

2027

**STATEMENT OF PERFORMANCE
EXPECTATIONS FOR THE YEAR
ENDING 30 JUNE 2027**

**TE PŪRONGO MŌ NGĀ
MAHI MŌ TE TAU KA MUTU
30 HUNE 2027**

STATEMENT OF AUTHORISATION

TAUĀKĪ WHAKAMANA

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 2023–2027 (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.



Susie Staley
Chair | Toihau
June 2026



John Gillespie
Member | Mema
June 2026

CONTENTS

NGA IHIRANGI

STRATEGIC FRAMEWORK TE ANGA RAUTAKI	2
INTRODUCTION TE WHAKATAKINGA	3
PERFORMANCE ASSESSMENT AND ANNUAL EXPECTATIONS TE PAEARU MAHI ME NGĀ KAWATAU	6
① Complaints determination Te hātepe whakapae	6
② Oversight and development of the broadcasting standards system Te tirohanga whānui me te whakawhanaketanga o te punaha whanonga kaipāho	8
③ Education and engagement Ngā mahi pāhekoheko	10
ORGANISATIONAL HEALTH AND CAPABILITY TE ORANGA TŌPŪTANGA ME TE ĀHEINGA	12
FORECAST FINANCIAL STATEMENTS TE MATAPAE PŪTEA	13
NOTES TO THE FORECAST FINANCIAL STATEMENTS	17

STRATEGIC FRAMEWORK

TE ANGA RAUTAKI



Sector vision

Culture is thriving, the people are well | Ki te puāwai te ahurea, ka ora te iwi



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:

- Providing an efficient complaints service which is accessible, agile and modern
- Making decisions about complaints that are fair, clear, robust and timely
- Ensuring decisions reflect the culture, attitudes and values of our diverse communities
- The standards and decisions are fit for purpose in a changing media environment
- Engaging with and educating broadcasters so that they understand and meet their standards obligations
- Engaging with and educating the public so they make informed decisions and safely manage broadcast content in their homes
- Working collaboratively on regulatory sector reform which reduces the risk of harm, protects free speech and promotes a healthy broadcasting industry



Measuring our impact

How we know we are influential:

- The public are aware of the broadcasting standards system
- Broadcasters and the public understand the standards
- Broadcasters and the public have a high level of trust and confidence in the system
- The public are aware of and use the tools available to safely manage broadcast content
- 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:

Oversight and development of the broadcasting standards system

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

Complaints determination

We make determinations on breaches of the Code of Broadcasting Standards and aim to offer an efficient service and issue robust, soundly reasoned, timely decisions that reflect the boundaries between freedom of expression and harm

Education and engagement

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

INTRODUCTION

TE WHAKATAKINGA

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

THE YEAR AHEAD

The coming year may see significant change to New Zealand's media regulatory landscape, as the Broadcasting Standards Authority faces disestablishment.

The challenges we face in operating in an outdated regulatory environment are widely acknowledged, and we have called for regulatory reform for more than 15 years. In the last 10 years various reform measures have been proposed to modernise the Broadcasting Act 1989 – or replace it with a more modern framework – but none have yet progressed.

In early 2025 the Government consulted on a range of proposals to reform media regulation, including a proposal for a new, platform-neutral, system for regulating professional media, and other measures designed to level the playing field for local content producers and distributors. It has not yet been announced whether any of the proposals will proceed. However, in May 2026, the Minister for Media and Communications announced Government had agreed to disestablish the Authority, with legislation to be drafted in the coming months.

The need for regulatory reform had been highlighted in 2025 when the Authority received its first formal complaint referral about an online broadcaster. In accordance with our position since 2020, the Authority considered whether the complaint fell within the jurisdiction set out by the Act and issued a provisional decision accepting jurisdiction. At the end of March 2026, the Authority issued its final decision on jurisdiction, confirming the Act does apply to some online broadcasters.

The Authority has said for many years that the current legislation is not fit for regulating the modern media landscape. Audience trends and expectations have changed and continue to evolve at speed. The regulatory framework is fragmented and creates an unlevel playing

field – some media are subject to multiple standards frameworks while others are not subject to any. However, within our legislative remit and resources, the Authority still plays an important role in maintaining standards expected by the public. We will continue to provide our advice and input to Manatū Taonga Ministry for Culture and Heritage, as it supports work to implement Government's decision to abolish the Authority.

The financial challenges facing the sector continue. There are fewer journalists and media professionals, working in stretched newsrooms and studios, and there is less funding available for commissioning local content. A growing proportion of digital advertising revenue is going offshore to streaming and social media corporations, and local content platforms are competing against global heavyweights for subscribers. Broadcaster revenue has a flow-on effect for our levies, which partially fund our operations. Levies are set in our Act and apply only to entities with annual broadcasting revenue of over \$500,000.

As an independent regulator, we are reliant on Government to decide what legislative solutions are most appropriate. In the meantime, we will continue to provide input based on our experience and expertise, accumulated over the last 37 years. Until legislative change is enacted, our focus remains on delivering our core functions to a high standard within our means and championing our vision for freedom of expression without harm. This will be challenging under the current economic outlook – like many organisations, we face increased costs of doing business. We will continue to find savings and value for money where we can, and rely on our reserves to mitigate decreases in revenue and additional costs.



... in May 2026, the Minister for Media and Communications announced Government had agreed to disestablish the Authority, with legislation to be drafted in the coming months.

OUR FOCUS

This year our focus will be on maintaining a sustainable work programme to meet our statutory obligations under the existing Broadcasting Act, which include not only complaints determination, but research and oversight of the standards system. We will continue to work closely with the Ministry for Culture and Heritage and our Minister as options for implementing Government's decision to abolish the Authority are progressed.

Our three key levers are complaints determination; oversight and development of the broadcasting standards system; and education and engagement.

Over the next year, we will give particular focus to:

Complaints

Ngā whakapae

Issuing robust, fair, and transparent decisions is at the heart of our work. Our complaints system must remain accessible and responsive in an era of rapid media change, while recognising that it is no longer an ideal approach for dealing with the speed and scale of modern media. Our research and surveys inform our understanding of contemporary community standards, drawing on expert input where needed. We continue to explore opportunities to make our complaints process more user-friendly and efficient, from a technological and user-centric perspective.

Education and engagement

Ngā mahi pāhekoheko

Ensuring people understand the role of broadcasting standards is fundamental to our mission. Genuine public engagement remains more important than ever, particularly in an election year. The Authority's role is to reflect the community's standards in its decisions and, to do that, we need to be connected and listening to our diverse communities. Our research and statistics show some communities are far less likely to proactively engage with the Authority by making a complaint, so we must find ways to meet audiences where they are and strengthen our lines of communication.

Working collaboratively

Mahitahi

Regulatory challenges cannot be addressed in isolation. We will continue to build and maintain our strong relationships with broadcasters, government agencies, industry groups and community organisations as the Government's proposed changes are developed and implemented. We will continue to build relationships with overseas regulators to learn from their successes and challenges. With regulatory fragmentation still creating confusion for industry and the

public, we will work with our partners to advocate for a clearer, more consistent system that serves the needs of New Zealanders now and into the future.

Value for money

Te tahua pūtea

The financial pressures facing the media sector have direct implications for our funding model. As levy returns decline and broader economic pressures continue, we must carefully manage our resources to maintain financial stability without reducing the quality of our services. We are conscious at all times of our responsibility to use Crown and levied funds responsibly. We will focus on areas where we can maximise our impact, such as our research and surveys, partnerships with others, and promotion of notable decisions.

Our people

Ā mātou tāngata

Our people take pride in delivering the highest standards in their work. They demonstrate care and transparency in guiding complainants through the complaints process and providing robust advice to the Authority to support its decision-making. Like many public-facing organisations, the last several years have seen an increase in abusive and inappropriate communications towards our staff from members of the public. However, the team also receives recognition and positive feedback about the professionalism and care they show in their work, even when complainants do not receive the outcome they are hoping for. We have policies in place to protect the wellbeing of our team while they are doing their job. We are committed to fostering a workplace culture that values professionalism, collaboration and wellbeing.

Performance measures

Ā mātou paearu mahi

This section sets out performance measures, targets, estimates and budgets for the year ending 30 June 2027, in accordance with the Crown Entities Act 2004, in relation to our core activities and services. It explains how our activities link to, influence and contribute to longer-term outcomes and the impact we intend to achieve as per our strategic framework (page 2).

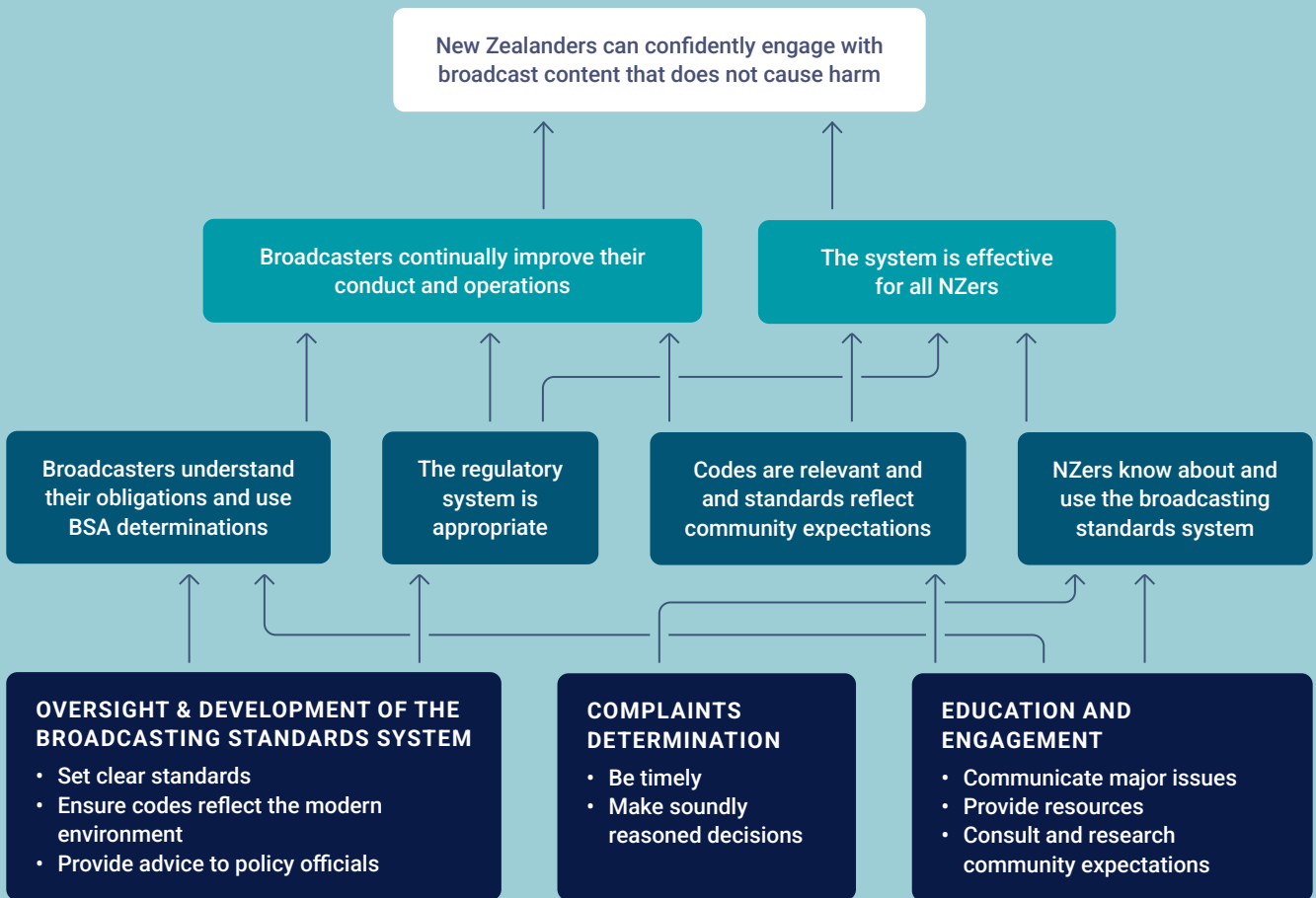
Forecast financial statements

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 BSA for the year ending 30 June 2027 in accordance with s149G of the Crown Entities Act 2004.



Ensuring people understand the role of broadcasting standards is fundamental to our mission. Genuine public engagement remains more important than ever, particularly in an election year.



PERFORMANCE ASSESSMENT AND ANNUAL EXPECTATIONS

TE PAEARU MAHI ME NGĀ KAWATAU

1

COMPLAINTS DETERMINATION TE HĀTEPE WHAKAPAE

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.

It is important that our decisions are of a high quality, fair, clear, robust, soundly reasoned and timely. They need to reflect the boundaries between freedom of expression and harm, and the changing media environment. They provide guidance to broadcasters and the public about how the standards apply. They should reflect the attitudes and values of our diverse liberal democratic society.

Through our decisions, we aim to maintain a high level of trust and confidence in the system so New Zealanders can willingly and safely engage with content. Performance of this class of outputs will be assessed through the measures below.

Output	Measure	Target 2026/27	Target 2025/26	Actual 2024/25	Actual 2023/24
1.1 ¹ Complaints Management	Timeliness	(a) 95% of complaints acknowledged within 3 working days	(a) 95% of complaints acknowledged within 3 working days	(a) Achieved – 100%	(a) Achieved – 99%
		(b) 90% of decisions issued within 20 working days of the board meeting at which the final decision is made	(b) 90% of decisions issued within 20 working days of the board meeting at which the final decision is made	(b) Achieved – 100%	(b) Achieved – 100%
1.2 Decisions are soundly reasoned	Quality	(a) External assessor agrees that the BSA's reasoning, process and/or interpretation in up to 5 decisions are appropriate and reasonable. Will take place biennially	(a) N/A this year – undertaken biennially	(a) Achieved An external review was undertaken on the BSA's reasoning and interpretation of the accuracy standard	(a) N/A this year – undertaken biennially

1. From 2026-27 we are removing a measure in this category (previously measure 1.1) that was based on the number of enquiries and formal complaints received each year by the Authority. These numbers are still tracked but are no longer used as a measure of performance, since they are out of the Authority's control and influenced by a range of factors. Numbering of the other measures in this section has been adjusted accordingly.

Output	Measure	Target 2026/27	Target 2025/26	Actual 2024/25	Actual 2023/24
1.2 Decisions are soundly reasoned (continued)	Quality	(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	(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	(b) Achieved (no appeal decisions in reported period) Three appeals (in respect of four decisions) notified in 2024/25. One was withdrawn, one decision in the BSA's favour was issued in July 2025, and another is awaiting a decision	(b) Achieved (no appeal decisions in reporting period)
1.3 Level of service	Quality	N/A this year – undertaken biennially	70% of complainants are satisfied with the BSA's service, processes and working relationships including telephone contact, written correspondence and staff professionalism. Will take place biennially	N/A this year – undertaken biennially	Not achieved: Average of: 65% rated BSA's telephone contact as good or very good 77% rated BSA's staff professionalism as good or very good 66% rated BSA's written correspondence as good or very good
1.4 BSA decisions reflect community standards and are understood by the public	Quality	N/A this year – undertaken biennially	75% of a diverse group we litmus test decisions on relating to a particular standard, rank them as acceptable, good or very good on a 5-point scale in terms of how well they understand the reasoning and support the complaint outcome. Will take place biennially	N/A this year – undertaken biennially	Achieved – 91% 5 decisions tested relating to gender identity issues under the fairness or discrimination and denigration standards

COST OF COMPLAINTS DETERMINATION TE UTU MŌ NGĀ MAHI WHAKAPAE

	2025/26 Budget	2025/26 Estimated actual	2026/27 Budget
Total Revenue	\$988,320	\$988,320	\$846,675
Total Expenditure	\$1,046,717	\$1,172,606	\$1,050,066
% of Total Budget	58%	58%	53%

2

OVERSIGHT AND DEVELOPMENT OF THE BROADCASTING STANDARDS SYSTEM

TE TIROHANGA WHĀNUI ME TE WHAKAWHANAKETANGA O TE PUNAHA WHANONGA KAIPĀHO

We oversee the broadcasting standards regime, work with broadcasters and others to set clear broadcasting standards, and review Codes so they reflect the modern media and a diverse audience environment.

We undertake research and, where appropriate, provide resources to support broadcasters to understand their obligations. We work co-operatively and openly with other regulators and provide advice to policy officials on reform issues.

Our research enables us to understand the changing attitudes and expectations of our diverse communities, so these can be reflected in our decisions and the standards. Maintaining public awareness of the BSA, the standards and complaints system is critical. We measure public awareness through a biennial survey.

Our decisions should lead to improvements in broadcaster conduct, policies, practices and procedures. Performance of this class of outputs will be assessed through the measures below.

Output	Measure	Target 2026/27	Target 2025/26	Actual 2024/25	Actual 2023/24
2.1 Codes remain relevant to the media environment to which they apply	Quality	Any issues raised in relation to the Codes of Broadcasting Practice are analysed and any issues for future improvement identified	Any issues raised in relation to the Codes of Broadcasting Practice are analysed and any issues for future improvement identified	Achieved No issues raised by external parties Issues identified internally analysed and any issues for future improvement identified	Achieved No issues raised by external parties Issues identified internally analysed and any issues for future improvement identified
2.2 Research is commissioned that is relevant to ensuring the standards are contemporary and community expectations are understood	Quality	One research and/or public consultation project is undertaken to explore community expectations and/or broadcasting standards requirements relevant to supporting a diverse media system	One research and/or public consultation project is undertaken to explore community expectations and/or broadcasting standards requirements relevant to supporting a diverse media system. This year's research is on language that may offend in broadcasting	Achieved Research project undertaken on trust in news media (to be published in 2025). Report findings will inform decision making on relevant complaints, the development of broadcasting standards and the provision of guidance to broadcasters, offering content that will support our diverse media system	Achieved Research project undertaken on freedom of expression and harm to diverse communities. Report findings will inform decision making on relevant complaints, offer content that will contribute to a future regulatory system, and assist us to better serve these communities
2.3 Awareness of BSA and complaint process	Impact	65% of New Zealanders who consume broadcast media ² are aware of the BSA and that they can make a formal complaint. Undertaken biennially	N/A this year – undertaken biennially	Achieved in part 75% of New Zealanders who consume broadcast media are aware of the BSA and 64% aware they can make a formal complaint	N/A this year – undertaken biennially

Output	Measure	Target 2026/27	Target 2025/26	Actual 2024/25	Actual 2023/24
2.4 Broadcasters are satisfied with the BSA's processes, services and working relationships³	Impact	Broadcasters surveyed for feedback on BSA services (including processes) and working relationships and any issues for future improvement identified and addressed. Undertaken biennially		Not achieved 79% – working relationships rated good or very good 74.88% rank services (including processes) good or very good Issues raised were analysed and addressed	N/A this year – undertaken biennially
2.5 Broadcasters understand the standards and meet their obligations	Impact	Broadcaster conduct, practices, and/or procedures are improved following issue of a decision or new guidelines. Assessed via 3 case studies	Broadcaster conduct, practices, and/or procedures are improved following issue of a decision or new guidelines. Assessed via 3 case studies	Achieved 3 case studies detailed in Annual Report, section: Oversight and Development of the Broadcasting Standards System	Achieved 3 case studies detailed in Annual Report, section: Oversight and Development of the Broadcasting Standards System
2.6 An agent for change in relation to the regulatory sector	Impact	Advice on regulatory sector reform is provided to and considered by officials. Evidence of collaborative work with others in the sector. Assessed via case study	Advice on regulatory sector reform is provided to and considered by officials. Evidence of collaborative work with others in the sector. Assessed via case study	Achieved Case study detailed in Annual Report, section: Oversight and Development of the Broadcasting Standards System	Achieved Case study detailed in Annual Report, section: Oversight and Development of the Broadcasting Standards System

COST OF OVERSIGHT AND DEVELOPMENT OF THE BROADCASTING STANDARDS SYSTEM TE UTU MŌ NGĀ MAHI O TE PUNAHA WHANONGA KAIPĀHO

	2025/26 Budget	2025/26 Estimated actual	2026/27 Budget
Total Revenue	\$289,680	\$289,680	\$383,400
Total Expenditure	\$306,796	\$343,695	\$475,502
% of Total Budget	17%	17%	24%

2. Broadcast media means media delivered via 'broadcasting' as defined in the Broadcasting Act 1989. Measure adjusted in the 2024/25 financial year to assess the percentage of New Zealanders "who consume broadcast media" as opposed to the general population, as a more effective measure of whether the BSA is reaching relevant audiences.

3. The target for this measure has been amended for 2026-27. Previously the target was: "80% or more of broadcasters surveyed biennially rank BSA services (including processes) and working relationships as good or very good on a 5-point scale. Issues raised are analysed and addressed. Undertaken biennially."

3

EDUCATION AND ENGAGEMENT NGĀ MAHI PĀHEKOHEKO

To ensure the broadcasting standards system is effective for all New Zealanders we have an important role in engaging with and educating broadcasters and the public on the standards and how they apply.

We also advise and inform the Government on issues relevant to the content regulatory framework. We strive to make our services accessible to all of New Zealand's diverse communities through digital and non-digital channels. We provide information and guidance through our website, BSA Pānui, LinkedIn, media 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 aim is that all people from different cultures, backgrounds and abilities can access and benefit from the broadcasting standards system in New Zealand. Performance of this class of outputs will be assessed through the measures below.

Outcomes	Measure	Target 2026/27	Target 2025/26	Actual 2024/25	Actual 2023/24
3.1 Success of Communication and Engagement	Impact	Decisions and issues of high public interest or that provide particular guidance on the application of the standards are communicated effectively – whether via feedback to broadcasters, media releases, newsletters or social media. Assessed via a case study	Decisions and issues of high public interest or that provide particular guidance on the application of the standards are communicated effectively – whether via feedback to broadcasters, media releases, newsletters or social media. Assessed via a case study	Achieved Case study detailed in Annual Report, section: Education and Engagement	Achieved Case study detailed in Annual Report, section: Education and Engagement
3.2 Broadcasters understand the standards and meet their obligations	Quality	The BSA meets with, provides workshops and/or seminars 15 times annually to broadcasters or training institutions on issues relating to broadcasting standards so they understand them and meet their obligations	The BSA meets with, provides workshops and/or seminars 15 times annually to broadcasters or training institutions on issues relating to broadcasting standards so they understand them and meet their obligations	Achieved 13 meetings with broadcasters 4 seminars provided to broadcasters 7 seminars provided to training institutions	Achieved 20 meetings with broadcasters 5 seminars provided to broadcasters 4 seminars provided to training institutions
3.3 Māori, Asian, and Pasifika community awareness of the BSA and the ability to make a complaint is increased	Quality	65% of Māori, Asian, and Pacific Peoples who consume broadcast media ⁴ are aware of the BSA and the ability to make a complaint. Undertaken biennially	N/A this year – undertaken biennially	Not achieved Aware of the BSA: • 67% Māori • 59% Pasifika • 57% Asian Aware they can make a formal complaint: • 64% Māori • 62% Pasifika • 45% Asian	N/A this year – undertaken biennially

4. Broadcast media means media delivered via 'broadcasting' as defined in the Broadcasting Act 1989

Outcomes	Measure	Target 2026/27	Target 2025/26	Actual 2024/25	Actual 2023/24
3.4 Diverse New Zealand communities are encouraged and supported to participate in the broadcasting standards regime and engage safely with broadcast content	Quality	BSA provides 10 meetings, workshops or translated written guidance to Māori, Asian, and/or Pacific Peoples groups	BSA provides 10 meetings, workshops or translated written guidance to Māori, Asian, and/or Pacific Peoples groups ⁵	Achieved 10 meetings/workshops with Māori, Asian and/or Pacific Peoples groups The following guidance released in multiple languages: <ul style="list-style-type: none"> • Te reo translation provided of media literacy resource for high schools • Media release on research on freedom of expression and diverse communities provided in several languages 	Achieved 9 meetings/workshops with Māori, Asian and/or Pacific Peoples groups The following guidance released in multiple languages: <ul style="list-style-type: none"> • Election Programmes Code (including associated guidance) • Updated Complaints Unlikely to succeed guidance • Guidance on reporting on gender identity issues • Te reo translation of updated guide to broadcaster publicity notices
3.5 Our website is an up-to-date and accessible source of information for broadcasters and the public about the standards system and our processes⁶	Quality	Website is reviewed for ease of use and compliance with accessibility standards at least once a year. New decisions, guidance and resources are uploaded to the website at least twice a month (on average)	At least 70% of broadcasters or complainants surveyed rate the BSA website as good or very good on a 5-point scale. Broadcasters and complainants will be surveyed in alternate years	Achieved 88.2% – Broadcasters	Not Achieved 57% – Complainants

COST OF EDUCATION AND ENGAGEMENT TE UTU MŌ NGĀ MAHI PĀHEKOHEKO

	2025/26 Budget	2025/26 Estimated actual	2026/27 Budget
Total Revenue	\$426,000	\$426,000	\$367,425
Total Expenditure	\$451,171	\$505,434	\$455,689
% of Total Budget	25%	25%	23%

5. This measure has been amended for this financial year to include media interviews for the specified groups

6. The target for this measure has been amended for 2026-27. Previously the target was: "At least 70% of broadcasters or complainants surveyed rate the BSA website as good or very good on a 5-point scale. Broadcasters and complainants will be surveyed in alternate years."

ORGANISATIONAL HEALTH AND CAPABILITY

TE ORANGA TŌPŪTANGA ME TE ĀHEINGA

We are a small entity with specialist staff. We have formal good employer and personnel policies in place to ensure bias-free recruitment and remuneration, and a commitment to equal employment opportunities.

We do not tolerate harassment or discrimination. We are focused on being a resilient, connected and adaptable organisation, one where staff can grow and contribute their knowledge. Our measures to help achieve this are summarised below:

Goal	How we demonstrate success
Our people are skilled and professional	Individual staff training needs are assessed and a range of options developed
	Staff are offered lessons in te reo Māori, te ao Māori and te Tiriti o Waitangi
	Staff feedback is regularly sought using a range of tools
	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
We maintain, seek and develop ongoing opportunities for collaboration and engagement	Work with agencies which also have a role in the oversight of content standards to increase understanding, share ideas and reduce cost and complication
	Maintain regular contact with broadcasters and stakeholder groups
Our infrastructure is fit for purpose and helps us work efficiently	New ways of working are explored and implemented where appropriate
	We have the right mix of flexible technology to help this happen
	Where possible we share resources

FORECAST FINANCIAL STATEMENTS

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 2026 in accordance with s149G of the Crown Entities Act 2004. The Authority also sets out the budgeted financial performance, position and cash flows for the year ending 30 June 2027.

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 \$989,000 (GST exclusive) in Crown funding in 2026/27 (2025/26: \$1,009,000).

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).

In 2026 we forecasted a deficit as a result of anticipated reduction in levy revenue from broadcasters and costs arising from legal expenditure associated with appeals and other legal challenges. This deficit is anticipated to be worse than forecasted as a result of increased expenditure that is unpredictable in nature. We have mitigated the impact of this loss of income through conservative spending across our functions, and by maintaining sensible reserves. For 2027 we have forecast a deficit, again driven by the same factors. 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 appropriate reserves in line with our financial management policy.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

Broadcasting Standards Authority
For the year ending 30 June 2027

	2025/26 Budget \$	2025/26 Estimated actual \$	2026/27 Budget \$
Revenue			
Broadcasting Levy	640,000	640,000	576,000
Crown Revenue	1,009,000	1,009,000	989,000
Interest Revenue	55,000	55,000	32,500
Total Revenue	1,704,000	1,704,000	1,597,500
Less Expenditure			
Personnel costs	1,177,083	1,159,758	1,138,558
Other expenses	618,237	852,611	809,400
Depreciation and amortisation	9,366	9,366	33,298
Total Expenditure	1,804,685	2,021,734	1,981,257
(Deficit)/Surplus	(100,685)	(317,734)	(383,757)

STATEMENT OF PROSPECTIVE CHANGES IN EQUITY

Broadcasting Standards Authority
For the year ending 30 June 2027

	2025/26 Budget	2025/26 Estimated actual	2026/27 Budget
Public equity as at 1 July	2,314,662	2,391,466	2,073,732
Return of equity to the Crown	-	-	-
(Deficit)/Surplus for the year ended 30 June	(100,685)	(317,734)	(383,757)
Public Equity as at 30 June	2,213,977	2,073,732	1,689,975

STATEMENT OF PROSPECTIVE FINANCIAL POSITION

Broadcasting Standards Authority
As at 30 June 2027

	2025/26 Budget	2025/26 Estimated actual	2026/27 Budget
Assets			
Current assets			
Bank accounts and cash	718,142	787,875	555,817
Investments	1,650,000	1,450,000	1,150,000
Debtors and prepayments	45,000	62,000	50,000
GST	20,000	30,000	30,000
Total current assets	2,433,142	2,329,875	1,785,817
Non-current assets			
Property, plant and equipment	11,647	7,150	7,847
Intangible	1,807	1,807	111,312
Total non-current assets	13,453	8,957	119,158
Total Assets	2,446,596	2,338,832	1,904,975
Liabilities			
Current liabilities			
Creditors and accrued expenses	140,000	205,000	150,000
Employee entitlements	92,618	60,100	65,000
Total liabilities	232,618	265,100	215,000
Total assets less total liabilities	2,213,977	2,073,732	1,689,975
Represented By Public Equity	2,213,977	2,073,732	1,689,975

STATEMENT OF PROSPECTIVE CASH FLOWS

Broadcasting Standards Authority
For the year ending 30 June 2027

	2025/26 Budget	2025/26 Estimated actual	2026/27 Budget
Cash Flows from Operating Activities			
Revenue from Crown	1,009,000	1,009,000	989,000
Broadcasting Levy	640,000	640,219	576,000
Interest Received	70,000	57,339	44,500
GST (net)	-	(8,404)	-
Payments to employees & members	(1,173,348)	(1,190,585)	(1,133,658)
Payments to suppliers & other operating expenses	(618,237)	(792,135)	(864,400)
Net Cash Flow (used in)/from Operating Activities	(72,584)	(284,566)	(388,558)
Cash Flows from Investing Activities			
Purchase of PPE	(9,000)	286	(6,995)
Purchase of Intangible Assets	-	-	(136,505)
(Increase)/Decrease in investments	-	100,000	300,000
Net Cash Flow from/(used in) Investing Activities	(9,000)	100,286	156,500
Net Increase/(decrease) in cash held	(81,584)	(184,280)	(232,058)
Opening cash bank accounts and cash	799,726	972,155	787,875
Closing bank accounts and cash	718,142	787,875	555,817

NOTES TO THE FORECAST FINANCIAL STATEMENTS

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.

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 opening position of the forecast statements is based on audited results for 2024/25, known expenditure to 31 January 2026 and the anticipated out-turn as at 30 June 2026.

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 \$5 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 2026/27 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.

- Interest income depends on the available rates of return on bank investments, and these will be down on previous years.
- 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 or diminishing value 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:

	SL	DV
Office equipment	20% – 33.3%	-
Furniture and fittings	10.5% – 20%	16%
Leasehold improvements	20% – 50%	-
Computer equipment	33% – 33.3%	33%

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	33% – 33.3%
Copyright	33%

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.

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