

He submitted that the programme makers did not satisfy the statutory requirement of balance by not presenting the views of another economist, nominating as an example Professor Bryan Philpott of Victoria University.

Mr Frawley said "the issue of the lay-offs" was of sufficient controversial public importance to justify the presentation of different points of view.

The Corporation's Response:

The Board of the BCNZ considered Mr Frawley's complaint on 30 April and the Secretary of the Corporation, Mr I. H. McLean, conveyed its decision on 14 May 1986.

Mr McLean said the complaint was considered under section 24(1)(e) of the Broadcasting Act and the principle that when controversial issues of public importance are discussed, reasonable efforts are made to present significant points of view either in the same programme or in other programmes within the period of current interest.

He noted that there had been no mention of the item of redundancies or lay-offs in the industry.

The BCNZ said Mr Bayliss was approached "for his general economic expertise and knowledge of the general tendency for companies everywhere to seek the most favourable manufacturing environment, including the movement of operations to other countries and moving them back home when conditions changed."

The BCNZ also said it was difficult to find anything controversial or supportive of the policies of the present Minister of Finance in the series of statements.

The Board did not consider there had been a breach of the Act and did not uphold the complaint.

Reference to the Tribunal:

Mr Frawley was not satisfied and referred his complaint to the Tribunal on 11 June 1986.

He reiterated his original complaint regarding lack of balance and the selection of Mr Bayliss as a commentator.

The main points of Mr Frawley's submission can be summarised as follows:

- (a) The BCNZ failed to address the central issue of balancing significant points of view.
- (b) Contrary to the Board's opinion, he considered the comments made by Mr Bayliss implicitly supported the policies of the present Minister of Finance.
- (c) Mr Bayliss had publicly supported the Minister's monetarist economic policies.
- (d) Such policies were largely responsible for the economic changes prompting New Zealand firms to shift manufacturing off-shore.
- (e) The Board "entered the merits" of the dispute by apparently subscribing to the Bayliss view as self-evident truth.
- (f) There was a clear lack of depth in state broadcasting financial journalism.
- (g) The programme makers were too ready to assume that economics is a value-free science where non-political and impartial views are easily "subscribable".
- (h) No one view is right, but other significant expert views should have been sought.

The Corporation's Submission:

In its submission to the Tribunal dated 24 July, the BCNZ said it appeared that the complainant had misheard or misunderstood the news item in question. The Corporation said Mr Frawley seemed more concerned about Mr Bayliss being invited to explain a newsworthy development than with what he actually said.

The BCNZ said the item was handled in a pragmatic rather than political way which required explanation as distinct from argument. RNZ news staff did not identify the topic as having a controversial dimension requiring a range of economic or political opinion and argument.

In a detailed analysis of specific elements in the complaint the Corporation said:

- (a) Redundancies, lay-offs and rationalisation were not mentioned in the item.
- (b) Mr Bayliss' comments were basically in the nature of a common-sense factual exposition which, they said, pointed out:
 - (i) The fact that companies were moving activities off-shore was noted as not being something new.
 - (ii) The economy was going through a process of change and off-shore movement could be accelerating.
 - (iii) The overseas movement took advantage of cheaper labour there.

(iv) In the long run this did not necessarily mean fewer jobs in New Zealand, companies grew and provided more jobs as they got bigger.

(v) Though there were direct benefits of off-shore locations, the profits came back to New Zealand so the country could well benefit from the move.

The item was regarded as "embracing non-political expert comment (a brief one, at that) on a matter of public interest at the time, but hardly controversial, and certainly not covering the ground which Mr Frawley alleged".

The Corporation added:

"The debate about economic change has been aired continuously since the change of Government in 1984, and it is submitted that the item in question was not an appropriate topic on which to explore further elements of that debate. As already indicated, it was a look at the fundamentals of a given manufacturing situation."

The Report:

The Tribunal was supplied with a full transcript of the item as broadcast, together with news reports from the previous day of the PDL decision to move some production off-shore.

The Tribunal invited Mr Bayliss to comment on whether the interview as broadcast was a fair and reasonable representation of his views.

Mr Bayliss advised the Tribunal that the report was a "heavily edited and shortened version of the interview".

He went on to say that those who make public statements face varying qualities of reports being made. They have to take the rough with the smooth and, by and large, he was happy with the quality of reports made.

DECISION

THE Tribunal accepts the point made by the complainant that economics is not a value-free science.

As reported and edited some of the comments made by Mr Bayliss were, at the least, debatable. The changes in the New Zealand economy were and are matters of political and public controversy.

The Tribunal also accepts the Corporation's submission that Mr Frawley appears to have misheard or misunderstood some parts of the item; that he ascribed statements and views to Mr Bayliss which were not so expressed in the report; and that the debate about economic change has been widely aired.

Nevertheless, the Tribunal considers there are real dangers in conducting interviews on major economic changes and presenting heavily edited versions as "non-political expert comment" or "common-sense factual exposition".

The reporter explicitly sought opinions rather than factual explanations in the questions posed to Mr Bayliss:

"Does New Zealand just have to sort of grin and bear it?"

and

"In the long term, is there any advantage to the country in New Zealand firms going off-shore to produce?"

But section 24(1)(e) of the Broadcasting Act refers to:

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

The Tribunal considers that "Radio New Zealand news people" and the Corporation were in error in considering that the topic was not controversial.

While the terms "lay-offs" and "redundancies" were not used in the item as Mr Frawley alleged, the reporter's questions referred to "fewer jobs", Mr Bayliss mentioned "job creation" and "jobs terminating". It would be narrowly semantic to assert that the issue of continued employment was not present in the report.

As for the question of economic change being related to Government policies, both the previous day's reports from PDL Industries (so far as they are relevant to this complaint) and the introduction to the item explicitly referred to the inflation effect of devaluation, the float of the dollar, high interest rates, and the instability of the de-regulated economy.

Insofar as the item was about a particular instance of change in manufacturing, the defence that "the debate about the economic change has been aired continuously since the change of Government in 1984" is not relevant.

Insofar as the item purported to explore "the fundamentals of a new manufacturing development", it moved into the area of political and economic controversy and falls within the ambit of section 24(1)(e) of the Act.