transactions & key management personnel

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 purchases goods and services from entities controlled, significantly influenced or jointly controlled by the Crown. Purchases from these government-related entities are entered into on an arms-length basis.

### Key management personnel compensation

	2016 ACTUAL \$	2015 ACTUAL \$
Salaries and other short-term benefits	264,590	291,161
<b>TOTAL KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<b>264,590</b>	<b>291,161</b>

Key management personnel includes all board members and the Chief Executive. The BSA had no related party transactions. (2015: Nil)

### Board member remuneration

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

	2016 ACTUAL \$	2015 ACTUAL \$
P Radich (Chair)	40,625	47,788
M Shanahan	-	32,441
L Pearson	22,420	25,721
T Kupenga	24,282	24,573
P Rose	25,501	-
<b>TOTAL BOARD MEMBER REMUNERATION</b>	<b>112,828</b>	<b>130,523</b>

### Employee remuneration

	2016 ACTUAL \$	2015 ACTUAL \$
Total employee remuneration paid or payable 110,000–119,999	1	-

There was no employee remuneration above \$100,000 in 2015 as the only position fitting within this category is that of the Chief Executive, which saw a change in personnel during the year.

## 15 Events after balance date

There were no significant events after balance date.

## 16 Explanations of significant variations against budget

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

### Statement of Financial Performance

#### Income

Broadcasting levies of \$884,503 were received against a budget of \$760,000 due to higher than expected broadcasting revenues.

#### Expenditure

Variances in expenditure were primarily due to general efficiencies and the positive effect of a lower number of complaints. Personnel expenditure was less than budgeted due to the effects of the changes in personnel and lower number of complaints.

### 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.



# INDEPENDENT AUDITOR'S REPORT

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

## To the readers of the Broadcasting Standards Authority's financial statements and performance information for the year ended 30 June 2016

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

### Opinion on the financial statements and the performance information

We have audited:

- the financial statements of the Authority on pages 42 to 53, that comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Authority on pages 10 to 14 and 29 to 40.

In our opinion:

- the financial statements of the Authority:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2016; and
    - its financial performance and cash flows for the year then ended.
  - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with the Public Benefit Entity Simple Format Reporting Standard – Accrual (Public Sector).
- the performance information:
  - presents fairly, in all material respects, the Authority's performance for the year ended 30 June 2016, including for each class of reportable outputs:
    - its standards of performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
    - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year.
  - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 26 October 2016. 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 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 the 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 the 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 the performance information. The procedures selected depend on our judgement, including our assessment of risks of material

misstatement of the financial statements and the performance information, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Authority's financial statements and performance information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the appropriateness of the reported performance information within the Authority's framework for reporting performance;
- the adequacy of the disclosures in the financial statements and the performance information; and
- the overall presentation of the financial statements and the performance information.

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

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 performance information that:

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

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

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements and 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 the performance information, whether in printed or electronic form.

### Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and the performance information and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

### Independence

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

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

Chrissie Murray

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand



# PART FOUR

## APPENDICES



# APPENDIX 1: DECISION STATISTICS

## COMPLAINTS RECEIVED AND DECISIONS ISSUED

Year	Complaints Received	Decisions Issued	DETERMINATION					Appealed to High Court	ORDERS				
			Upheld	Upholds as % of total	Not Upheld	Declined to Determine*	Other**		Broadcast Statement	Costs to Crown	Legal Costs	Compensation for Breach of Privacy	Other
July 2015–June 2016	124	101	23	22.8%	73	4	1	-	2	5	1	4	-
July 2014–June 2015	151	143	14	9.8%	120	9	-	-	1	1	1	6	-
July 2013–June 2014	149	99	12	12.1%	74	13	-	2	2	2	1	1	-
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	10.4%	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
July 1996–June 1997	206	199	40	20.1%	147	10	2	-	5	-	8	1	2 Broadcasts of apology
July 1995–June 1996	179	171	50	29.2%	110	10	1	1	11	-	-	4	4 Broadcasts of apology
July 1994–June 1995	162	139	48	34.5%	84	4	3	-	7	-	1	-	2 Broadcasts 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 Broadcasts 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 into one category, and parts within a programme may fit within different categories – for example, a magazine-style show may contain a factual discussion. For the purposes of this table, programmes have been categorised based on the primary grounds for complaint – so the previous example would be categorised as ‘factual’.

### CATEGORIES:

**News/Current Affairs** = programmes dedicated to news and current affairs. Eg, *ONE News*, *3 News/NewsHub*, *Prime News*, *Seven Sharp*, *Story*, *Morning Report*, *Checkpoint*, *Paul Henry*

**Factual Programmes** = programmes that are non-fiction, contain factual information, and which could be considered in relation to the accuracy and balance standards. Eg, *Fair Go*, *Neighbours at War*, *Dog Squad*, *Water Patrol*

**Fictional Programmes** = dramas, sitcoms, cartoon comedies, movies. May include dramatic versions of factual events. Eg, *Shortland Street*, *Storytime*, *Step Dave*, *NCIS*

**Radio/Talkback** = radio shows or talkback programmes that may involve regular phone calls from listeners. Eg, *Talk with Sean Plunket*, *Hauraki Breakfast Show*, *George FM Breakfast*

**Other** = programmes that do not fit the other categories, including comedy, sport, songs or music videos. Eg, *Posh Nosh*, *The Chase*, *Vodafone New Zealand Music Awards*

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	65 [84]	14 [7]	49 [74]	2 [3]	- [-]
Factual/Reality Programmes	5 [14]	1 [3]	4 [11]	- [-]	- [-]
Fictional Programmes	8 [7]	3 [1]	5 [6]	- [-]	- [-]
Radio/Talkback	13 [31]	2 [3]	9 [28]	1 [-]	1 [-]
Other	10 [2]	3 [-]	6 [2]	1 [1]	- [-]
<b>TOTAL</b>	<b>101 [143]</b>	<b>23 [14]</b>	<b>73 [124]</b>	<b>4 [13]</b>	<b>1 [-]</b>

## DECISIONS BY ISSUE RAISED

Many complaints name more than one standard, so totals do not match up with the total number of decisions issued. 'Action Taken' refers to complaints that 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
<b>TOTAL</b>	<b>27</b> [46]	<b>42</b> [56]	<b>20</b> [35]	<b>31</b> [52]	<b>13</b> [15]	<b>16</b> [36]	<b>29</b> [32]	<b>12</b> [25]	<b>8</b> [18]	<b>4</b> [9]	<b>-</b> [-]	<b>3</b> [7]
Upheld	3 [1]	8 [5]	3 [2]	6 [7]	3 [1]	- [-]	4 [-]	3 [7]	- [-]	2 [-]	- [-]	3 [3]
Not Upheld/ Other	24 [45]	34 [51]	17 [33]	25 [45]	10 [14]	16 [36]	25 [32]	9 [18]	8 [18]	2 [9]	- [-]	- [4]

## PROGRAMMES MOST COMPLAINED ABOUT

Multiple complaints from different complainants about the same broadcast, or multiple broadcasts complained about by one complainant, are counted separately for the purposes of this table. (For example, 10 of the 13 complaints about *Morning Report* were lodged by two complainants, complaining about multiple broadcasts; four of the five upheld complaints about related to the same broadcast).

Figures in brackets are from the previous year.

	NUMBER OF COMPLAINTS	UPHELD	NOT UPHELD/OTHER
Morning Report	<b>13</b> [4]	2 [-]	11 [4]
3 News / Newshub	<b>11</b> [17]	1 [-]	10 [17]
Seven Sharp	<b>9</b> [12]	5 [1]	4 [11]
ONE News	<b>8</b> [16]	2 [-]	6 [16]
Story	<b>7</b> [-]	1 [-]	6 [-]
Worldwatch	<b>6</b> [-]	- [-]	6 [-]
Paul Henry	<b>5</b> [-]	1 [-]	4 [-]



## DECISIONS BY MEDIUM

Figures in brackets are from the previous year.

	TOTAL NUMBER OF DECISIONS	UPHELD
Television	<b>70</b> [98]	16 [8]
Radio	<b>31</b> [45]	7 [6]

## 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
MediaWorks TV	<b>34</b> [32]	8 [5]	26 [27]	- [-]	- [-]	5 [4]
TVNZ	<b>28</b> [26]	5 [3]	23 [19]	- [4]	- [-]	2 [2]
Radio NZ	<b>16</b> [14]	4 [1]	9 [9]	3 [4]	- [-]	- [-]
SKY TV	<b>8</b> [4]	3 [-]	5 [3]	- [1]	- [-]	2 [-]
NZME	<b>6</b> [8]	- [1]	6 [7]	- [-]	- [-]	- [-]
MediaWorks Radio	<b>5</b> [11]	1 [1]	4 [10]	- [-]	- [-]	3 [1]
Port FM	<b>1</b> [-]	- [-]	- [-]	1 [-]	- [-]	- [-]
Radio Virsa	<b>1</b> [-]	- [-]	- [-]	- [-]	1 [-]	- [-]
Te Reo Irirangi o Te Arawa	<b>1</b> [-]	1 [-]	- [-]	- [-]	- [-]	- [-]
UMA Broadcasting Ltd	<b>1</b> [-]	1 [-]	- [-]	- [-]	- [-]	- [-]

# APPENDIX 2: DECISION DETAILS

The following tables contain a breakdown of all complaints making up the 101 decisions issued by the BSA this year, by outcome (upheld with order, upheld with no order, not upheld, and decline to determine/other).

## UPHELD WITH ORDER

Sections 13 and 16 of the Broadcasting Act 1989 outline the powers available to the BSA to make orders where a complaint is upheld. Common orders include a broadcast statement, costs to the Crown of up to \$5,000 (a fine, essentially) and privacy compensation of up to \$5,000 to an individual whose privacy has been breached by a broadcast.

DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER	STANDARDS UPHELD	ORDER
<b>2014-146</b>	Insurance Council of New Zealand	MediaWorks TV	Campbell Live	Item marking the fourth anniversary of Christchurch earthquake unbalanced and misleading	Controversial Issues, Accuracy	Upheld (Controversial Issues, Accuracy)	Broadcast statement
<b>2015-011</b>	McCaw	SKY	Music video for Nicki Minaj song 'Only'	Music video with numerous expletives and sexual references distasteful and incorrectly classified	Good Taste and Decency, Children	Upheld (Good Taste and Decency, Children)	\$1,500 costs to the Crown
<b>2015-030</b>	SW	TVNZ	Dog Squad	Broadcast showing complainant bringing prescription drugs onto prison property and trying to smuggle in tobacco, and subsequently being banned from prison property, allegedly breached complainant's privacy	Privacy	Upheld (Privacy)	\$1,000 compensation for breach of privacy
<b>2015-032A</b>			60 Minutes - 18 May 2015	60 Minutes item, featured in promos and broadcast twice on Prime TV, featured mother's struggle with drugs and prostitution; allegedly breached complainant's son's privacy and was shown without consent			
<b>2015-032B</b>	NS	SKY	60 Minutes repeat - 21 May 2015		Privacy	Upheld (Privacy)	\$1,500 compensation for breach of privacy
<b>2015-032C</b>			Promo for 60 Minutes				
<b>2015-043</b>	Cripps	MediaWorks TV	Promo for NCIS and NCIS: LA	Promo during G programme contained violent images including guns being fired, photos of a dead body and someone being punched	Children's Interests, Violence	Upheld (Children's Interests, Violence)	\$500 costs to Crown



DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER	STANDARDS UPHELD	ORDER
<b>2015-044</b>	Fisher	TVNZ	ONE News	Item about quarrying of Dunedin landmark failed to present the quarry owner's position in a fair, accurate and balanced manner	Fairness (Action Taken), Accuracy (Action Taken), Controversial Issues (Action Taken)	Upheld (Fairness - Action Taken, Accuracy - Action Taken, Controversial Issues - Action Taken)	\$750 costs to the Crown
<b>2015-055</b>	McKenzie	MediaWorks TV	Promo for Face Off	Promo for a reality competition show featuring special effects makeup artists contained allegedly gory and distressing images	Good Taste and Decency, Violence	Upheld (Good Taste and Decency)	\$500 costs to Crown
<b>2015-074A</b>	Ihaia	MediaWorks Radio	George FM Breakfast	Breakfast show hosts conducted 'social media intervention', named on air two individuals (A and B) described as 'do-nothing bitches' on Instagram and made other derogatory comments in relation to A in particular	Privacy	Upheld	\$4,000 compensation for breach of individual A's privacy; \$2,000 compensation for breach of individual B's privacy; \$2,000 costs to the Crown
<b>2015-074B</b>	IM	MediaWorks Radio	George FM Breakfast	Breakfast show hosts conducted 'social media intervention', named on air two individuals (A and B) described as 'do-nothing bitches' on Instagram and made other derogatory comments in relation to A in particular	Fairness (Action Taken), Good Taste and Decency (Action Taken), Privacy, Discrimination and Denigration, Law and Order, Responsible Programming, Controversial Issues, Accuracy	Upheld (Fairness - Action Taken, Good Taste and Decency - Action Taken, Privacy)	\$4,000 compensation for breach of individual A's privacy; \$2,000 compensation for breach of individual B's privacy; \$2,000 costs to the Crown
<b>2015-075</b>	Wildman	MediaWorks TV	Story	Item on 'dodgy real estate agent' allegedly unfair, inaccurate and breached agent's privacy	Fairness, Privacy, Accuracy	Upheld (Fairness)	Statement published online; \$1,000 legal costs

## UPHELD WITH NO ORDER

In some cases where the BSA upholds a complaint, it may choose not to make any order. This is usually because the BSA considers that the publication of the decision, and any resulting media coverage, will sufficiently censure the breach, and/or because it considers the decision gives adequate guidance to broadcasters about maintaining standards.

DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER	STANDARDS UPHELD
<b>2014-118B</b>	Parker	RNZ	Sunday Morning	Two items on historical relationship between Israel and apartheid South Africa allegedly unbalanced	Controversial Issues, Accuracy, Fairness, Discrimination and Denigration	Controversial Issues
<b>2014-118C</b>	Martin & Ors	RNZ	Sunday Morning	Two items on historical relationship between Israel and apartheid South Africa allegedly unbalanced	Controversial Issues, Accuracy, Discrimination and Denigration	Controversial Issues



DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER	STANDARDS UPHELD
<b>2014-118D</b>	New Zealand Jewish Council	RNZ	Sunday Morning	Two items on historical relationship between Israel and apartheid South Africa allegedly unbalanced	Controversial Issues, Accuracy, Fairness, Discrimination and Denigration	Controversial Issues
<b>2014-118E</b>	Maastland	RNZ	Sunday Morning	Two items on historical relationship between Israel and apartheid South Africa allegedly unbalanced	Controversial Issues, Accuracy, Fairness, Discrimination and Denigration	Controversial Issues
<b>2014-149</b>	South Taranaki District Council	MediaWorks TV	Campbell Live	Item about problems caused by eader [a pit for raw milk waste] for residents of Eltham in Taranaki allegedly misleading and unfair to Council	Accuracy, Fairness	Accuracy, Fairness
<b>2015-021</b>	Godinet	SKY	The Real 50 Shades of Grey	E! channel special featuring couples who engage in BDSM allegedly encouraged sexual violence, and carried inadequate classification and warnings	Content Classification, Warning and Filtering, Good Taste and Decency, Violence	Content Classification, Warning and Filtering
<b>2015-023</b>	Right to Life NZ Inc	TVNZ	Seven Sharp	Item about voluntary euthanasia advocate allegedly unbalanced	Controversial Issues	Controversial Issues
<b>2015-036A</b>	Lockett	TVNZ	Seven Sharp	Mike Hosking's comments about waitress subject to John Key's ponytail-pulling incident allegedly unfair and inappropriate	Fairness, Discrimination and Denigration, Accuracy	Fairness
<b>2015-036B</b>	Hayward	TVNZ	Seven Sharp	Mike Hosking's comments about waitress subject to John Key's ponytail-pulling incident allegedly unfair	Fairness	Fairness
<b>2015-036C</b>	Tiso	TVNZ	Seven Sharp	Mike Hosking's comments about waitress subject to John Key's ponytail-pulling incident allegedly unfair and inappropriate	Fairness, Discrimination and Denigration, Controversial Issues, Accuracy	Fairness
<b>2015-036D</b>	Aranyi	TVNZ	Seven Sharp	Mike Hosking's comments about waitress subject to John Key's ponytail-pulling incident allegedly unfair and inappropriate	Fairness, Controversial Issues, Accuracy	Fairness
<b>2015-037</b>	Black	MediaWorks TV	Promo for No Strings Attached	Promo screened during G-rated X Factor NZ contained explicit sexual references	Responsible Programming, Children's Interests	Responsible Programming, Children's Interests
<b>2015-048</b>	Wong-Tung	RNZ	Morning Report	Item contained allegations about Oravida's involvement in illegal kauri trade	Fairness (Action Taken), Accuracy	Fairness (Action Taken), Accuracy
<b>2015-054</b>	Cochran	MediaWorks TV	3 News	Item showed amateur footage obtained at time of gun attack on Tunisian beach; allegedly gratuitous and viewers inadequately warned of its nature	Good Taste and Decency, Violence	Good Taste and Decency, Violence
<b>2015-057</b>	Wilkinson	MediaWorks TV	Paul Henry	In an interview with the Police Association president about arming police with tasers, host said violent assaults on police officers were 'definitely going up'; allegedly inaccurate and unbalanced	Accuracy, Controversial Issues	Accuracy
<b>2015-058A</b>	Lee	UMA Broadcasting	Paakiwaha	Interview discussing resignation of senior staff at Māori TV allegedly inaccurate, unfair and unbalanced	Accuracy, Fairness, Controversial Issues	Accuracy, Fairness



DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER	STANDARDS UPHELD
<b>2015-058B</b>	Forbes	UMA Broadcasting	Paakiwaha	Interview discussing resignation of senior staff at Māori TV allegedly inaccurate, unfair and unbalanced	Accuracy, Fairness, Controversial Issues	Accuracy, Fairness
<b>2015-104</b>	Mitchell	Te Reo Irirangi o Te Arawa	Pukeroa Oruawhata Trust	During a programme segment paid for by the Pukeroa Oruawhata Trust its deputy chairman made negative and unbalanced comments about Te Komiti Nui o Ngāti Whakaue and its former chairman	Controversial Issues, Fairness, Accuracy	Upheld (Controversial Issues, Fairness)

## NOT UPHELD

DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER
<b>2014-118A</b>	Schanzer	RNZ	Sunday Morning	Two items on historical relationship between Israel and apartheid South Africa allegedly unbalanced	Accuracy, Discrimination and Denigration
<b>2015-020</b>	Cumin	RNZ	Afternoons	Introductory statement that two people were killed at a free speech forum in Copenhagen allegedly inaccurate as one victim was killed elsewhere	Accuracy
<b>2015-022</b>	Rossiter	MediaWorks TV	3 News	Political editor's comments about proposed legislative changes to MPs' pay rises allegedly unbalanced and inaccurate	Controversial Issues, Accuracy
<b>2015-024</b>	Green	MediaWorks TV	3 News	Item about National Party candidate's failure to name 10 bridges he had promised to convert to two lanes allegedly unfair	Fairness
<b>2015-025</b>	Trunk Property Ltd	MediaWorks TV	3 News	Item about complainant entering into unlawful subletting arrangements allegedly inaccurate and unfair and breached company director's privacy	Accuracy, Fairness, Privacy, Good Taste and Decency, Law and Order, Controversial Issues, Discrimination and Denigration, Responsible Programming
<b>2015-026</b>	Cave	MediaWorks TV	Campbell Live	Footage of conversation with senior members of Gloriavale Christian Community allegedly breached their privacy	Privacy
<b>2015-027</b>	Devereux	TVNZ	Sunday	Programme about road safety initiative included reference to young people who had been responsible for a fatal drink driving crash 17 years ago; this allegedly breached their privacy	Privacy
<b>2015-028A</b>	Soryl	TVNZ	Breakfast	Onscreen banner 'Fears people use veganism to restrict food intake' allegedly misleading	Accuracy, Discrimination and Denigration

DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER
<b>2015-028B</b>	Insley	TVNZ	Breakfast	Onscreen banner 'Fears people use veganism to restrict food intake' allegedly misleading	Accuracy, Discrimination and Denigration, Fairness, Responsible Programming
<b>2015-029</b>	Brennan	MediaWorks Radio	Jay-Jay, Mike and Dom	Game played by former Bachelor contestant 'What's your cucumber number?' allegedly demeaning to women and unsuitable for child listeners	Good Taste and Decency, Responsible Programming
<b>2015-031</b>	Durward	MediaWorks TV	Promo for Jono and Ben	Promo satirising the Last Supper broadcast during Easter week allegedly offensive to Christians	Good Taste and Decency
<b>2015-033</b>	Lloyd	SKY	Voice of Islam	Speaker discussed teachings of Islam; allegedly amounted to 'hate speech' and incited violence	Good Taste and Decency, Children, Law and Order, Fairness, Accuracy
<b>2015-034</b>	Wignall	MediaWorks TV	The Nation	Presenters had removed RSA labels from ANZAC poppy pins; allegedly offensive and misleading	Good Taste and Decency, Accuracy
<b>2015-039</b>	Wiseman	MediaWorks TV	Paul Henry	Host's reference to 'a bunch of twats' allegedly inappropriate for a morning programme	Good Taste and Decency
<b>2015-040</b>	Dewhurst	MediaWorks TV	Re-Think	Programme featuring a panel discussion on 'taking action on climate change' allegedly unbalanced	Controversial Issues
<b>2015-041</b>	Murray	TVNZ	Posh Nosh	Reference to food on a satirical cooking show as looking like 'dead soldiers' and 'a yellow hat up my bottom' allegedly offensive and inappropriate	Good Taste and Decency
<b>2015-042</b>	White	TVNZ	Fair Go	Item investigating case of claimed financial elder abuse allegedly unfair, inaccurate and unbalanced	Fairness, Accuracy, Controversial Issues
<b>2015-045</b>	Taiuru	NZME	Hauraki Breakfast	'Like Mike' skit by Jeremy Wells allegedly racist and offensive	Good Taste and Decency, Discrimination and Denigration, Responsible Programming
<b>2015-046</b>	Yates	RNZ	Worldwatch	Use of terms 'Islamist terrorism' and 'terrorist' allegedly unfair and denigrated people of the Islamic religion	Discrimination and Denigration, Fairness
<b>2015-050A</b> <b>2015-050B</b>	AFFCO Holdings Ltd	MediaWorks TV	3 News - 15 and 16 June 2015	Two items reporting on compensation paid to Talley's employees for workplace accidents allegedly inaccurate and unfair	Accuracy, Fairness
<b>2015-051</b>	Green	MediaWorks TV	3 News	Brief reference to cost of installation of parliamentary security doors allegedly unbalanced	Controversial Issues
<b>2015-052</b>	Dunstan	RNZ	Saturday Morning	Interview with filmmaker allegedly unbalanced and unfair, and biased against Scientology	Controversial Issues, Fairness
<b>2015-053</b>	McCully	TVNZ	ONE News	Item reporting on Minister McCully's comments about the 'Saudi Farm deal' allegedly inaccurate and unfair to the Minister	Accuracy, Fairness
<b>2015-060</b>	Thomson	TVNZ	Sunday	Item discussing AC/DC drummer's alleged unsafe sex practices with escorts allegedly in breach of his privacy	Privacy
<b>2015-061</b>	Williamson	TVNZ	ONE News at Midday	Sports news item alluding to trans-Tasman rivalry between Australia and New Zealand allegedly 'nasty' and 'spiteful'	Good Taste and Decency, Controversial Issues, Responsible Programming
<b>2015-062</b>	Woods	MediaWorks TV	3 News	News item reporting on Labour's use of data to determine percentage of Chinese home-buyers in Auckland allegedly unbalanced	Controversial Issues



DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER
<b>2015-063</b>	Shaw	TVNZ	Promo for Puberty Blues	Character's reference in a promo to a '69er' allegedly gratuitous and inappropriate to show during the 6pm news	Responsible Programming, Children's Interests
<b>2015-064</b>	NR	TVNZ	Neighbours at War	Brief introductory shot of a man standing outside a bar allegedly breached his privacy	Privacy
<b>2015-065</b>	Patterson	NZME	Hauraki Breakfast Regurgitated	During 'Like Mike' skit host Jeremy Wells made comments about 'pleasuring himself' watching John Key	Good Taste and Decency
<b>2015-066</b>	White	SKY	Bullies	Episode in documentary series on bullying allegedly unbalanced and misleading by not discussing the success of certain nationwide bullying prevention initiatives	Controversial Issues, Accuracy
<b>2015-067</b>	Tawfik	NZME	Leighton Smith Show	Host asked, 'How do you think the beheaders will fit into that?' in discussion about impact of cultural and religious beliefs on others; allegedly promoted anti-Islamic sentiment	Discrimination and Denigration
<b>2015-068</b>	Both	MediaWorks TV	3 News	News item about UN Security Council veto power allegedly misleading and unbalanced as to Russia's recent use of the power	Accuracy, Controversial Issues, Law and Order, Fairness
<b>2015-069</b>	Solanki	TVNZ	The Chase	Quiz show host's introduction of trivia expert as having 'big boo...ts' allegedly discriminatory against women, distasteful and unfair	Discrimination and Denigration, Good Taste and Decency, Fairness, Responsible Programming, Accuracy
<b>2015-070</b>	Carter	TVNZ	Seven Sharp	Presenter's discussion in support of arming police with tasers allegedly misleading in referring to recent murder	Accuracy
<b>2015-071</b>	McLoon	MediaWorks TV	Turning Point	Christian sermon on the second coming of Jesus Christ allegedly should have been classified PGR instead of G and was otherwise inappropriate for broadcast	Good Taste and Decency, Controversial Issues, Accuracy, Fairness, Responsible Programming, Children's Interests, Violence
<b>2015-072</b>	O'Neill	TVNZ	ONE News	Reference to 'Justice Lowell Goddard' during a news item about British police investigations into historical child sex abuse allegedly inaccurate as no longer a 'Justice'	Accuracy
<b>2015-073</b>	McDonald	TVNZ	Seven Sharp	Item about man with a '35-centimetre' cyst allegedly inaccurate	Accuracy
<b>2015-077</b>	Brock	TVNZ	Shortland Street	Episode showing the death of a 14-year-old character in hospital allegedly disturbing and upsetting for children and should have been preceded by a warning	Responsible Programming, Children's Interests
<b>2015-078</b>	Monasterio	TVNZ	Seven Sharp	Item discussing the Trans-Pacific Partnership allegedly contained inaccurate statements by the hosts about its dispute resolution mechanisms	Accuracy

DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER
<b>2015-079</b>	Cleaver	MediaWorks TV	Story	Item on purported questionable practices by some Auckland real estate agencies allegedly affected by presenter's conflict of interest	Fairness, Accuracy, Controversial Issues
<b>2015-080</b>	Govind	TVNZ	ONE News	News item about beneficiaries being banned from WINZ offices featured interview with man who said this was 'no surprise' because dealing with WINZ is 'frustrating'; allegedly encouraged violence	Law and Order, Violence, Controversial Issues, Accuracy, Responsible Programming
<b>2015-081</b>	Jelavich	MediaWorks TV	The Heat	Comedy/action film broadcast at 8.30pm contained coarse language	Good Taste and Decency, Children's Interests
<b>2015-083</b>	Duncan	TVNZ	Promo for Step Dave	Promo showing two female characters kissing and brief sexual innuendo allegedly inappropriate to screen during the children's movie The Lion, the Witch and the Wardrobe	Good Taste and Decency, Children's Interests
<b>2015-084</b>	Hamblyn	TVNZ	Promo for Aquarius	Promo for crime drama showing brief shot of partially clothed man surrounded by women allegedly sexualised and inappropriate for children	Good Taste and Decency, Responsible Programming, Children's Interests
<b>2015-085</b>	Tanner	MediaWorks Radio	Paul Henry	Presenters' use of 'bloody' and 'bugger' several times allegedly offensive and unacceptable	Good Taste and Decency
<b>2015-087</b>	Green	MediaWorks Radio	Talk with Sean Plunket	Talkback host's discussion with CEO of the National Foundation for the Deaf about the lack of captioning on broadcasts of Rugby World Cup games; host allegedly 'bullied' caller and encouraged discrimination against the deaf community	Discrimination and Denigration, Good Taste and Decency
<b>2015-088</b>	Doorey	TVNZ	Seven Sharp	Interview with singer Robbie Williams in which he said he had a small 'cock' allegedly sexualised and distasteful	Good Taste and Decency
<b>2015-089</b>	Māori Education Trust	RNZ	Checkpoint	Item about Māori Education Trust's actions putting grants to students 'at risk' allegedly inaccurate	Accuracy
<b>2015-090</b>	Davie	MediaWorks TV	Paul Henry	Host's use of the term 'bastards' when referring to phone scammers and 'God' as an exclamation allegedly offensive and unsuitable for children	Good Taste and Decency, Children's Interests, Discrimination and Denigration
<b>2015-092</b>	Perrett	MediaWorks TV	Paul Henry	During panel discussion about cruise ships, panelists briefly talked about penis enlargement, which was allegedly 'vulgar' and inappropriate for children	Good Taste and Decency, Children's Interests
<b>2015-093</b>	Hunt	RNZ	Checkpoint	Item reporting on tensions between rowing club and certain local residents of Lake Horowhenua allegedly inaccurate, unbalanced and unfair	Accuracy, Controversial Issues, Fairness
<b>2015-095</b>	Right to Life NZ Inc	RNZ	Morning Report	News item featuring an interview with an assisted dying campaigner allegedly unbalanced and inaccurate	Controversial Issues, Accuracy
<b>2015-096</b>	Craig	SKY	Prime News	Item on a police call-out to Conservative Party AGM allegedly inaccurate, lacked balance and unfair to the Conservative Party and former leader Colin Craig	Controversial Issues, Accuracy, Fairness



DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER
<b>2015-097</b>	Hawthorne	MediaWorks Radio	Talk with Willie and Alison	Host's reference to caller as a 'cracker' allegedly racist	Discrimination and Denigration
<b>2015-098</b>	ten Hove	RNZ	Worldwatch	Segment introduced with the phrase 'a provocative act by America in the South China Sea'; allegedly inaccurate and unfair	Accuracy, Fairness
<b>2015-099</b>	Lawrence	MediaWorks TV	Story	Item showing presenter obtaining a firearm through a purported 'loophole' in the system allegedly encouraged others to break the law	Law and Order
<b>2015-100</b>	Both	MediaWorks TV	3 News	News item on allegations of doping amongst Russian athletes referenced Belarussian shot-putter; allegedly misleading, unbalanced and denigrated Russians	Accuracy, Controversial Issues, Discrimination and Denigration
<b>2015-102</b>	Malpas & Oliver	TVNZ	ONE News	Item which reported on concerns about government-funded voluntary euthanasia research, because it was run by researchers who supported assisted dying, allegedly inaccurate, lacked balance and unfair to the researchers and university involved	Fairness, Accuracy, Controversial Issues
<b>2015-103A</b> <b>2015-103B</b>	Boyce	MediaWorks TV	Story -16 and 17 November 2016	Two episodes of Story featured items about 'professional political campaigner' Simon Lusk deer hunting and discussing political figures; allegedly distasteful and inappropriate, and otherwise in breach of standards	Good Taste and Decency, Fairness, Law and Order, Discrimination and Denigration, Controversial Issues, Children's Interests, Accuracy
<b>2016-001</b>	O'Brien	MediaWorks TV	Promo for Paul Henry	Promo containing apparent jokes about terrorists allegedly offensive, especially soon after Paris terrorist attacks	Good Taste and Decency, Controversial Issues
<b>2016-002</b>	Carlaw	TVNZ	Hooked in NZ	Fishing programme showed hosts and others allegedly behaving irresponsibly by not wearing lifejackets	Responsible Programming
<b>2016-003</b>	Armstrong	MediaWorks TV	2015 Vodafone New Zealand Music Awards	Alleged 'foul language' and 'crude humour' used during music awards	Good Taste and Decency
<b>2016-006</b>	Melville	MediaWorks TV	Story	Reference to presenter obtaining a firearm through a purported 'loophole' allegedly inaccurate and unfair	Accuracy, Fairness
<b>2016-007</b>	Parlane	NZME	Coast FM News	Item reporting that there was 'some truth in the old fable' that Adolf Hitler had one testicle allegedly distasteful	Good Taste and Decency
<b>2016-008</b>	Carter	MediaWorks TV	Story	Item about the requirement for Auckland house purchasers to seek consent from local iwi under Auckland Unitary Plan allegedly discriminated against Māori and was unfair	Discrimination and Denigration, Fairness
<b>2016-009</b>	Artidge	SKY	The Five	Panelist said a solution for remaining Guantánamo Bay inmates was to 'kill them all', which allegedly incited mass murder	Law and Order

DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER
<b>2016-010</b>	Karavasil	TVNZ	ONE News	Report on a Palmerston North schoolgirl who had been abducted earlier that day allegedly breached her and her sisters' privacy	Privacy
<b>2016-011</b>	RZ	TVNZ	Sunday	Footage of complainant's farm shown in item about alleged mistreatment of bobby calves	Privacy, Fairness, Controversial Issues, Accuracy
<b>2016-013</b>	Baxter	MediaWorks TV	Newshub	Footage of grieving families during coverage of Christchurch earthquake memorial service allegedly breached their privacy	Privacy
<b>2016-014A - 2016-014G</b>	Henderson	RNZ	Morning Report - 4 and 14 December 2016	Seven items on Morning Report allegedly inaccurate and unbalanced in stating/infering livestock emissions amount to half of NZ's total emissions	Accuracy, Controversial Issues
<b>2016-015</b>	Seqirus (NZ) Ltd	MediaWorks TV	3D	Maker of cervical cancer vaccine Gardasil alleged item about the vaccine was misleading and suggested the vaccine was unsafe, without sufficient basis	Accuracy, Responsible Programming
<b>2016-020</b>	Holubicki	SKY	Prime News	News item allegedly inaccurate as it called Auschwitz a 'Polish Camp' (as opposed to a 'Nazi camp')	Accuracy, Fairness
<b>2016-022A</b>	Fletcher	RNZ	Worldwatch - 2, 3 and 4 February 2016	Three-part interview series with	Accuracy, Discrimination and Denigration, Fairness, Responsible Programming
<b>2016-022B</b>				Palestinian legislator on negotiation between Israel and Palestine allegedly unbalanced and supported terrorism	
<b>2016-022C</b>				Hosking's criticism of Ngāpuhi leader's stance on TPP and of Waitangi day allegedly encouraged discrimination and lacked balance	
<b>2016-026</b>	Sharman	NZME	Mike's Minute	Host's comments allegedly incited audience to vandalise Wicked Camper vans (and their controversial artwork)	Discrimination and Denigration, Controversial Issues
<b>2016-031</b>	Cowsill	NZME	Leighton Smith Show		Law and Order



## DECLINED TO DETERMINE

Section 11 of the Broadcasting Act 1989 gives the BSA the power to decline to determine a complaint if it considers that, a) the complaint is frivolous, vexatious or trivial, or b) in all the circumstances of the complaint, it should not be determined.

DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER	REASON
<b>2015-038</b>	Courtney	Port FM	Port FM Breakfast Show	Complainant's privacy allegedly breached when radio presenters mentioned 'Jimmy from Omarama'	Privacy	Section 11(b) - recording not available
<b>2015-059</b>	Morris	RNZ	Worldwatch	Failure to report on aspects of 'Ukraine coup d'etat' including United States' involvement	Controversial Issues, Accuracy, Fairness, Responsible Programming	Section 11(b) - content of broadcast did not correspond to complaint
<b>2016-005</b>	Golden	RNZ	2015 Reeves Memorial Lecture	Choice of speaker was allegedly improper because she was corrupt	Controversial Issues, Accuracy, Fairness, Responsible Programming	Section 11(a) - vexatious
<b>2016-018A</b>				Complaint about RNZ scheduling change to replace the Pacific and Te Manu Korihi bulletins with 'feature or lead stories'	Fairness, Discrimination and Denigration, Responsible Programming	Section 11(b) - matter of personal preference and no broadcasts available
<b>2016-018B</b>	Malcolm	RNZ	Morning Report			
<b>2016-018C</b>						

## NO JURISDICTION

Jurisdictional decisions consider whether the BSA is able to accept a complaint.

DECISION NUMBER	COMPLAINANT	BROADCASTER	PROGRAMME	NATURE OF COMPLAINT	STANDARDS COMPLAINED UNDER	FINDING
<b>ID2015-082</b>	Supreme Sikh Council of NZ & Supreme Sikh Society of NZ	Radio Virsa	Various	Interlocutory decision considering whether valid formal complaint was made and therefore whether Authority could accept referral or order production of recordings	Good Taste and Decency, Law and Order, Privacy, Accuracy, Fairness, Discrimination and Denigration, Responsible Programming	Declined jurisdiction - no valid formal complaint



# DIRECTORY

## Members

**Peter Radich** (Chair)

**Leigh Pearson**

**Te Raumawhitu (Te Rau) Kupenga**

**Paula Rose**

## Staff

**Belinda Moffat**

Chief Executive

*From May 2016*

**Karen Scott-Howman**

Chief Executive

*Until April 2016*

**Patricia Windle**

Legal Manager

**Nicole Hickman**

Legal Advisor

**Catie Murray**

Legal Advisor

*From June 2016*

**Morgan Coats**

Legal Advisor

*Until June 2016*

**Alexandra Lewin**

Executive Administrator & Communications Assistant

*Until September 2016*

**Robyn Diamantis**

Receptionist/Administrator (shared with NZ On Air)



**BROADCASTING STANDARDS AUTHORITY  
TE MANA WHANONGA KAIPĀHO**

**LEVEL 2 | 119 GHUZNEE STREET  
WELLINGTON 6011 | NEW ZEALAND**

**T: (04) 382 9508 | FREEPHONE: 0800 366 996  
F: (04) 382 9543 | E: [info@bsa.govt.nz](mailto:info@bsa.govt.nz)**

**[www.bsa.govt.nz](http://www.bsa.govt.nz)**

