

**TE MANA WHANONGA KAIPĀHO
BROADCASTING STANDARDS AUTHORITY**

**TAUĀKĪ Ā-WHĀINGA
WHAKATUTUKI**

**STATEMENT OF
PERFORMANCE
EXPECTATIONS**

FOR THE YEAR ENDING 30 JUNE 2021


STATEMENT OF AUTHORISATION

TAUĀKĪ WHAKAMANA

This Statement of Performance Expectations (SPE) is presented to the House of Representatives in accordance with the Crown Entities Act 2004.

This SPE sets out our proposed performance targets and forecast financial information for the year ahead. It is produced in accordance with section 149E of the Crown Entities Act 2004 and should be read together with our Statement of Intent 2020-2024 (SOI).

The forecast financial statements and underlying assumptions in this document have been authorised as appropriate for issue by the Board of the Broadcasting Standards Authority in accordance with its role under the Crown Entities Act 2004. It is not intended to update the forecast financial statements subsequent to presentation.



Judge Bill Hastings
Chair



Paula Rose QSO
Member

22 June 2020

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STRATEGIC FRAMEWORK TE ANGA RAUTAKI

SECTOR VISION	Promoting a confident and connected culture	
BSA VISION & PURPOSE	↑	↑
	OUR VISION IS FREEDOM IN BROADCASTING WITHOUT HARM	
	Our purpose is to prevent harm to New Zealanders, while fairly balancing the broadcasters' right to freedom of expression and reflecting the values of New Zealand's liberal democratic society	
OVERARCHING OUTCOME/GOAL	↑	↑
	What we intend to achieve:	
	New Zealanders can confidently engage with broadcast content that does not cause harm	
IMPACTS OVER TIME	↑	↑
	How we contribute and influence:	
	<ul style="list-style-type: none"> • Providing an effective and efficient complaints service which is accessible, fair, agile and modern • Issuing decisions on complaints that are fair, clear, robust and timely, and reflect our changing media environment and the culture, attitudes and values of our diverse communities • Overseeing broadcasting standards that are fit for purpose in the modern media environment to which they apply • Engaging with and educating broadcasters so that they understand and meet their broadcasting standards obligations • Engaging with and educating the public so they make informed decisions and safely manage broadcast content in their homes, and can access the complaints system 	
MEASURE OUR IMPACT	↑	↑
	How we know we are succeeding:	
	<ul style="list-style-type: none"> • Public awareness of the broadcasting standards system is maintained • Understanding of standards by broadcasters and the public is improved • A high level of trust and confidence in the system is maintained • Public awareness and use of the tools available to safely manage broadcast content is increased • Broadcaster conduct, practices, policies and/or procedures are improved following the issue of a decision • Our decisions reflect the attitudes and values of our diverse liberal democratic society 	
ACTIVITIES & SERVICES	↑	↑
	How we deliver:	
	<div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="border: 1px solid black; padding: 10px; width: 30%;"> <p style="text-align: center;">OVERSIGHT AND DEVELOPMENT OF THE BROADCASTING STANDARDS SYSTEM</p> <p>We oversee the broadcasting standards regime, work with broadcasters and others to set clear broadcasting standards, keep codes under review to reflect the contemporary environment, issue guidance, and undertake research which is relevant to the broadcasting standards regime.</p> </div> <div style="border: 1px solid black; padding: 10px; width: 30%;"> <p style="text-align: center;">COMPLAINTS DETERMINATION</p> <p>We receive complaints about breaches of the Codes of Broadcasting Practice and aim to offer an efficient and effective service and issue robust, soundly reasoned, timely decisions that reflect the boundaries between freedom of expression and harm.</p> </div> <div style="border: 1px solid black; padding: 10px; width: 30%;"> <p style="text-align: center;">EDUCATION AND ENGAGEMENT</p> <p>We engage with, and educate, the public and broadcasters so that they understand and can use the protections and guidance provided through the broadcasting standards system.</p> </div> </div>	



INTRODUCTION

TĪMATANGA KŌRERO

This SPE sets out how we measure our performance, and reports on the progress of that performance against our performance targets. Performance results against these SPE targets and also against the longer-term goals set out in our SOI are reported in our Annual Report.

Impact of COVID-19

Our SPE has been written this year in extraordinary circumstances. The global community is responding to a pandemic, which has required us to change the way we work and engage with each other. It has introduced pressures to our primary services, our economy and changed the way we operate as a community. There is no certainty as to how long the changes may last or the impact it may have on our country and our people.

Through a time such as this broadcasting is a critical service, as it informs, entertains and connects our community. This situation also places responsibility and pressure on our broadcasters to deliver services and to generate revenue to enable them to do so. In this context the broadcasting standards system has an important role to play. The importance of fair, accurate and balanced reporting is critical to democracy during a crisis. Equally important are the standards safeguards which are designed to ensure children and vulnerable people, who have increased access to broadcast content at home, are kept safe by effective classifications and programme information. This SPE has been prepared within this context.

Notwithstanding the pandemic, and restrictions imposed through the alert levels, the BSA has continued to be fully operational, delivering all functions and services under our statutory mandate remotely. We have not incurred any significant additional costs as a result of the change to our working arrangements. We expect to be able to continue to deliver all services in the 2020/21 financial year. Under the alert level restrictions, we have seen an increase in enquiries handled by our staff but complaint numbers have remained steady. We have adapted our research activities adopting online contactless methodologies.

We anticipate a reduction in broadcasting levy revenue reflecting the impact of the pandemic on broadcaster operations and reduced broadcaster advertising revenue. In the short term, we will exercise fiscal restraint and draw on our reserves to fund our activities. If broadcasting levy revenue continues to decrease over time, we may need to seek additional support from Government in the medium term.

Against this background, we intend to fulfil our statutory obligations and deliver our services consistent with our previous performance. In the following section we set out our primary functions and goals for the year ahead, what we hope to achieve and the impact we intend to have.

BSA functions and impact

Overseeing our broadcasting standards system is a core function. Last year we refreshed our strategic framework to focus on our role in supporting a standards framework that is does not unduly restrict broadcasters' right to freedom of expression but enables New Zealand audiences to safely access broadcast content without harm. In this refresh we increased our emphasis on our role in proactively engaging with and educating broadcasters and the public so that broadcasters understand the standards obligations, and so the public can access the complaints system and safely manage content in their homes. Supporting the standards system is a key part of this, but is not our only purpose. Our focus on these aspects continues this year.

The BSA's tribunal decision making function is a core part of our harms prevention focus. It must be efficient, effective, responsive and modern. We are operating in an ever changing media environment where the means of distribution and the way audiences consume content is continually changing, yet traditional media platforms continue to play an important role in New Zealand's media landscape. The age, ethnicity and socio-economic demographics of our community are also changing. Our challenge is to give effect to our mandate in a way that is responsive to this environment. The issues raised in complaints are also increasingly more complex requiring more time and resource. Important issues about equality, human rights, democracy, and community standards are brought to us for determination. This illustrates that the system is working well, as less important issues are dealt with by broadcasters in the first instance.

Ensuring that our Codes are fit for purpose and relevant to the contemporary environment is key. This year we will commence our review of the Codebook. This will involve consultation with broadcasters and the community to ensure we understand and reflect safeguards that are important to our community now.

In previous years we have measured our impact and the effectiveness of the standards system by seeking to achieve a reduction in both upheld and not upheld complaints with a consequential decline in overall complaint numbers. We have carefully reviewed this measure and in the environment



we have described above, we consider that this measure has too much ambiguity. It requires a number of inferences to be drawn. Declining upheld complaints could be attributed to good broadcaster conduct, or it could be due to a greater number of unjustified complaints. Not upheld complaints might decline because we have received good quality complaints, or because broadcaster breaches have increased or because we have failed to communicate well about the complaints system. Therefore, while we will continue to monitor our complaint numbers and outcomes for statistical and trend purposes, we do not consider it is an effective measure given the unsound inferences that may be drawn.

In its place, this year we have introduced a new measure to our strategic framework which is that our decisions result in improved broadcaster conduct, policy, process and/or procedures. Our aim is that the decisions we issue help broadcasters to better understand and comply with the standards, and/or to remedy any harm that may have been caused. We consider that this is a more important measure of our role in supporting and encouraging broadcasters to observe, understand and uphold standards in broadcasting. We will measure how well we have achieved this impact through case study assessments of the impact of our decisions and through our broadcaster survey. This new measure is reflected at measure 2.7 in this SPE.

General Election 2020

This year we will also consider complaints about election programmes in the lead up to the 2020 General Election. We recognise the important role that our decision making plays in protecting New Zealanders from harm, whilst also ensuring that the important right to freedom of expression is not unreasonably limited. Our focus is on quality decision making and ensuring that our decisions provide guidance to broadcasters and the public about how the standards apply to prevent harm.

New Zealand's diverse liberal democracy

Equally important is our role in engaging with broadcasters and the public to listen, understand and appropriately reflect the New Zealand's diverse liberal democracy and to promote the standards system. This enables New Zealanders to connect with broadcast content without harm. We do this by listening to feedback on our decisions, testing our decisions with focus groups and undertaking research on standards issues.

Education and engagement

Awareness and informed engagement in the broadcasting standards system is particularly important for tamariki and rangatahi, and their parents and caregivers, who are faced with navigating a wide range of digital content. Our role includes educating the public on how to use the standards system to

make good decisions about what they choose to see and hear in the broadcasting environment. Our strategic framework reflects our commitment to focus on engagement and education to prevent harm, alongside our work of responding to complaints brought to us, and ensuring our services are accessible and efficient.

Review of content regulation

We also play a critical role in supporting the review of content regulation in New Zealand. We want a refreshed modern regulatory system which reflects the contemporary content environment, supports public media and a healthy democracy, and promotes the wellbeing of all New Zealanders. We will use our resources to contribute to the reform work, through the provision of advice from our position as an experienced content regulator.

Wellbeing

In our role, we contribute to the wellbeing of New Zealanders and their families by supporting a standards framework designed to keep New Zealanders connected and safe. We do this by promoting a standards system that does not unduly restrict broadcasters' right to freedom of expression, but enables audiences to safely access broadcast content and make informed decisions about what they, and children in their care, watch and listen to. Healthy and confident engagement with broadcast content is relevant to the safety, security, connectedness, wellness and development of communities, and children within those communities. We are particularly focused on supporting children and young people, and ensuring that our services are known and accessible to our diverse communities.

In our work we support the public media objectives by providing a framework of ethical standards that promotes democracy, protects civil rights and guides media in their provision of news, information and entertainment to the community. Our independence is critical to our contribution to promoting an informed democracy and safeguarding the media's independence.

In the year ahead we will review and update the Broadcasting Standards in New Zealand Codebook, contribute to the Governments wider review of media regulation, complete our review of the application of the Broadcasting Act to online content (excluding on demand content) and ensure that we deliver quality decisions election related complaints in a timely way.

Financial position and operations

Over the last two years we have seen broadcaster levy revenue gradually decrease, and pressure on our resources across our core activities increase, resulting in recruitment of additional



resources. This is due in part to the complexity of complaints which take more time and resource to determine, our role in advising and supporting reform activities, and ongoing review of Code standards and the application of the Broadcasting Act 1989 to the modern environment. At the time of writing, a deficit for the year ahead is forecast which will require BSA to draw on its reserves. As discussed above, the COVID-19 pandemic has had a significant impact on broadcasters and is therefore likely to impact our levy revenue in future years. Our reserves have been built up overtime to deal with situations

such as this. Notwithstanding the anticipated deficit, we will continue to carefully manage our costs and maintain healthy reserves in line with our financial management policy. If the pandemic significantly impacts revenue we will seek additional funding from Government, and if funding is not available we will limit our services to those which are essential to ensure that New Zealanders can safely engage with broadcast media in New Zealand without harm.

This SPE is provided in two parts:

PERFORMANCE MEASURES

This section sets out performance measures, targets, estimates and budgets for the year ending 30 June 2021, in accordance with the Crown Entities Act 2004, in relation to our three activities and services. This section explains how our activities link to, influence and contribute to longer-term outcomes and the impact we intend to achieve.

As shown in our strategic framework, the three activities and services we deliver work collectively. Together, they contribute to the overarching goal and outcome, and what we intend to achieve.

Our performance measures are all linked to the key impacts we aim to achieve, which are:

- Public awareness of the broadcasting standards system is maintained
- Understanding of standards by broadcasters and the public is improved
- A high level of trust and confidence in the system is maintained
- Public awareness and use of the tools available to safely manage broadcast content is increased
- Broadcaster conduct, practices, policies and/or procedures are improved following the issue of a decision
- Our decisions reflect the attitudes and values of our diverse liberal democratic society.

We contribute to these impacts through the delivery of our three activities and services:

- complaints determination
- oversight and development of the broadcasting standards system
- education and engagement.

FORECAST FINANCIAL STATEMENTS

The forecast financial statements provide all appropriate information and explanations needed to fairly reflect the forecast financial operations and financial position of the BSA for the year ending 30 June 2021 in accordance with s149G of the Crown Entities Act 2004.



PERFORMANCE ASSESSMENT AND ANNUAL EXPECTATIONS

TE AROMATAWAI WHAKAATURANGA ME NGĀ TŪMANAKO Ā TAU

1. Complaints Determination

We deal with complaints that broadcasters have breached the Codes of Broadcasting Practice. Most complaints go first to the broadcaster, and may be referred to the Authority if the complainant is not satisfied with the broadcaster’s decision. The Authority’s decisions can be appealed to the High Court. Complaints under the privacy standard and under the Election Programmes Code can be made directly to the BSA. Issuing quality decisions about election related complaints is an important focus this year.

Through the complaints process we investigate and respond to actual and potential harms caused by broadcasting. It is important that our decisions are of a high quality: fair, clear, robust, soundly reasoned, timely and reflect the boundaries

between freedom of expression and harm, and the changing media environment. Our decisions respond to potential harm, and also provide guidance to broadcasters and the public about how the standards apply. Our decisions reflect the attitudes and values of our diverse liberal democratic society. It is important that complex complaints are progressed through a quality, robust and fair process. Some complaints may take more time due to their complexity and the need for external cultural or other specialist advice to be provided.

Overall through our decisions we aim to maintain a high level of trust and confidence in the broadcasting standards system so that New Zealanders can willingly and safely engage in broadcast content. Our measures set out below focus on high performance in the delivery of the complaints service and high quality in the decisions themselves.

KEY DELIVERABLES	PERFORMANCE MEASURES	2020/21 TARGET	2019/20 FORECAST	2018/19 ACTUAL	2017/18 ACTUAL
1.1 Complaints are acknowledged in a timely manner.	Complaints acknowledged in writing within 3 working days	95% ¹	Achieved – 98%	Achieved – 99%	Achieved – 98%
1.2 Decisions are issued in timely manner	Decisions issued within 20 working days of the board meeting at which final decision is made	90% ²	Achieved – 100%	Achieved – 100%	Achieved – 99%
1.3 Decisions are soundly reasoned	(a) External assessment of up to 5 decisions conducted to assess whether the BSA’s reasoning, processes and/or interpretation of a standard are appropriate and reasonable	An external assessor agrees that the BSA’s reasoning, process and/or interpretation in up to 5 decisions are appropriate and reasonable	Achieved An external review was undertaken on the BSA’s reasoning and interpretation of complaints under the accuracy standard	Achieved An external review was undertaken on the BSA’s reasoning and interpretation of complaints under the Discrimination and Denigration and assessor agreed with the BSA’s decisions	Achieved An external review was undertaken on the BSA’s reasoning and interpretation of the Election Programmes Code

1 Reverted to 2018 SPE measure as it more accurately reflects the impact we are seeking to achieve which is systematic processing of complaints which ensures trust and confidence in the system. Time limits on determination of the complaint did not take into account complexity of the complaint, or needs of parties for additional time to make submissions. Our focus is on quality complaints and a robust and fair process.

2 As above.



KEY DELIVERABLES	PERFORMANCE MEASURES	2020/21 TARGET	2019/20 FORECAST	2018/19 ACTUAL	2017/18 ACTUAL
	(b) High Court judgments on appeals taken against BSA decisions are analysed and applied in subsequent decisions to enable improvements to the BSA's reasoning and process	Achieved	Achieved One appeal filed in 2018/19 is ongoing.	Achieved 2 appeals filed in Q1. In Q3 the Court dismissed the application by one of the complainants to the appeal out of time noting the appeal grounds lacked merit.	Achieved No appeals were filed
1.4 BSA delivers high quality complaints service	Complainants are satisfied with the processes, system and quality of service provided by the BSA in an annual survey	An average of 70% are satisfied with BSA's telephone contact, written correspondence and staff professionalism	Achieved	Achieved Average of <ul style="list-style-type: none"> 96% satisfied with BSA's telephone contact 89% were satisfied with BSA's staff 65% were satisfied with BSA's written correspondence 	Achieved Average of <ul style="list-style-type: none"> 91% were satisfied with BSA's telephone contact 93% were satisfied with BSA staff's professionalism 84% were satisfied with BSA's written correspondence
1.5 BSA decisions reflect community standards and are understood by members of the public	Litmus test up to 5 decisions with groups of mixed ethnicity, age and gender, as to BSA approach to a standard, clarity of reasoning and decision outcome and identify current community attitudes on issues addressed by standards	75% rank decisions as acceptable, good or very good on a 5-point scale in terms of how well the public understand the reasoning and support the complaint outcome	Achieved 4 decisions relating to violence	Achieved – 85% 4 decisions relating to nudity on screen	Achieved – 90% 4 decisions relating to the fairness standard litmus tested

COST OF COMPLAINTS DETERMINATION

	2020/21 BUDGET	2019/20 FORECAST	2019/20 BUDGET	2018/19 ACTUAL	2017/18 ACTUAL
TOTAL REVENUE	703,450	761,403	747,000	803,076	835,052
TOTAL EXPENDITURE	849,450	810,521	777,400	727,704	660,196
% OF TOTAL BUDGET	55%	52%	50%	53%	54%



2. Oversight and Development of the Broadcasting Standards System

We oversee the broadcasting standards regime, work with broadcasters and others to set clear broadcasting standards, and review codes so that they reflect the modern media environment to which they apply. We undertake research and, where appropriate, provide resources to support broadcasters to understand their obligations. We work co-operatively and openly with other content standards regulators and provide advice to policy officials on issues of reform as required.

Our portfolio of research activity enables us to understand changing attitudes and expectations of our diverse community, so these can be reflected in our decisions and the standards. Maintaining public awareness of the BSA, the standards and complaints system, is critical to the successful delivery of our service. We measure our impact through a bi-annual survey.

Codes of Broadcasting Practice set out the standards which provide an ethical framework guiding broadcasters to avoid harm from broadcasting. The standards impose some limits on

the exercise of freedom of expression and need to reflect the contemporary media environment, community attitudes and audience behaviour. This year we will commence our review of the full Codebook to ensure it is fit for purpose. A key aspect of the standards system is enabling audiences to make informed decisions about what they choose to watch and listen to without harm. Promoting the use of classifications, warnings, parental locks to manage content, particularly for children, has been an important focus at the BSA. We will test the level of public awareness and use of these tools this year.

Supporting broadcasters to meet the standards, is another important role that we play. This year we have introduced a new impact in place of our previous impact of seeing a reduction in upheld and no upheld complaints. We consider that a more appropriate impact is that our decisions lead to improvements in broadcaster conduct, policies, practices and/or procedures. We will assess our performance by case studies of our decisions contributing to these improvements (new measure 2.7), feedback from broadcasters and through an annual broadcaster survey.

KEY DELIVERABLES	PERFORMANCE MEASURES	2020/21 TARGET	2019/20 FORECAST	2018/19 ACTUAL	2017/18 ACTUAL
2.1 Codes remain relevant to the media environment to which they apply	Codes are reviewed internally every two years against new media developments and, if appropriate, revised in conjunction with broadcasters and after public consultation	Achieved Commence review of Codebook	N/A Free-to-air television Code review (timebands and classifications) completed. Refreshed Election Programmes Code gazetted in March 2020	Achieved Review of free-to-air television timebands and classifications continued. Review of Election Programmes Code commenced	Achieved Review of free-to-air television timebands and classifications underway
2.2 Research is commissioned that is relevant to ensuring that standards are contemporary and community expectations are understood	Commission and publish one research project that analyses or examines the application of a standard, or an aspect of broadcasting, or community attitudes and/or informs any future regulatory system and is assessed as thorough and of value to development of standards and/or future regulatory system	1 research and/or public consultation project undertaken Feedback from 5 stakeholders received that the research is valuable	Achieved	Achieved Research into harms arising from nudity on television undertaken. Feedback provided by stakeholders in a workshop	Achieved Research into use of social media in broadcasting completed and guidance issued.



KEY DELIVERABLES	PERFORMANCE MEASURES	2020/21 TARGET	2019/20 FORECAST	2018/19 ACTUAL	2017/18 ACTUAL
2.3 Broadcasters fulfil obligations to publicise the complaints process	Audit undertaken every two years and non-compliant broadcasters notified and relevant information provided to them to assist them to comply	N/A (every two years)	Achieved	N/A (every two years)	Achieved
2.4 New Zealanders are aware of the BSA and aware they can make a formal complaint	Survey of public awareness undertaken every two years	75% of New Zealanders are aware of the BSA and aware they can make a formal complaint	N/A (every two years)	Achieved 89% of New Zealanders are aware of the BSA and 84% aware they can make a formal complaint	N/A (every two years)
2.5 Broadcasters are satisfied with the quality of BSA processes, services and working relationships	Broadcasters rate BSA processes and working relationships as good or better and identify any issues. Issues are addressed following consideration by BSA Board	80% or more of broadcasters surveyed rank BSA processes and working relationships as good or very good on a 5-point scale. Issues raised are analysed and addressed	Achieved	Achieved 83% - working relationships 100% - processes	Achieved 80% - working relationships 100% - processes
2.6 Broadcasters understand the standards and meet their obligations	BSA provides workshops and/or seminars to broadcasters on issues relating to broadcasting standards	Workshops, presentations or meetings are held with 15 broadcasters by BSA staff annually	Achieved	New Measure	New Measure
2.7 Broadcaster conduct, practices, and/or procedures are improved following issue of a decision	Performance will be assessed by case studies of improvements following the issue of BSA decisions	3 Case Studies	New Measure	New Measure	New Measure

COST OF OVERSIGHT AND DEVELOPMENT OF THE BROADCASTING STANDARDS SYSTEM

	2020/21 BUDGET	2019/20 FORECAST	2019/20 BUDGET	2018/19 ACTUAL	2017/18 ACTUAL
TOTAL REVENUE	319,750	497,841	373,500	409,114	463,918
TOTAL EXPENDITURE	386,110	529,956	388,700	370,717	360,330
% OF TOTAL BUDGET	25%	34%³	25%	27%	30%

3 Direct costs (supplier costs) and indirect costs (allocation of staff time) are allocated to each output. In the 2019/20 year, additional direct and indirect costs arising from the review of timebands and classifications on free-to-air television, and public consultation on the review of the Election Programmes Code resulted in an increase in the percentage of costs allocated to the development and oversight of broadcasting standards system output and a corresponding reduction in spend on the education and engagement output.



3. Education and Engagement

To ensure that the broadcasting standards system is effective for all New Zealanders we have an important role in engaging with and education broadcasters and the public on the standards and how they apply. We also have an important role in advising and informing the Government on issues relevant to the content regulatory framework. We strive to make our services accessible to all of our diverse New Zealand communities through digital and non-digital channels.

We provide information and guidance through our website, BSA Pānui, twitter, press releases, seminars and public

consultation processes. We undertake activities to raise awareness of the BSA, broadcasting standards, and the complaints system. Our focus in this area is to prevent harm and to assist broadcasters to meet the standards.

Our focus this year is providing guidance about the Election Programmes standards and complaints processes available in New Zealand, and to commence consultation on the review of the Codebook.

Our aim is that all people from different cultures, backgrounds and abilities are able to access and benefit from the broadcasting standards system in New Zealand.

KEY DELIVERABLES	PERFORMANCE MEASURES	2020/21 TARGET	2019/20 FORECAST	2018/19 ACTUAL	2017/18 ACTUAL
3.1 Production of newsletter to keep stakeholders informed	Newsletters published regularly throughout the year	9	Achieved 9	Achieved 9	Achieved 10
3.2 Strategic media releases are issued on matters of strategic importance	Decisions of high public interest or that provide particular guidance on the application of standards and the standards regime are regarded as strategic and are communicated by way of a media release	Releases for at least 10 decisions issued before 30 June annually	Achieved 12	Achieved 11	Achieved 17
3.3 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	At least 70% of those surveyed rate the BSA website as good or very good on a 5-point scale	Survey reports due by June 2020	Not assessed as new Website being built	Achieved 78% - Complainants 78% - Broadcasters



KEY DELIVERABLES	PERFORMANCE MEASURES	2020/21 TARGET	2019/20 FORECAST	2018/19 ACTUAL	2017/18 ACTUAL
3.4 Māori, Asian, and Pasifika community awareness of the BSA and the ability to make a complaint is increased	(a) Survey of public awareness undertaken every two years	75% of Māori, Asian and Pasifika are aware of the BSA and aware they can make a formal complaint ⁴	N/A (every two years)	New Measure	New Measure
	(b) Māori, Asian and Pasifika communities engage with BSA services	BSA provides 5 meetings, workshops or translated written guidance to Asian, Maori and/or Pasifika groups	Achieved	New Measure	New Measure

COST OF EDUCATION AND ENGAGEMENT

	2020/21 BUDGET	2019/20 FORECAST	2019/20 BUDGET	2018/19 ACTUAL	2017/18 ACTUAL
TOTAL REVENUE	255,800	204,993	373,500	303,048	247,423
TOTAL EXPENDITURE	308,890	218,217	388,700	274,606	190,375
% OF TOTAL BUDGET	20%	14%	25%	20%	16%

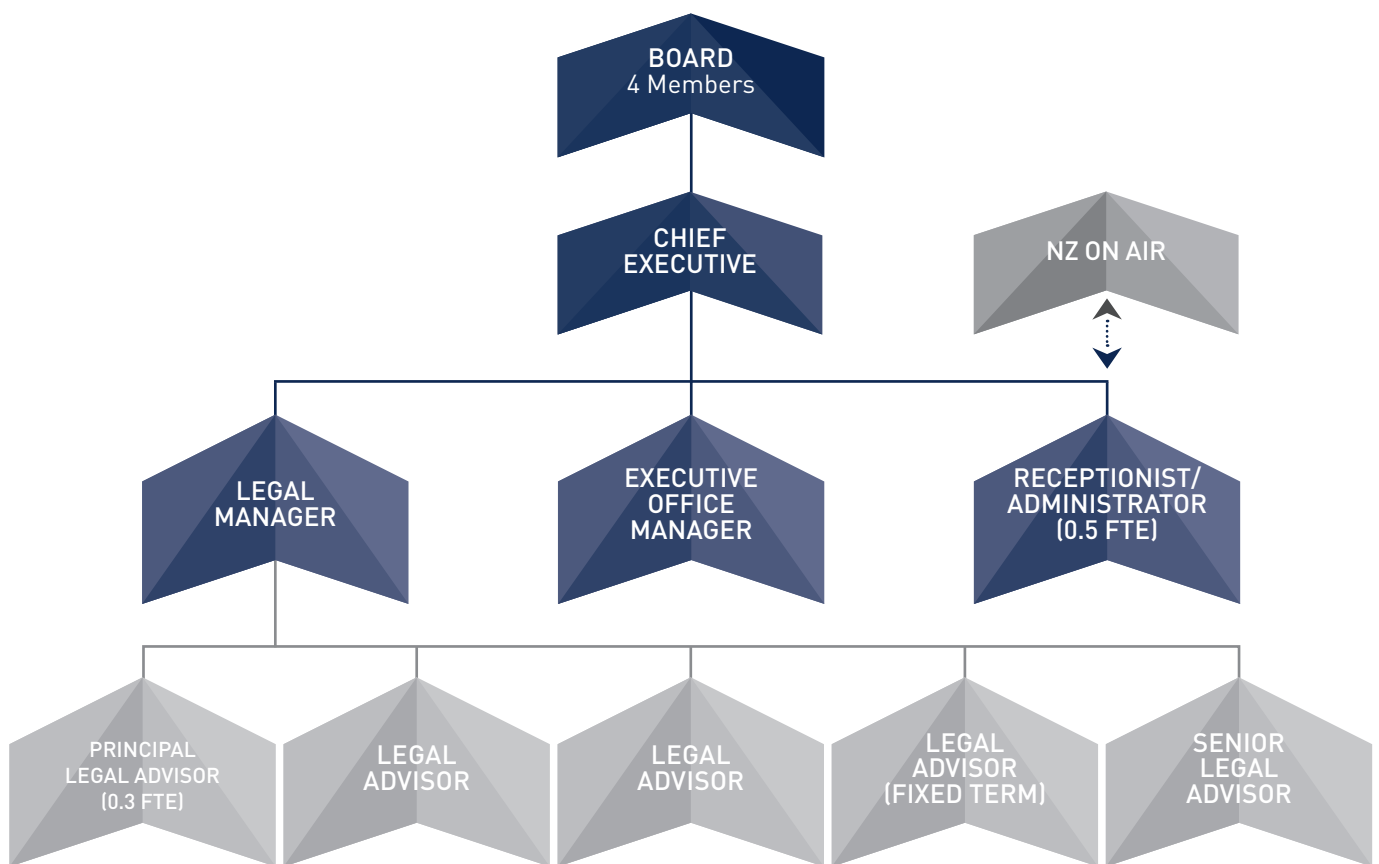
⁴ This measure is assessed as part of the Public Awareness Survey which is conducted every two years (see measure 2.4). The last survey was conducted in 2019, and is next scheduled to be conducted in 2020/21. Baseline: 2017 Awareness Survey: Awareness of the BSA: Maori – 93%; Pacific Island – 71%; Asian – 64%; 2019 Survey: Awareness of the BSA: Māori – 82%; Pacific Islands – 62%; Asian – 72%.



ORGANISATIONAL HEALTH AND CAPABILITY

TE ORANGA TŌPŪTANGA ME TE ĀHEINGA

BSA Organisational Structure



We are a small entity with specialist staff. We have formal good employer and personnel policies in place and a commitment to equal employment opportunities. We have zero tolerance of bullying, harassment and discrimination. We monitor all aspects that could affect wellbeing; service delivery: staff productivity; synergies between board, management, and staff; fluctuations in complaint numbers and complexity; compliance requirements; environmental factors; and funding.



We will work towards the following five goals in the next 12 months:

GOALS	MEASURES	2019/20 TARGET
Focus on attracting and retaining engaged, skilled, knowledgeable, adaptable, efficient team players with the tools, information, and training necessary to perform to a high level	Each staff member has an annual assessment of individual training needs and a professional development plan	Achieved
	Board members undertake an annual self-assessment around their exercise of their quasi-judicial powers and governance	Achieved
	Staff engagement surveys are conducted biannually	Achieved
Maintain, seek and develop ongoing opportunities for agency collaboration and shared services in the cultural sector	Continue to share facilities and one front-of-house staff member with NZ On Air	Achieved
	Explore other options for shared service arrangements	Achieved
	Maintain appropriate referral processes and collaboration on issues of common interest with agencies which also have a role in the oversight of content standards (such as New Zealand Media Council, Advertising Standards Authority and Chief Censor) to avoid duplication of resource and cost	Achieved
Our infrastructure is fit for purpose under existing legislative requirements	Our complaints data management system is reviewed to ensure it provides better reporting and other efficiencies	Achieved
	Our hardcopy and electronic file structure reflects the current working environment	Achieved
Health and safety best practice is well implemented and appropriately monitored and reported	Safety hazards reported are attended to promptly and significant hazards are attended to immediately	Achieved
	Zero tolerance of harassment, bullying and discrimination	Achieved
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	EEO principles are included in all relevant documents and practices	Achieved



FORECAST FINANCIAL STATEMENTS NGĀ TAUĀKĪ MŌ TE MATAPAE PŪTEA

The forecast financial statements provide all appropriate information and explanations needed to fairly reflect the forecast financial operations and financial position of the Broadcasting Standards Authority for the year ending 30 June 2021 in accordance with s149G of the Crown Entities Act 2004.

Our activities contribute to the non-departmental output expense, Public Broadcasting Services, within Vote Arts, Culture and Heritage, administered by the Ministry for Culture and Heritage. We will receive \$609,000 (GST exclusive) in Crown funding in 2020/21 (\$609,000 in 2019/20).

The BSA does not propose to supply any class of outputs in the financial year that is not a reportable class of outputs (section 149E(1)(c) of the Crown Entities Act 2004).

This year we have forecast a deficit as a result of anticipated reduction in levy revenue from broadcasters and costs arising from planned projects relating to our core functions. We note that the actual impact of the COVID-19 pandemic on our levy revenue is difficult to forecast. We expect to draw on our reserves which have been built up for the purpose of supporting projects and responding to fluctuating levy income. Notwithstanding the anticipated deficit, we will continue to have strong reserves in line with our financial management policy.



Broadcasting Standards Authority

Statement of Forecast Financial Performance

For the year ending 30 June 2021

	NOTE	2020/21 BUDGET \$	2019/20 BUDGET \$	2019/20 ESTIMATED ACTUAL \$
REVENUE				
Crown Revenue		609,000	609,000	609,000
Broadcasting levies		625,000	820,000	780,237
Interest income		45,000	65,000	75,000
Other Income		-	-	-
Total Revenue		1,279,000	1,494,000	1,464,237
LESS EXPENDITURE				
Personnel costs		948,500	821,000	794,630
Other expenses		575,950	683,800	745,149
Depreciation and amortisation		20,000	50,000	18,916
Total Expenditure		1,544,450	1,554,800	1,558,695
SURPLUS		(265,450)	(60,800)	(94,458)

Broadcasting Standards Authority

Statement of Forecast Changes in Equity

For the year ending 30 June 2021

	NOTE	2020/21 BUDGET \$	2019/20 BUDGET \$	2019/20 ESTIMATED ACTUAL \$
Public equity as at 1 July		2,224,579	2,212,845	2,376,596
Return of equity to the Crown		-	-	(57,559)
Surplus for the year ended 30 June		(265,450)	(60,800)	(94,458)
PUBLIC EQUITY AS AT 30 JUNE		1,959,129	2,152,045	2,224,579



Broadcasting Standards Authority

Statement of Forecast Financial Position

As at 30 June 2021

	NOTE	2020/21 BUDGET \$	2019/20 BUDGET \$	2019/20 ESTIMATED ACTUAL \$
CURRENT ASSETS				
Bank accounts and cash		194,929	256,545	174,406
Investments		1,800,000	2,000,000	2,100,000
Debtors and prepayments		49,000	7,500	49,000
Net GST		31,000	18,000	32,665
		2,074,929	2,282,045	2,356,071
Property, plant and equipment		17,000	33,000	11,000
Intangible		200	7,000	508
		17,200	40,000	11,508
Total Assets		2,092,129	2,322,045	2,367,579
LESS LIABILITIES				
Creditors and accrued expenses		101,000	120,000	111,000
Employee entitlements		32,000	50,000	32,000
		133,000	170,000	143,000
Assets less Liabilities		1,959,129	2,152,045	2,224,579
REPRESENTED BY PUBLIC EQUITY		1,959,129	2,152,045	2,224,579



Broadcasting Standards Authority

Statement of Forecast Cash Flows

For the year ending 30 June 2021

	NOTE	2020/21 BUDGET \$	2019/20 BUDGET \$	2019/20 ESTIMATED ACTUAL \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenue from Crown		609,000	609,000	609,000
Broadcasting levy		625,000	820,000	781,112
Interest received		45,000	65,000	92,431
Other income		-	-	-
GST (net)		1,665	-	(3,937)
Payments to employees & members		(948,500)	(816,000)	(793,564)
Payments to suppliers & other operating expenses		(585,950)	(683,800)	(729,177)
Net Cash Flow from Operating Activities		(253,785)	5,800	(44,135)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment		(25,692)	(50,000)	(17,216)
Purchase of intangible assets		-	-	-
(Increase)/Decrease investments		300,000	-	150,000
Net Cash Flow from Investing Activities		274,308	(50,000)	132,784
CASH FLOWS FROM FUNDING ACTIVITIES				
Return of equity to the Crown		-	-	(57,559)
Net Cash Flow from Funding Activities		-	-	(57,559)
Net Increase/(decrease) in cash held		20,523	(55,800)	31,090
Opening cash brought forward		174,406	312,345	143,316
BALANCE CARRIED FORWARD		194,929	256,545	174,406

NOTES TO THE FORECAST FINANCIAL STATEMENTS

Statement Of Accounting Policies

For The Year Ending 30 June 2021

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.

Our functions and responsibilities are set out in the Broadcasting Act 1989. The primary objective of the BSA is to provide 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 reflect the operations of the BSA only and do not incorporate any other entities. These forecast financial statements are for the year ending 30 June 2021.

Basis Of Preparation

Statement of Compliance

The forecast financial statements presented here have been prepared in accordance with New Zealand generally accepted accounting practice and are consistent with the accounting policies to be adopted for the preparation of financial statements. They have been prepared on the assumption that the BSA is a going concern.

The BSA has a total expenditure of less than \$2 million and is, therefore, eligible to report in accordance with Tier 3 PBE Accounting Standards. Accordingly, these forecast 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)).

These forecast financial statements have been prepared in accordance with the Crown Entities Act 2004, and may not be appropriate for purposes other than complying with the requirements of this Act.

The actual financial results for the period covered are likely to vary from the information presented and the variations may be material.

Measurement basis

The financial statements have been prepared on an historical cost basis. The accrual basis of accounting has been used unless otherwise stated.

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\$).

Use of judgements, estimates and assumptions

In preparing these forecast financial statements, the BSA has made estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where material, information on major assumptions is provided in the relevant accounting policy or will be provided in the relevant note. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following specific key assumptions have been used in the preparation of the forecast financial statements:

- Crown Revenue is based on the level of Crown funding as provided for in the Government's 2020/21 budget.

- Broadcasting levy revenue is directly linked to broadcaster revenue levels over which the BSA has no control. We expect the level of receipts to be down on previous years. The reduction forecast assumes reduced broadcaster levy revenue of 20%, and may need to be revised once the actual impact of the 2020 pandemic on broadcaster revenue becomes clear. Interest income depends on the available rates of return on bank investments, and we expect to be down on previous years.
- Personnel costs assumes restraint in remuneration in line with State Services Commission guidance.
- In light of planned projects relating to the BSA's core functions, and the anticipated reduction in levies, a deficit is forecast, which will require BSA to draw on its reserves. The reserves have been built up over time for the purpose of supporting such core function projects. Notwithstanding the anticipated deficit, we will continue to have strong reserves in line with our financial management policy.

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 the 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. No liability is recognised for sick leave.



Superannuation 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. 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.

Cost Allocation

The BSA has determined the cost of outputs in the Statement of Performance Expectations 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.



**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

www.bsa.govt.nz