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Budget Policy Division
The Treasury
Langton Crescent
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COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

Community Broadcasting Association of Australia (CBAA) – 2019/20 Pre-Budget Submission

The Community Broadcasting Association of Australia (CBAA) appreciates the long-standing support that successive Federal Governments have provided to the community broadcasting sector for over four decades. On behalf of more than 450 independent radio stations, the CBAA calls on Treasury and the Government for further measures going forward to improve sustainability and innovation in our vibrant media sector.

The economic and social benefits arising from the Government's additional commitment of \$12 million over four years (for digital radio rollout, enhanced news programming, improved online presence and industry skills development) in the 2017/18 Mid-Year Economic and Fiscal Outlook (MYEFO) are beginning to flow to the community through the Community Broadcasting Program funded under the Communications and the Arts portfolio and allocated by the Community Broadcasting Foundation (CBF). This commitment is in support of a new legislative framework to support media diversity and access to a heightened level of relevant and local media services for all Australians, particularly those in rural and regional areas.

These additional resources are vital to the sector's continued growth. The January 2019 National Listener Survey reported the highest listening levels for community radio on record – 5.96 million Australians tune in to the over 450 not-for-profit, community-owned and operated radio services operating across the country each week.¹ This is up from approximately 3.8 million in 2004.

Even so, ad-hoc Budget allocations on a year-by-year basis for a significant portion of the sector's funding continues to hamper business-planning certainty and the ongoing sustainability of not-for-profit community radio stations. To realise the full benefits of the increased investment in the community broadcasting sector, all funding allocation should be moved out of the annual budget cycle and provided on a recurrent basis.

The CBAA is committed to working with Government to create a more certain funding environment in order to optimise the benefits of community radio for all Australians. The CBAA, in consultation with sector stakeholders, has identified two key recommendations for the 2019/20 Federal Budget to ensure the sustainability and growth of community broadcasting services to meet identifiable and evolving community needs.

Our recommendations are that:

1. All funding becomes recurrent, indexed and ongoing, rather than on an annual basis. This will allow community broadcasting organisations to operate with increased certainty and viability.
2. The Community Broadcasting Program funding to support all community broadcasters be increased by \$5.1 million per annum. This would allow a larger, more adaptable grants pool

¹ Community Broadcasting Association of Australia (2019). *Community Radio National Listener Survey – Australia Fact Sheet* [online] Available at: <https://www.cbaa.org.au/broadcasters/get-data-national-listener-survey-station-census>

allocated by the CBF to community stations on merit, through the Community Broadcasting General Sustainability and Development Fund.

Our policy positions and recommendations are not to be taken to negate any other sound proposals put to Treasury by CBAA members or other community broadcasting sector representative organisations.

About the CBAA and community broadcasting in Australia

The CBAA is the peak body for community radio stations in Australia. As an internationally recognised, not-for-profit cultural organisation, the CBAA champions community broadcasting by building stations' capability and by supporting a healthy environment within which the sector can thrive. Since our inception, we have served to give a voice to those otherwise not heard on air and always prided ourselves on maintaining a diverse sector, supported by volunteers and other community-minded individuals.

Community broadcasting is a vital and growing part of the Australian media landscape. Community radio stations operate in towns and cities across Australia with the largest proportion located in regional areas (41%), a further 25% in rural areas and 34% across metropolitan and suburban locations.²

Community radio stations play an important role in catering to the needs of, and providing a voice for, communities that aren't adequately serviced by other broadcasting sectors. This includes Indigenous, ethnic and multicultural, educational, community access, religious and faith-based, Radio Reading Network for people with a print disability, youth and seniors, LGBTQI+, specialist music and arts communities. In metro areas, there are a greater number of diverse, specialist stations; in regional and rural communities, diversity is generally provided through the programming and services of one generalist station.

The national community radio audience listens to services that contribute to and reflect Australia's open society, strong democracy and vibrant culture by:

- Sharing a diverse range of viewpoints that enrich the social and cultural fabric of Australian society and contribute to public interest outcomes;
- Promoting the identities of local communities and contribute to social cohesion and inclusion;
- Providing opportunities for participation in free-to-air broadcasting and content production;
- Contributing to media diversity;
- Generating a high level of local content; and
- Providing a unique range of services and programs.

Long-term funding certainty

The CBAA is committed to working with Government to create a more certain funding environment and would welcome further partnership with Government to ensure the sector's contributions as a public good for all Australians can continue.

Community radio stations are able to achieve their significantly low-cost/high output radio production, with strict regulations limiting their commercial fundraising capacity³, because of the efforts and commitment of over 26,000 volunteers supporting around 766 FTE employed staff, and the support and goodwill of their communities.

Budget funding for community broadcasting accounts for less than ten percent of stations' overall revenue but it is vital in supporting cultural development, sustaining infrastructure, service innovation and technological improvement

² Community Broadcasting Association of Australia (2017), Community Broadcasting Sector Financial Health of Community Radio Survey. Available at: <https://www.cbaa.org.au/sites/default/files/media/CBAA%202017%20Financial%20Health%20of%20Community%20Radio%20Survey%20FINAL.pdf>

³ The Broadcasting Services Act (1992) places limits on the amount of advertising, in the form of sponsorship, that community broadcasters are permitted to put to air.

Given the demonstrable importance of community broadcasting and its pivotal role in supporting media diversity in the public interest (independent from commercial or political influence), it is crucial that current and future Governments ensure that sector funding has ongoing certainty, supporting and investing in Australia’s community broadcasting services. The current arrangement of having the sector rely on yearly budget decisions for significant funding is unsustainable in the long-term.

Currently, a portion of funding designated for digital radio roll out, as well as funding allocated for the provision of enhanced news programming, improved online presence and industry skills development is not allocated ongoing and as such, is also not indexed. The details of this are outlined in the table below:

	2018/19	2019/20	2020/21	2021/22
<i>Enhanced National News Programming Fund*</i>	\$800,000	\$800,000	\$800,000	-
<i>Funds to National Training Program for Industry Capacity and Skills Development*</i>	\$600,000	\$600,000	\$600,000	-
<i>Funds to CBOonline to develop a Central Online Streaming portal and application*</i>	\$600,000	\$600,000	\$600,000	-
<i>Digital Radio Project</i>	\$4,280,000	\$4,319,496	\$4,361,915	\$2,405,109

*\$2M total funding not subject to annual indexation

We note that in its Report released on 5 February 2018, the Select Committee on the Future of Public Interest Journalism recommended that “the Commonwealth provide additional surety in future funding for the community broadcasting sector beyond the forward estimates, in particular what component will be set aside for training and education, and ensure that the sector is fully consulted in the national rollout of digital services.”(Recommendation 2.)

In its response, the Government noted this recommendation and stated its support for and recognition of the valuable service community broadcasting brings to groups in the community that are not specifically served by commercial, subscription or national broadcasters, and its contribution to the diversity of the media landscape.

Recommendation 1

To ensure community broadcasting remains viable and can operate in an environment of certainty, our recommendation in the 2019/20 Budget is that all funding becomes recurrent, indexed and ongoing, rather than on an annual basis.

Strengthened support for community broadcasting

Community radio stations are largely self-funded through sponsorship, fundraising and membership contributions. Funding for the Community Broadcasting Program through the Department of Communications and Arts and distributed by the Community Broadcasting Foundation (CBF) is around 7.5% of station income on average, although this varies widely.⁴ There is great diversity in community radio licensees, and some sections of the community broadcasting sector who are more heavily reliant on government income. This reflects the greater difficulty these stations face in raising commercial income due to their targeted communities of interest and focus on addressing inequality in our communities.

The current eligibility rules around the CBF’s specialist funding pools mean it is increasingly unable to meet the demand from community stations, including many regional and remote stations. Recent

⁴ Community Broadcasting Association of Australia (2017), Community Broadcasting Sector Financial Health of Community Radio Survey. Available at: <https://www.cbaa.org.au/sites/default/files/media/CBAA%202017%20Financial%20Health%20of%20Community%20Radio%20Survey%20FINAL.pdf>

analysis of grants made by the CBF in the 2017/18 financial year revealed that 65% of all applicants (170 of 261 organisations) were not eligible to draw on the funding allocated for specialist purposes. In the last financial year, this cohort sought 47% of all funding support requested but received only 22% of the funding allocated.

These broadcasters must compete with all applicants for the general and transmission support funding available. 60% of the cohort were community broadcasting stations located in rural, regional and remote areas and serving the broad needs of their communities or providing specific faith-based services.

Transmission site operating expenses have risen by over \$4.3m for the community radio sector in recent years, accounting on average for 8% of annual expenditure for all stations but up to 20% for rural and remote stations.⁵

Recommendation 2

The CBAA recommends that the capacity of the Community Broadcasting Program to support all community broadcasters be expanded by an extra \$5.1 million annually. This would allow a larger, more adaptable grants pool allocated by the CBF to community stations on merit, through the Community Broadcasting General Sustainability and Development Fund.

First Nations media funding

The CBAA supports the pivotal work that First Nations Media Australia undertakes as the peak body for First Nations not-for-profit broadcasting, media and communications. Within nine calls for action, addressed in their Pre-Budget Submission, First Nations Media Australia calls for increased Indigenous Advancement Strategy funding to support employment, operations, and training and employment pathways. The CBAA supports and recognises the important value of the First Nations Media industry and the work of First Nations Media Australia.

The CBAA is committed to working with Government to create a more certain funding environment and would welcome a partnership with Government to ensure the sector's contributions as a public good for all Australians can continue.

Kind regards,



Jon Bisset
Chief Executive Officer

⁵ Community Broadcasting Sector Financial Health of Community Radio Survey Report, CBAA October 2017 at p.16.