Corporate Plan
2019-20
2019-20 to 2022-23

Robbie Hood
## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening Statement</strong> <em>(Statement of Preparation)</em></td>
<td>5</td>
</tr>
<tr>
<td><strong>Our Purpose</strong></td>
<td>7</td>
</tr>
<tr>
<td><strong>External Environment</strong></td>
<td>9</td>
</tr>
<tr>
<td>Social and Demographic Influences</td>
<td>9</td>
</tr>
<tr>
<td>Market Influences</td>
<td>12</td>
</tr>
<tr>
<td>Financial Context</td>
<td>14</td>
</tr>
<tr>
<td><strong>Planned Performance</strong></td>
<td>18</td>
</tr>
<tr>
<td>Significant Activities</td>
<td>18</td>
</tr>
<tr>
<td>1. Content Creation, Acquisition and Curation</td>
<td>20</td>
</tr>
<tr>
<td>2. Content Broadcast, Technology and Transmission</td>
<td>22</td>
</tr>
<tr>
<td>3. Content Commercialisation</td>
<td>24</td>
</tr>
<tr>
<td>4. Content Support Activities</td>
<td>26</td>
</tr>
<tr>
<td><strong>Summary Financial Performance</strong></td>
<td>29</td>
</tr>
<tr>
<td><strong>Capabilities</strong></td>
<td>31</td>
</tr>
<tr>
<td><strong>Risk Management</strong></td>
<td>35</td>
</tr>
<tr>
<td><strong>Appendices</strong></td>
<td>39</td>
</tr>
<tr>
<td>Appendix 1: The SBS Charter</td>
<td>39</td>
</tr>
<tr>
<td>Appendix 2: Role and Duty of the SBS Board</td>
<td>39</td>
</tr>
<tr>
<td>Appendix 3: Community Consultation Measures</td>
<td>40</td>
</tr>
</tbody>
</table>
I, as the head of the accountable authority of the Special Broadcasting Service Corporation present the 2019-20 SBS Corporate Plan for the period 2019-20 to 2022-23 as required under paragraph 35(1)(b) of the Public Governance, Performance and Accountability Act 2013 and under section 48 of the Special Broadcasting Service Act 1991.

The plan is prepared in accordance with the Public Governance, Performance and Accountability Rule 2014.

Dr Bulent Hass Dellal AO
Chairman
Special Broadcasting Service
Our Purpose

“SBS inspires all Australians to explore, respect and celebrate our diverse world and in doing so, contributes to a cohesive society.”

As described in our Charter, the principal function of SBS is to provide multilingual and multicultural radio, television and digital media services that inform, educate and entertain all Australians, and, in doing so, reflect Australia’s multicultural society.

SBS was established to positively contribute to Australian social outcomes, recognising we are a nation built on immigration. For over 40 years, SBS has been recognised for its contribution to Australia’s success as a multicultural society.

SBS contributes to the ongoing development of a vibrant and cohesive multicultural society by providing a holistic suite of multilingual, multicultural and Indigenous radio, television (TV) and more recently, digital media programs and services that inform, educate and entertain all Australians. In doing so, SBS distinctly reflects Australia’s Aboriginal and Torres Strait Islander cultures and multicultural society. Through delivery of its content and services, SBS helps migrants understand and appreciate Australian values, whilst helping all Australians to better understand and respect each other and our many cultures, promoting social cohesion.

The Charter is at the heart of our operations at SBS. Our purpose provides an easily communicated, guiding light for the whole organisation to deliver on the promise of the SBS Charter by underpinning our strategic and tactical decision-making. Delivering on our purpose and our Charter in the upcoming years will include a continued focus on building a distinctive network across both traditional and digital platforms, to allow a diverse array of views and voices to be represented in mainstream media. SBS also continues to provide unique services that support migrant and Indigenous communities and promote the benefits of a more inclusive society to all Australians, at a time when inspiring a greater understanding of the value of diversity has never been more important.
External Environment

Social and Demographic Influences

Migration has been central to the economic and social development of Australia as a nation, and has played an important role in Australia’s cultural identity.

For the 12 months ending 31 December 2018, Australia’s population increased by 404,800 people, 61 percent of which was attributed to net overseas migration.

Waves of new migrants over the course of history have shaped the cultural and linguistic diversity of Australia’s population, and continue to do so.

While historically Europeans made up the majority of immigration, today there is significant migration from Asia, particularly China, India and the Philippines, as well as migration from African nations.

A significant proportion of Australia’s population are also second generation migrants. Latest Census data shows that 21 percent of the population identify as being a second generation Australian, having at least one parent born overseas. When combined with first generation Australians, nearly half (49 percent) of all Australians were either born overseas or had at least one parent who was born overseas.

Today there are more than 300 identified languages spoken in Australian homes, and more than one-fifth of Australians speak a language other than English at home. After English, the next most common languages spoken in Australian homes are Mandarin, Arabic, Cantonese, and Vietnamese.

Despite the increasing proportion of the population being from Culturally and Linguistically Diverse (CALD) backgrounds, including those who are second or third generation migrants, these communities and their voices remain largely under-represented in today’s media.

As Australia opened its doors to migration, our attitudes towards different ethnicities and multiculturalism have changed for the better. Since 2007, the Scanlon Foundation has released the Mapping Social Cohesion report, which measures Australia’s progress against key social cohesion indicators. The 2018 survey showed that while there is increased concern about the level of immigration, Australians continue to recognise the benefits of immigration. There remains a high level of endorsement of multiculturalism and strong levels of positive identification towards Australia:

— 90 percent of respondents indicated that they have a ‘sense of belonging in Australia’.
— 85 percent of respondents agreed that multiculturalism has been good for Australia.
— 80 percent agree that immigrants are good for Australia’s economy.
— 65 percent of respondents also agreed that Australia should do more to learn about the customs and heritage of different ethnic and cultural groups.

However, we cannot take social cohesion for granted - 19 percent of respondents in 2018 indicated that they had experienced discrimination in Australia in the past 12 months because of their skin colour, ethnic origin or religion - a one percent decrease from 2016 and 2017, and an increase from 15 per cent in 2015.

2. Ibid
SBS was established more than 40 years ago to ensure that Australia’s growing migrant population was provided with vital community information to support engagement with Australian society and increase social cohesion. Today, SBS performs its role in an increasingly complex society of cultural, religious, gender, age, ability and experience diversities, in the context of a world of increasingly polarised views and debate, and a rapidly evolving media landscape.

Australia’s rich diversity is one of its greatest strengths, and SBS proudly reflects and explores the diversity of all Australians across its media platforms, championing the differences that make the nation what it is today, with the aim of contributing to a more inclusive society to the benefit of all Australians.

It does this by ensuring that multicultural, Aboriginal and Torres Strait Islander and other diverse communities have their stories shared and voices heard in the Australian media landscape, and by providing a forum for debate and discussion vital to Australia’s capacity to address significant issues facing communities, and our society as a whole.

The technology and media landscape has changed substantially over the past four decades and today global media services are more accessible than ever. These changes provide both opportunities and challenges for SBS.

It has meant that SBS is more readily able to engage directly with the communities it seeks to serve, and the pace of change has also pushed SBS to be more agile and innovative in its engagement with these communities through digital media.

Within this shifting media landscape, the need for SBS is now greater than ever before. SBS is an increasingly important voice in mainstream media that helps provide opportunities in sharing insights and understanding of Indigenous, migrant and other diverse communities’ values and stories within a broader Australian context.

Developing and maintaining trust with audiences will continue to be a challenge for traditional media, social media and digital platforms. Independent, non-partisan public broadcasting delivers significant public benefits, particularly in a highly concentrated media landscape. SBS continues to be one of Australia’s most trusted news sources with a long-held and well-earned reputation for quality news and analysis on global events, especially issues across multicultural and Indigenous Australia.

In delivering on our Charter, over the course of this four year plan SBS will continue to evolve its services to meet the needs of audiences, reflecting changes in social and demographic composition, and technological developments and innovation.

---

Regulatory Influence

Over the reporting period covered by this Corporate Plan, SBS’s operations are likely to be impacted both directly and indirectly by regulatory change.

Triennial Funding

The Federal Budget 2019 was announced on 2 April 2019. SBS’s budget was confirmed for the 2019–20 to 2021–22 financial years, following completion of the triennial funding process.

Digital platforms

The Australian Competition and Consumer Commission (ACCC) published the final report of its Digital Platforms Inquiry on 26 July 2019. The Inquiry examined the effect that major digital platforms, digital search engines, social media platforms and other digital content aggregation platforms have on competition in media and advertising services markets. In particular, it looked at the impact of digital platforms on the supply of news and journalistic content and the implications of this for media content creators, advertisers and consumers. SBS will continue to engage with the Government on relevant policy development processes arising from the Inquiry’s findings and recommendations. These are likely to focus on the Inquiry’s four main themes: content creation – news and journalism; digital platforms in the Australian regulatory system; consumer issues – privacy; and, digital platforms and advertisers.

Support measures for Australian content

During 2017–18, the Department of Communications and the Arts, the Australian Communications and Media Authority, and Screen Australia conducted a review into support measures in place for the production and delivery of Australian and children’s screen content. A number of Parliamentary Inquiries have also recently explored the Australian screen industry and the policy framework supporting the creation of Australian content.

As part of these reviews, SBS has indicated a desire to commission more Australian content, subject to funding. Any reforms arising from these reviews are likely to directly affect SBS and independent producers commissioned by SBS, as well as the competitive environment for Australian content.

Audio Description

In March 2019, the Government invited SBS and other broadcasters to propose a plan for the introduction of audio description on its services. SBS is committed to telling stories that matter and recognises that audio description can provide meaningful benefits to blind and vision impaired Australians by increasing access to these stories. There are a number of technical and resource issues which require further assessment, however SBS will continue to work with industry and Government to examine its introduction.

Broadcasting spectrum

During the reporting period progress is expected on the development of a new legislative framework governing the allocation and management of radio frequency spectrum, replacing the Radiocommunications Act 1992.

A key element will be a simpler licensing scheme, which will involve broadcasters, including SBS, transitioning to new licence types over time.
Market Influences

Over the past several years SBS has seen significant changes unfold within the external market environment in which SBS operates. The changes and trends observed are consistent with those seen in overseas markets and SBS anticipates that current trends will continue over the next planning cycle, with further acceleration as audiences embrace new content distribution models.

Audiences

Traditional linear broadcast TV continues to represent the majority of video viewing in Australia. However, Australians continue to evolve and expand the ways that they consume and engage with content.

Observations

— While the penetration rates of new consumer technologies have slowed, the rate of audience fragmentation across both broadcast and IP-delivered platforms is expected to increase. Industry data shows that every Australian home has on average 6.6 device screens per household6.

— While free-to-air television will continue to have the largest share of video consumption, the shift to digital will accelerate as content options on alternate platforms continue to improve and the familiarity and acceptance of those platforms increase. Live primetime viewing in particular will continue to be affected as video consumption increasingly shifts to playback, IP-delivered content and other screen usage.

— Smart TVs, connected gaming consoles and portable devices have changed the way Australians are consuming media, driving increasing non-linear consumption such as gaming, on demand video, internet browsing and music streaming.

— Smartphones and tablets will continue to evolve as important platforms for discovery and engagement with audio and video content. Australian audiences aged 18 and older spend 21.6 hours a month consuming content on their computers, smartphones and tablets7. As Australian internet infrastructure improves and connected devices become more powerful, SBS anticipates the consumption of media on portable devices will continue to increase.

— Younger audiences lead the charge in adopting new technologies and alternative modes of content consumption. The uptake and use of social media has broadened significantly across age demographics, and will become increasingly mainstream for content distribution and advertising across all age groups as audiences utilise aggregation services and platforms to consume content.

— Due to the natural shift in the way audiences are consuming content, reality television and live sport are commanding an increasingly important place on network linear television schedules across the country.

---

7. ibid
Implications

— Cross-platform content distribution is crucial to the success of content discovery and consumption. In delivering digital media services in line with its Charter, SBS has accelerated its investment in digital media content. This will continue over the next planning cycle, with a particular focus on enhancing our digital foundational capabilities to ensure the delivery of future features.

— SBS will continue to acquire and commission distinctive content to educate, entertain and inform all Australians, in line with its Charter.

— SBS will continue to focus on content distribution strategies, including social media, to improve its reach and engagement, particularly with younger audiences.

— The distribution of content via online technology and social platforms may limit the commercialisation of certain content for media operators, placing greater emphasis on designing new and additional strategies around digital inventory and advertising. Recent world events have exerted increasing pressure on the multi-national social media companies to more tightly control their content. It is possible that regulatory reform of how the global social media companies operate could proceed as a result.

— The ability to promote and capitalise on flagship SBS events which captivate large audiences will also play an increasingly important role in defining SBS’s brand. SBS will continue to focus on creating impact via SBS events, to strengthen the relationship it has with the community.

Competitive Observations

— There is ever increasing competition amongst commercial free-to-air broadcasters and subscription services (cable and over-the-top) whose business models are geared to global reality formats and live sports, in pursuit of acquiring and retaining large scale audiences. Audience interest in reality television is persisting, with dating/relationship formats becoming increasingly ubiquitous on Australian television.

— Subscription services, both ‘cable’ and ‘over-the-top’, will increasingly buy out first-run windows and streaming rights of niche and cult programming in order to retain audiences on their platforms with deep libraries of content.

— Following the launch of a number of significant over-the-top digital content providers and the entry of global players in recent years, the period from 2019 – 2023 will continue to be one of significant change as the market goes through a period of further growth and consolidation. In December 2018, the merger of Nine Entertainment and Fairfax Media was finalised, creating an integrated media company.

— Competition in the paid-for television environment also continues to intensify as the incumbent provider has built greater flexibility into its product offering and looks to differentiate through sports and premium drama content, in order to defend and grow its subscriber base against the new global and domestic over-the-top providers.

— The relative value of access to free-to-air spectrum as a competitive advantage will continue to diminish as consumption of digital content continues to grow. This has been reflected in recent changes to the licence fee and spectrum pricing structures applicable to commercial free to air broadcasters.
Implications
— SBS will continue its investment in local commissions that are uniquely Australian and aligned with its Charter. It intends to continue the legacy of commissioning high quality content which is thought-provoking, ambitious and which promotes social cohesion.
— SBS is able to differentiate itself through its unique positioning in the Australian media landscape to seek out content collaborations with organisations and communities.
— As the competitive advantage of access to free-to-air spectrum declines, SBS will build on the value of its digital properties and quality distinctive content so that it remains accessible and relevant to all Australians in the digital era.

Financial Context

Government Revenue

Observations
— The latest triennium outcome, outlined in the April 2019 Budget, included an additional $8.5m over the period FY2019-20 to FY2021-22, or approximately $2.8m per annum.
— SBS continues to deliver the “back of office” savings as outlined in the 2014 Lewis Review.
— SBS has received supplementary funding to compensate for foregone revenue which would have arisen from increased advertising flexibility, including $2.8m in 2019-20, $9m in 2020-21 and $9.2m in 2021-22. This follows the withdrawal of the Communications Legislation Amendment (SBS Advertising Flexibility) Bill 2017 in May 2017, and the defeat of the Communications Legislation Amendment (SBS Advertising Flexibility and Other Measures) Bill 2015 in Parliament.
— SBS will continue to make a strong case for ongoing and sustainable levels of Government funding to ensure the continued delivery of its valued services to the Australian community.

Implications
— SBS is committed to ensuring that the content which it produces reflects its Charter, and continues to do so in a cost-effective manner.
— SBS’s unique position of having a hybrid funding model means that commercial returns may be channelled back into curating Charter content, while continued Government funding support allows for stability and long-term creative ambitions to be realised.
External Environment (cont.)

Own-source revenue

Observations

— Consumer marketing investment on traditional broadcast platforms will move with audiences as they shift their consumption to digital platforms.

— With marketing expenditure shifting out of television and into online platforms, there is a modest negative growth forecast for broadcast advertising revenues predicted by most industry research companies over the period of this Corporate Plan.

— In terms of advertising revenue, SBS is small within the Australian free-to-air television advertising market. As demonstrated in Figure 1, SBS currently has an approximate 3% share of the free-to-air market, and a much smaller share of the overall free-to-air television and online advertising market.

— Online video, social platforms, mobile and search will experience strong growth in advertising revenue as these channels allow more targeted messaging.

Implications

— The shift of marketing investment away from broadcast advertising will affect SBS’s own source television advertising revenue over the period of this Corporate Plan.

— SBS will continue to invest in its digital advertising capabilities to capitalise on the growing shift to digital content. This will include investing to grow SBS On Demand and other SBS digital properties to maximise the value of online inventory.

— It is also important that SBS continues to build on existing and new partnerships to ensure consistent growth of advertising inventory across all platforms.

— In the event that the decline in broadcast revenues accelerates or margins in digital advertising reduce, SBS will be increasingly reliant on government funding.

Figure 1 SBS and the Australian advertising market

Advertising Revenues (CY 2018)

SBS represents only 3% of the FTA advertising market (and a very small proportion of the overall Australian advertising market).

Source: PWC Media Outlook 2019-2023; SBS internal data. PWC forecasts for advertising market revenue have been taken from CY18, SBS shows financial year 2018-19
Cost Considerations

Observations

— Competition for quality content across an increasing number of platforms will drive up acquisition costs.

— Increased competition from new entrants in the Australian media landscape, particularly over-the-top providers and new digital platforms, is driving up competition for quality content. This includes competition for premium international content as new digital platforms seek to acquire global rights.

— There is increased competition from telecommunication companies such as Optus and Telstra as they seek to aggressively push into more content provision services including sport, placing upward pressure on the cost of content rights.

— Attracting strong talent with commercial and digital experience will put upward pressure on our human resource cost-base as these roles are in high demand across industries.

— With these external forces putting upward pressure on our largest cost categories (content and employees) there will be even greater emphasis on ensuring SBS’s support and back-office functions are delivered as effectively and efficiently as possible.

Implications

— An increased number of content players in the market provides added opportunities for SBS to collaborate with other organisations, as it did with Optus in relation to the English Premier League and 2018 FIFA World Cup Russia™ deal, delivering large audience numbers whilst lowering the cost to reach a broad audience.

— There are also increased opportunities for SBS to engage in co-productions with content suppliers to provide distinctive quality commissioned content at reduced cost.

— While the cost of strong talent with commercial and digital experience may be higher, the discovery of new talent through digital channels may be more effective and efficient than via traditional methods.

— SBS will continue to identify and deliver further efficiencies within its operations. The pressure to be cost-aware helps drive the continuous improvement of existing methods of delivery across the whole organisation. As a lean organisation, SBS is suitably structured to transform itself to overcome external pressures to deliver content in the most efficient and effective manner.
**Significant Activities**

The following activities and goals cover the planning period spanning 2019-20 to 2022-23.

The operations of SBS can be broken down into four key activities, all of which contribute to SBS delivering on its Charter and achieving its purpose:

“...SBS inspires all Australians to explore, respect and celebrate our diverse world and in doing so, contributes to a cohesive society...”

These activities are:
- Content creation, acquisition and curation;
- Content broadcast, technology and transmission;
- Content commercialisation; and
- Content support activities.

Table 1 describes these activities in more detail.

**Table 1: SBS’s significant activities.**

<table>
<thead>
<tr>
<th>Significant activity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content creation, acquisition and curation</td>
<td>Description</td>
</tr>
<tr>
<td>Content broadcast, technology and transmission</td>
<td>Transmission of SBS’s created or acquired content via linear broadcast transmission and IP-delivered platforms. This also includes broadcast operations and broadcast technology and systems.</td>
</tr>
<tr>
<td>Content commercialisation</td>
<td>Commercialisation of SBS’s created or acquired content via a range of commercial activities which include:</td>
</tr>
<tr>
<td>Content support activities</td>
<td>The corporate and other back-office functions required to support the above significant activities. These include:</td>
</tr>
</tbody>
</table>
Figure 2 below provides a summary of SBS’s strategic goals over the period covered by this Corporate Plan.

**Figure 2: Summary of SBS’s 4-year Strategic Goals**

*We have evolved our Strategic Framework to reflect our new imperatives*

<table>
<thead>
<tr>
<th>Our 4-year Strategic Journey (2019-20)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose:</strong> SBS inspires all Australians to explore, respect and celebrate our diverse world and in doing so, contributes to a cohesive society</td>
</tr>
<tr>
<td><strong>Engaged Audiences</strong></td>
</tr>
<tr>
<td>‘Deep audience engagement on all platforms’</td>
</tr>
<tr>
<td>— Developing the next iteration of our Digital Acceleration Plan, with dual focus on audience engagement and technical development.</td>
</tr>
<tr>
<td>— Deliver on audience needs, through a broad and deep audience understanding that informs our activities, derived from data and analytics.</td>
</tr>
<tr>
<td>— Providing an excellent audience experience across all platforms to drive engagement and consumption.</td>
</tr>
<tr>
<td>— Improving our capabilities in search and personalisation, and the distinctiveness of our services alongside our distinctive content.</td>
</tr>
<tr>
<td><strong>Distinctive Network</strong></td>
</tr>
<tr>
<td>‘Showcasing Australia’s Diversity’</td>
</tr>
<tr>
<td>— Exploring, respecting and celebrating diversity in all its forms is central to our content activities, especially via culturally and linguistically diverse content to our TV, radio and digital audiences.</td>
</tr>
<tr>
<td>— Engaging Australians through unparalleled and distinctive multicultural and Indigenous stories.</td>
</tr>
<tr>
<td>— Having impact by raising awareness on key issues, challenging perceptions and creating the environment for meaningful discussion.</td>
</tr>
<tr>
<td>— Maintaining and harnessing trust in SBS through a continued focus on appropriate editorial practices.</td>
</tr>
<tr>
<td><strong>Inspired Communities</strong></td>
</tr>
<tr>
<td>‘It’s all about our communities’</td>
</tr>
<tr>
<td>— Activating, supporting and extending our content with key community groups and audiences.</td>
</tr>
<tr>
<td>— Partnering with our many communities to understand key issues and perspectives and help tell their important stories.</td>
</tr>
<tr>
<td>— Identifying industry partnerships that improve the depth and breadth of SBS’s community impact and contribute to a cohesive society.</td>
</tr>
<tr>
<td>— Developing cornerstone activities that help to define SBS and our services with the wider Australian community.</td>
</tr>
<tr>
<td><strong>Great Business</strong></td>
</tr>
<tr>
<td>‘Best-in-class operations’</td>
</tr>
<tr>
<td>— As we are small in our industry, this is about being smarter, faster and better - continuing to reduce our cost base and cycle times.</td>
</tr>
<tr>
<td>— Best-in-class operational cost base, best-in-class operational processes, with globally unique deals.</td>
</tr>
<tr>
<td>— Continuing to explore opportunities to redesign our operations within the broader industry, differentiating where it matters and partnering with others in their areas of strength.</td>
</tr>
<tr>
<td>— Ensuring our operations maintain the trust of our audiences and stakeholders.</td>
</tr>
<tr>
<td><strong>Great People; Great Culture</strong></td>
</tr>
<tr>
<td>‘I’m hearing great things about working at SBS’</td>
</tr>
<tr>
<td>— Our strong focus on our people and our culture is ‘how’ we are going to succeed and what will help us to deliver the other four strategic pillars.</td>
</tr>
<tr>
<td>— Getting great people, giving them a great working environment and helping them to work together.</td>
</tr>
<tr>
<td>— Evolving our already leading culture, with a focus on becoming a truly values-driven organisation.</td>
</tr>
<tr>
<td>— Being a model employer in respect of a diverse and inclusive workplace.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SBS Values</th>
<th>We are audience obsessed</th>
<th>We are bold and brave</th>
<th>We embrace difference</th>
<th>We engage and participate fully</th>
<th>We look out for one another</th>
</tr>
</thead>
</table>
This framework sets out the five focus areas for the organisation, over the course of the four year Corporate Plan. These focus areas will help SBS achieve its purpose by:

— Reaching more Australians with SBS’s distinctive and compelling Charter content;
— Building audience awareness, scale and engagement on our digital platforms to ensure our relevance as people increasingly consume content on these platforms;
— Delivering “best-in-class” user experience for audiences on our digital platforms to improve audience engagement and loyalty;
— Growing the share of funding that is invested into Charter content by increasing returns from commercial activities, while continuing to innovate and find better ways of conducting our existing operations; and
— Attracting and retaining the best people by making SBS a great place to work.

1. **Content Creation, Acquisition and Curation**

Content creation (covering in-house and commissioned content), acquisition and curation are at the heart of SBS’s purpose. Through content delivered across all our platforms, SBS seeks to inspire a richer, more holistic understanding of our world and presents surprising perspectives in entertaining and innovative ways. SBS continues to lead the conversation about the big national and global issues which have an impact on all Australians, with a focus on unifying our diverse communities.

Through our core content activities delivered across all of our platforms we create and curate content for our audiences that:

— Inspires inclusivity and social cohesion;
— Enriches and entertains;
— Offers surprising perspectives; and
— Provokes with purpose.

SBS also provides the SBS Learn program, which delivers formal and informal learning outcomes informed by research and global partnerships. SBS Learn operates as an extension of SBS commissions, sport and network-wide activities, and is delivered through educators and community and digital engagement.

Content creation, acquisition and curation activities span a number of areas: SBS Television & Online, SBS On Demand, News and Current Affairs, Sport, Radio, National Indigenous Television (NITV), Social Media and Marketing.
Intended results

The fulfilment of SBS’s purpose, to inspire all Australians to explore, respect and celebrate our diverse world and in doing so, contribute to a cohesive society, is predominantly realised through the distinctive and compelling content that SBS provides across its many platforms.

Through the content that our audiences consume and through our brand, SBS brings our Charter and purpose to life – across broadcast television and radio, online, and social media platforms.

We want our audiences to be inspired by a richer more holistic understanding of our world which we seek to achieve by presenting surprising perspectives in entertaining ways.

Over the course of this Corporate Plan, there are three major goals that our Content activities are focused on delivering:

1) A Distinctive Network
2) Engaged Audiences
3) Inspired Communities

Achieving these three goals would further enhance our reputation as Australia’s multicultural and Indigenous broadcaster and affirm our ongoing contribution to Australia’s success as a vibrant, diverse and cohesive society, while also securing our relevance in a fragmenting media market. On 1 July 2019, SBS launched a new distinctive free-to-air TV channel, SBS World Movies, building on our commitment to explore and celebrate our diverse world through acquiring and curating compelling stories. Another key focus for SBS in FY19-20 will be the ongoing implementation of the Digital Acceleration Plan to ensure that SBS continues to evolve with audience expectations and engagement patterns across our digital portfolio.

Delivery strategy

In order to achieve these outcomes, SBS will look to:

— Deepen engagement with migrant and Indigenous communities to share their stories;
— Accelerate investment in digital content, platforms and capabilities; and
— Invest in enriching content that is purposefully provocative and promotes social cohesion and cross-cultural understanding at its core.

Resourcing

Table 1.1: Proposed resourcing of SBS’s Content activities

<table>
<thead>
<tr>
<th>Resources</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure ($ millions)</td>
<td>189.9</td>
<td>191.1</td>
<td>194.7</td>
<td>198.5</td>
</tr>
<tr>
<td>People (Full time equivalent)</td>
<td>656.0</td>
<td>648.7</td>
<td>648.7</td>
<td>648.7</td>
</tr>
</tbody>
</table>
Performance measurement and assessment

SBS currently uses a range of metrics across platforms to assess the distinctiveness and diversity of our content activities.

**Table 1.2: Key performance assessment metrics – SBS Content activities**

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of hours of TV programming broadcast in CALD</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Number of hours of locally commissioned content broadcast (first run) on SBS* and SBS Viceland</td>
<td>80</td>
<td>80</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>Number of hours of locally commissioned content broadcast (first run) on NITV</td>
<td>30</td>
<td>30</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>% of radio broadcasts in languages other than English</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
<td>90%</td>
</tr>
</tbody>
</table>

2. Content Broadcast, Technology and Transmission

The Content Broadcast, Technology and Transmission activities at SBS fall largely under the responsibilities of the Technology Division, which encompasses the Enterprise Digital Services, Broadcast Operations, Transmission Services and Broadcast Technology & Systems teams. These teams ensure SBS achieves the most effective and efficient means to distribute its distinctive content across broadcast and online platforms to as many Australians as possible.

As audiences shift consumption increasingly to digital platforms, SBS will continue to find innovative ways to store, manage and publish content across all its platforms while also seeking to provide best-in-class user experience, automated content discovery and personalisation for its audiences.

**Intended results**

As audience consumption fragments across many devices, SBS can only be successful in the delivery of our purpose and Charter if the organisation migrates content to these platforms at the same pace, and uses these platforms to tell stories in innovative ways. The Technology Division helps to enable this shift to new devices, while cost-effectively maintaining our legacy broadcast activities.

Over the course of this Corporate Plan, the primary goals for SBS’s Technology Division are to:

- Deliver SBS’s technology needs in a cost effective manner;
- Maintain reliable and available services to all audiences, across all platforms;
- Produce innovative solutions to enhance audience experience, support SBS’s needs, and enable SBS to adapt to the changing environment;
- Provide technological solutions that support analytics and business intelligence; and
- Create a workforce that is appropriately skilled to meet the changing needs of SBS.

*SBS main channel, previously SBS One.*
Through broadcast and narrowcast distribution of content, SBS seeks to reach and engage as many Australians as possible with its Charter-relevant content.

The investment in Charter content will only inspire and effect change to the extent that we are able to reach audiences on the various broadcast and digital platforms that Australians use in their day-to-day media consumption habits.

Through innovative deployment of technology and the smart use of capability partners, SBS will seek to do this in a manner that is as efficient and cost-effective as possible.

**Delivery strategy**

To serve content to audiences effectively and efficiently, SBS is focused on the following delivery strategy over the course of this Corporate Plan:

— Continued investment in digital capabilities across a number of key initiatives;
— Ensuring best practice is implemented to deliver content efficiently and effectively; and
— Delivering innovative and cost-effective solutions via new projects and initiatives that evolve the organisation in the face of a changing media landscape.

**Resourcing**

**Table 2.1:** Proposed resourcing of SBS’s Content Technology, Broadcast and Transmission activities

<table>
<thead>
<tr>
<th>Resources</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission and Distribution Expenditure ($)</td>
<td>73.6</td>
<td>75.0</td>
<td>76.4</td>
<td>77.8</td>
</tr>
<tr>
<td>People (Full time equivalent)</td>
<td>234.0</td>
<td>227.5</td>
<td>227.5</td>
<td>227.5</td>
</tr>
</tbody>
</table>

**Performance measurement and assessment**

**Table 2.2:** Key performance assessment metrics – SBS Content Technology, Broadcast and Transmission activities

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transmission and Distribution expenditure % of total operating expenditure</td>
<td>18.6%</td>
<td>18.8%</td>
<td>18.8%</td>
<td>19.0%</td>
</tr>
<tr>
<td>Population reach — Digital transmission sites (including VAST Satellite)</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Availability of digital television transmission services (fully managed services)</td>
<td>99.82%</td>
<td>99.82%</td>
<td>99.82%</td>
<td>99.82%</td>
</tr>
<tr>
<td>Population reach for terrestrial services (excluding satellite)</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>Availability of Radio transmission services (fully managed services)</td>
<td>99.86%</td>
<td>99.86%</td>
<td>99.86%</td>
<td>99.86%</td>
</tr>
</tbody>
</table>
3. Content Commercialisation

SBS’s commercial activities include SBS Media Sales, SBS In-Language translation services, subscription television business, and SBS’s Distribution and Inclusion training and consultancy businesses.

The primary purpose of SBS’s commercial activities is to generate positive returns across our network portfolio of channels and platforms, in order to reinvest in distinctive Charter driven content for our audiences and marketing activities to support our content and community objectives.

**SBS Media Sales, In-Language Translation & Distribution**

SBS Media Sales commercialises SBS content through the sale of advertising, sponsorships and brand funded opportunities across all of our free-to-air TV, radio and digital channels.

SBS media has also created a new diversity consulting business – SBS Cultural Connect – to help organisations communicate with an increasingly diverse Australia. Services offered include research, strategy and culture specific messaging in addition to the production and translation services offered through SBS In-Language.

SBS In-Language provides professional translation services to Commonwealth and State government departments as well as commercial clients and agencies. Our services include NAATI Certified translation; typesetting; video production; subtitling; cross cultural consultancy; voice overs and narration. We operate in accordance with an accredited Quality Management System (QMS) compliant to ISO 9001:2015.

SBS Distribution extends the reach, brand and commercial returns of SBS content through promotional partnerships across cinema, music and events. The business unit continues to expand its successful online inclusion training business across all of the major diversity dimensions – adding LGBTIQ, Age, Gender, Indigenous & disability to its existing cultural diversity offering.

**Intended results**

SBS’s content commercialisation activities have one overarching goal - to maximise the net contribution from their activities in order to reinvest funds into distinctive and compelling Charter content and to maintain or improve the quality of our services to Australian audiences.

Through the breadth of its commercial activities, SBS also seeks to lengthen the life of its distinctive content and broaden the reach of SBS’s brand.

As the traditional free-to-air advertising model comes under increasing audience and revenue pressure, over the course of this Corporate Plan period SBS’s commercial activities will seek to:

— Maximise the financial returns on available channel and platform inventory while maintaining competitive network pricing on each of SBS’s free-to-air channels and across the different metro and regional markets, in line with the restrictions on the amount of advertising permitted on SBS broadcast services;

— Continue to significantly grow online revenues consistent with market dynamics, shifts in audiences across digital platforms and content investment;
— Grow or maintain margins in legacy distribution businesses while investing for growth in emerging business models such as training and consultancy;

— Continue to attract revenues through unique brand partnership opportunities focussed on content and product innovation, to offset increased CPM inflation resulting from current and forecast FTA market trends; and

— Evolve SBS’s offering in the paid-for content space to reflect shifting audience consumption patterns and the changing shape of the Video On Demand and subscription television market in Australia.

**Delivery strategy**

Our delivery strategy across our commercial activities focuses on the following:

— Offering a premium and dynamic brand and audience proposition to direct and agency advertising clients;

— Deepening relationships with existing and new clients, with a consistent approach to national and interstate opportunities;

— Building on our current digital and audience data capabilities to broaden commercialisation opportunities, including growth from digital trading desks and emerging programmatic sales opportunities;

— Showcasing trade marketing initiatives and thought leadership research designed to keep our brand salient with media agencies and clients and showcase our point of difference in market;

— Continuing to review operational processes and systems to ensure best practice, and to factor in trends towards increased trading and buying automation; and

— Ensuring we attract and retain the best staff to continuously improve on the delivery of our strategy and build the desired team culture.

**Resourcing**

Table 3.1: Proposed resourcing of SBS’s Content Commercialisation activities

<table>
<thead>
<tr>
<th>Resources</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>People (full time equivalent)</td>
<td>150.0</td>
<td>148.4</td>
<td>148.4</td>
<td>148.4</td>
</tr>
</tbody>
</table>

**Performance measurement and assessment**

Table 3.2: Key performance assessment metrics – SBS Content Commercialisation activities

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Commercial Revenue ($ millions)</td>
<td>106.8</td>
<td>103.9</td>
<td>104.6</td>
<td>114.6</td>
</tr>
</tbody>
</table>
4. Content Support Activities

SBS’s support activities encompass the back office functions that support SBS’s primary content, distribution and commercial activities. These functions include human resources and organisational development, corporate affairs, legal, corporate services and finance. Some of the key deliverables across SBS content support activities include:

— Developing people capabilities and facilitating employee performance management processes;
— Managing community, government and industry stakeholder relationships;
— Managing finance and accounting functions;
— Developing SBS’s corporate strategy and managing the organisation’s planning process;
— Managing SBS’s risk management frameworks and processes;
— Maintaining SBS’s building infrastructure and developing strategies to meet SBS’s long-term physical accommodation needs; and
— Delivering SBS’s corporate and back of house functions using the most effective and efficient models.

**Intended results**

In support of key strategic goals, SBS’s content support activities seek to:

— Identify and establish effective operational partnerships that:
  • ensure the most efficient balance between in-house and outsourced capability; and
  • allow SBS to focus on the core activities of content and commercialisation.
— Utilise a proactive and responsive approach to support the organisation in an innovative manner;
— Continuously find ways to deliver a more efficient and effective operating model for SBS;
— Ensure that SBS maintains appropriate funding levels that enable it to deliver on its Charter in an efficient manner;
— Deepen community, industry and Indigenous stakeholder relationships and form partnerships to deliver targeted projects that increase the public value of SBS; and
— Maintain high staff engagement to promote a productive and happy workforce that is well trained, with a focus on succession and talent planning.
**Delivery strategy**

In order to achieve the above results, SBS Content Support activities will seek to:

— Facilitate the development of core management and leadership capabilities;

— Manage and enhance relationships across all levels of government, demonstrating the relevance and value of SBS to political stakeholders and securing government funding;

— Extend engagement with communities on a national scale, including through Outreach activities;

— Lead the implementation of best-in-class risk management processes and frameworks;

— Help to ensure that the allocation of resources matches the achievement of our purpose and the organisation's strategic goals;

— Create a workforce that is appropriately skilled to meet the changing needs of SBS and delivers exceptional service; and

— Make SBS a great place to work for all employees.

**Resourcing**

*Table 4.1: Proposed resourcing of SBS’s content support activities*

<table>
<thead>
<tr>
<th>Resources</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>People (full time equivalent)</td>
<td>109.0</td>
<td>105.4</td>
<td>105.4</td>
<td>105.4</td>
</tr>
</tbody>
</table>

**Performance measurement and assessment**

*Table 4.2: Key performance assessment metrics – SBS content support activities*

<table>
<thead>
<tr>
<th>Key Performance Indicators</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Content support activities – share of total operating expenditure (% including transmission)</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Content support activities – share of total FTEs (%)</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
</tbody>
</table>
Summary Financial Performance

A summary of SBS’s financial performance over the period covered by this Corporate Plan is outlined in the table below.

**Table 5: SBS Summary Financial Forecast (FY19-20 to FY22-23)**

<table>
<thead>
<tr>
<th>Forecast of Financial Performance</th>
<th>FY19-20 Budget</th>
<th>FY20-21 Forward estimates</th>
<th>FY21-22 Forward estimates</th>
<th>FY22-23 Forward estimates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Commercial Revenue</td>
<td>106.8</td>
<td>103.9</td>
<td>104.6</td>
<td>114.6</td>
</tr>
<tr>
<td>Government Appropriation</td>
<td>290.1</td>
<td>295.7</td>
<td>301.3</td>
<td>294.4</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td><strong>396.9</strong></td>
<td><strong>399.6</strong></td>
<td><strong>405.9</strong></td>
<td><strong>409.0</strong></td>
</tr>
<tr>
<td>Operating Expenditure</td>
<td>322.8</td>
<td>324.1</td>
<td>329.0</td>
<td>330.7</td>
</tr>
<tr>
<td>Transmission and Distribution Expenditure</td>
<td>73.6</td>
<td>75.0</td>
<td>76.4</td>
<td>77.8</td>
</tr>
<tr>
<td><strong>Total Operating Expenditure</strong></td>
<td><strong>396.4</strong></td>
<td><strong>399.1</strong></td>
<td><strong>405.4</strong></td>
<td><strong>408.5</strong></td>
</tr>
<tr>
<td><strong>Operating Surplus</strong></td>
<td><strong>0.5</strong></td>
<td><strong>0.5</strong></td>
<td><strong>0.5</strong></td>
<td><strong>0.5</strong></td>
</tr>
<tr>
<td>Assessment of Taxes and Charges Payable</td>
<td>8.3</td>
<td>8.4</td>
<td>8.4</td>
<td>8.5</td>
</tr>
<tr>
<td>Capital Expenditure</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
</tr>
</tbody>
</table>

Source: SBS Annual report
Capabilities

People

Now more than ever, our people are critical to our success as an organisation. At SBS we have continued our commitment to create a high performing culture with people at its heart. There are a number of market trends that will affect SBS’s workforce over the four year period of this Corporate Plan, including:

– The changing nature of work and the demographic changes of the workplace;
– A highly competitive talent market particularly in digital skills will make attraction and retention a challenge;
– Increasing awareness of mental health issues in the workplace and a greater focus on employee wellbeing, flexibility and work life balance;
– Diversity & Inclusion as a competitive advantage and the impacts of social movements and greater transparency in gender pay parity and representation;
– Increased regulation, governance and audit with a focus on the role of ‘trust’ within organisations;
– Changing face of modern leadership in the face of more agile, self-managed and autonomous ways of working; and
– The need for a clear data strategy and data driven decision making in human resources.

In a media environment where industry convergence is facilitated by IP-delivered platforms, yet audiences increasingly fragment across these platforms, there are some human resource capability challenges that are particularly relevant:

– A shift away from skills that are largely platform and function specific, to those that are platform and function agnostic;
– Achieving the right balance of technical expertise, project management skills, change management and general management capabilities;
– Detailed and in-depth understanding of the audience, external environment and ever-changing market dynamics;
– Expertise in data, data management, data analytics and data visualisation; and
– Content and product innovation capabilities.

Adding to the above challenges, SBS must compete with new and traditional media players in a funding environment that is limited, and with restrictive workplace frameworks that can impact on SBS’s ability to attract and retain talent.

Over the course of this Corporate Planning period, SBS will pursue strategic goals that seek to:

– Position SBS as an employer of choice through best-in-class diversity and inclusion practices;
– Evolve the SBS culture to become a more purpose-led, values-led organisation;
– Build leadership capabilities that enable trusting and empowered teams;
– Drive the highest levels of employee engagement with a focus on high quality and relevant employee experiences.
Further evolve the SBS Employee Value Proposition to reflect the evolving brand and organisational culture;
— Bring high quality new digital talent to SBS whilst retaining existing critical talent;
— Drive new and collaborative ways of working to increase productivity and innovation; and
— Provide an environment that ensures the safety and wellbeing of our people.

Our key initiatives which will help deliver the goals above include:
— Continue to decentralise control and decision making to create teams that are empowered to make decisions at all levels;
— Develop an enhanced leadership model focussed on trusting and empowering others whilst improving on collaborative ways of working;
— Build performance and talent frameworks that consistently apply the SBS Values in an authentic and meaningful way;
— Continue to deliver on our 3 year Inclusion Strategy;
— Build a values and organisational culture program that will put SBS Values at the heart for everything we do;
— Build a high performance coaching program to assist people leaders in coaching, developing and managing their teams;
— Develop our health & wellbeing program with a focus on mental health and becoming an accredited mentally healthy workplace; and
— Continue to build plans and initiatives to drive the highest level of employee engagement and experience.

Technology

As the media consumption of audiences fragments across an increasing array of devices, media companies need to provide a seamless experience that offers a consistent look and feel while delivering a tailored content offering for each user. As audiences become increasingly digital in their consumption habits, media companies will also need to use audience intelligence and understanding to offer mass customisation and personalisation of the user experience.

In order to deliver a premium user experience, SBS will have to further expand capabilities in the following areas over the coming four year period:
— Audience intelligence and insights;
— Cross-platform content management;
— Metadata management; and
— Mass customisation and personalisation of digital services.
In order to establish these technological capabilities in a cost effective manner, SBS will seek to implement solutions that strengthen existing technology foundations, while utilising:

— ‘Off the shelf’ products, which ensure SBS is not re-inventing the wheel and can access ‘best-of-breed’ technology; and

— Open-source technology for in-house development, which allows access to a larger pool of competitive labour and lowers total cost of ownership.
SBS’s Risk Management Framework (RMF) provides a holistic approach to risk management that promotes an integrated and informed view of risk exposures across SBS. The framework is designed to manage risk and provide assurance that risks are being managed within the risk appetite established by the SBS Board of Directors.

The RMF is the total aggregation of systems, structures, policies, processes and people within SBS that identify, assess, control, and monitor all sources of risk that could have an impact on SBS and its ability to deliver its strategy. A holistic view of both short and long term risk across the 2019-20 period and for the 4 year period covered by this plan is considered by SBS under this framework. The desired result of the framework is to provide management with:

- A strong frame of reference for strategy setting and decision making;
- An integrated framework to effectively manage uncertainty and obligations, respond to risks, as well as capitalise on opportunities as they arise;
- The ability to manage risks across SBS by providing accurate and timely reporting on the profile of risks and controls; and
- Minimum standards for the governance, processes and tools required to administer the requirements of SBS’s Risk Management Strategy.

Figure 3 summarises the Risk Management Framework.

**Figure 3: SBS Risk Management Framework**

<table>
<thead>
<tr>
<th>SBS Board and Audit and Risk Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Plan</td>
</tr>
<tr>
<td>Risk Appetite and Risk Strategy</td>
</tr>
<tr>
<td>Executive Committee</td>
</tr>
<tr>
<td>SBS Business Plans</td>
</tr>
<tr>
<td>Risk Registers</td>
</tr>
<tr>
<td>Risk Management Process</td>
</tr>
</tbody>
</table>

**Legend:**
- **Risk Stakeholders**
- **Business Process**
- **Risk Process**
The Board approves the organisation-wide risk appetite statements that provide the frame of reference for strategy setting and decision making. Figure 4 illustrates the risk appetite for SBS’s material classes of risk.

**Figure 4: Summarised risk appetite statement**

<table>
<thead>
<tr>
<th>Risk Appetite Range</th>
<th>No/Low Appetite</th>
<th>Limited Appetite</th>
<th>Moderate Appetite</th>
<th>Moderate to High Appetite</th>
<th>High Appetite</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Health and Safety (non-assignment)</td>
<td>HR Health and Safety (on assignment)</td>
<td>IT Security</td>
<td>IT Financial System</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance, Accounting and Tax</td>
<td>Governance, Risk and Compliance</td>
<td>Brands and Content Commissioning of Content</td>
<td>Brands and Content Exploitation of Content (SBS Act, Codes or Editorial Guidelines)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT Transmission Continuity</td>
<td>Philosophy Towards Risk Taking</td>
<td>Preferred Risk Treatment Approach</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- SBS accepts as little risk as possible
- SBS takes a cautious approach towards taking risk
- SBS takes a balanced approach to risk taking
- SBS takes a higher level of risk for increased benefit
- SBS takes an aggressive approach towards taking risk as it is considered core to SBS’ strategy and purpose

- Those risks that cannot be effectively treated or transferred are avoided
- Preference to avoid risk or transfer it to an outside party or use secondary mechanisms
- There is no preference and the risk treatment will be considered depending on the context and benefit to SBS
- Preference to accept or reduce risk through internal measures
- Risk is accepted as much as the Charter/Act permits
During the course of the strategic planning cycle and the development of the annual business unit operating plans, the risks are reviewed and assessed against the Board-approved risk appetite statements. An internal audit plan for the following 12 months along with the broader governance, mitigation and assurance mechanisms are developed to a significant extent from this risk assessment process.

In 2018-19, the Australian National Audit Office (ANAO) undertook a performance audit on the governance of SBS (the Audit). The report of the audit, Governance of the Special Broadcasting Service Corporation (Auditor-General Report No.35 of 2018–2019), was published on 26 April 2019.

Among other things, the Audit found that SBS governance and oversight arrangements are effective, SBS governance and administrative arrangements are consistent with relevant legislative and policy requirements, and that SBS Board operations are structured to support effective governance at SBS. It also found that the composition and experience of the SBS Board is consistent with SBS’s governance needs, and that the Board has implemented a sound approach to promoting the purpose of SBS as set out in the SBS Charter, including by integrating this purpose into SBS’s operating culture.

The ANAO made only two recommendations, both of which were accepted by SBS. These relate to the establishment of a Charter for the Board of SBS and a review of SBS’s risk framework in relation to the identification and treatment of certain risks.

The SBS Audit and Risk Committee receive regular reports on the management of the identified "highest risks" facing SBS, with identification of risks allowing redirection or refocusing of resources to address key issues.

SBS has identified the top 3 risks facing the organisation in this reporting period:

— Loss of audience or relevance

There is a risk that SBS suffers from a loss of audience and/or relevance with audiences, particularly with increased competition from other free-to-air broadcasters, digital media streaming platforms and subscription services. SBS is ensuring that it prevents a sustained fall in audience share or relevance by building capabilities to better understand community behaviours and preferences, tailoring programming suitable to its audiences and Charter and offering its content across linear and digital platforms and expanding its offering, e.g. through the launch of the new SBS World Movies channel.

— Competition for acquired programming

There is a risk of increased costs and/or an inability to purchase quality programs affecting the quality of SBS’s schedule, due to increased competition from multi-channels, traditional subscription TV operators and increasingly from over the top content services (e.g. Netflix, Stan) or sole language broadcasters. Content is crucial in delivering on SBS’s services and purpose, distinctiveness and relevance. There is also an associated risk of a decrease in audience leading to a decline in advertising revenue.

— Organisation Capability

From an organisational capability perspective, there is a risk related to being unable to access the appropriate required skill sets. This encompasses recruitment, and upskilling activities, along with employee retention and the risk of losing key personnel, including personnel with sought after digital skills.
Little J and Big Cuz
Appendices

Appendix 1: The SBS Charter

The SBS Charter, contained in Section 6 of the Special Broadcasting Service Act 1991 (SBS Act), sets out the principal function of SBS and a number of duties it has to fulfil in performing its principal function. It states:

The principal function of the SBS is to provide multilingual and multicultural radio, television and digital media services that inform, educate and entertain all Australians, and, in doing so, reflect Australia’s multicultural society.

The SBS, in performing its principal function, must:

(a) contribute to meeting the communications needs of Australia’s multicultural society, including ethnic, Aboriginal and Torres Strait Islander communities; and

(b) increase awareness of the contribution of a diversity of cultures to the continuing development of Australian society; and

(c) promote understanding and acceptance of the cultural, linguistic and ethnic diversity of the Australian people; and

(d) contribute to the retention and continuing development of language and other cultural skills; and

(e) as far as practicable, inform, educate and entertain Australians in their preferred languages; and

(f) make use of Australia’s diverse creative resources; and

(g) to the extent to which the function relates to radio and television services – contribute to the overall diversity of Australian television and radio services, particularly taking into account the contribution of the Australian Broadcasting Corporation and the community broadcasting sector; and

(h) to the extent to which the function relates to radio and television services – contribute to extending the range of Australian television and radio services, and reflect the changing nature of Australian society, by presenting many points of view and using innovative forms of expression.

Appendix 2: Role and Duty of the SBS Board

The role and duties of the SBS Board are set out in sections 9 and 10 (1) of the SBS Act. The SBS Board is committed to fulfilling its duties as set out in the SBS Act and it does so through well-established corporate governance processes.

— The SBS Board holds regular meetings throughout the year, providing Board members with an opportunity to obtain detailed information about management and operational issues, and to make key decisions regarding the Corporation. The Board receives a comprehensive suite of reports, and members of the SBS Executive attend Board meetings as required to answer questions and provide insight into activities, programming policies, management decision making, and the efficiency and effectiveness of the Corporation.
The SBS Codes of Practice are developed by the Corporation, in consultation with the Board Codes Review Sub-committee, and approved by the Board. The SBS Codes of Practice set out the principles and policies SBS uses to guide its programming. Compliance with the Codes of Practice is monitored by the Board at its regular meetings. The SBS Codes of Practice are notified to the Australian Communications and Media Authority in accordance with s10(1)(j) of the SBS Act.

Guidelines on advertising and sponsorship matters are developed by the Corporation and approved by the Board as part of the SBS Editorial Guidelines. The SBS Codes of Practice (Code 5) and the SBS Editorial Guidelines (Guideline 5.5) set out SBS’s guidelines on advertising and sponsorship and the placement of breaks in SBS television and radio services.

The Audit and Risk Committee provides independent assistance to the SBS Board on the Corporation’s risk, control and compliance framework, and its external accountability responsibilities. Through the Audit and Risk Committee, the Board is able to monitor the Corporation to ensure that it does not contravene or fail to comply with applicable legislative obligations.

The Board has representation on the SBS Community Advisory Committee, which is established under section 50 of the SBS Act. The Community Advisory Committee meets several times a year to discuss issues of relevance to SBS and to give advice, raise community concerns and provide feedback on programming and projects to the SBS Board.

Consistent with its duties, the Board undertakes other activities as required, such as submitting annual reports to Government regarding compliance with the Public Governance, Performance and Accountability Act 2013; considering relevant statements of policy furnished by Government; and considering and approving broader SBS strategies such as those contained in the SBS Corporate Plan.

Appendix 3: Community Consultation Measures

Under Section 50 of the SBS Act, the Board must establish a Community Advisory Committee to assist the Board to fulfil its duty under paragraph 10(1)(g)—the Community Advisory Committee does this by advising the Board on community needs and opinions, including the needs and opinions of small or newly-arrived ethnic groups, on matters relevant to the Charter.

In addition to the Community Advisory Committee, SBS management has established a number of additional processes to ensure that it is aware of, and responsive to, community needs and opinions (including the needs and opinions of small or newly arrived ethnic groups) on matters relevant to the Charter. These include, but are not limited to, the following:

— Forums around Australia involving key community stakeholders from multicultural and Indigenous communities, together with SBS Board members and Executives
— Evolution of the activities associated with SBS’s Inspire Communities focus area, to respond to the changing needs of our communities, their improved access to content due to technology, and the ambitions and changing role of partner and peer organisations
— Receiving feedback via SBS Radio’s in-language broadcasting activities
— Content-related outreach activities
— Involvement in community programs and partnerships with multicultural and Indigenous stakeholders
— Regular qualitative and quantitative audience research into SBS programming