



National Ethnic and Multicultural Community Broadcasters' Council (NEMBC) response to the CBF Structure and Governance Review Consultation 2nd Round

The Community Broadcasting Foundation (CBF) released a 'Consultation Paper' on 11 June 2015 for a six week consultation. The CBF's Paper presented a new model on how funding will be administered and managed, it was a significant reform. Written responses were requested by the 23 July 2015.

The CBF needed to go to a second round of consultation, due to sector requests, and released 'Consultation Paper 2' on 27 October 2015. The CBF's 2nd Paper once again examines only one model detailing how funding will be significantly restructured and governed. Written responses were requested by 18 December 2015, the NEMBC's response is below.

1. Introduction

The proposed new model of operation is a radical change and complete departure from what we know as the CBF, it is a fundamental shift away from the reason why the CBF was established. It changes the CBF from an agency that *administers* funds to one that *determines* what happens to those funds.

The NEMBC realises the present system can have improvements but the CBF's proposed new model represents the very opposite of the values of the community broadcasting principles of access, participation and democracy.

The NEMBC originally asked for more efficient and effective grant system and thought the CBF would improve its administration and the general grants category. The NEMBC never expected the CBF would propose such a drastic change.

In 2014 the NEMBC expressed deep concerns - as did many others - to the Nous Report findings, we were told by the CBF not to be concerned because it was 'a report from an independent organisation, not the views of the CBF'.

We are disappointed that the CBF has agreed to the majority of what was contained in last year's Nous Report. Once again, no options are provided; just a single model to make comment on. The CBF have only sought '***input to help refine the proposed new model***', which means the consultation process has been narrow and single focused.

None of the consultation process, from the Nous Report in 2014 or these last two rounds, have provided a performance review to show where the CBF is working well or is not working well. The CBF has provided its own tables but these work to justify their position and support the single model presented.

The views of the NEMBC have not been included for discussion in the 2nd Consultation Paper; nor where they included in previous submissions from October 2014 and July 2015. The NEMBC's suggested model has been completely ignored. Other models were not even mentioned, and by not mentioning them the CBF hasn't provided reasons for why they might agree or disagree.

The narrow focus by the CBF on a single model means there has not been a full and proper review with meaningful dialogue on viable governance models.

The NEMBC submitted an alternative model, a Composite Board Model: The NEMBC suggested revitalising the CBF board by a combination of the old and the new. The four original Grants Advisory Committees (GAC) would maintain their seats on the Board. Community Television would also have a seat. The CBAA would continue to nominate the CBF President. Two to four Board members would be appointed based on other skills and experience needed on the board, making a total of eight to ten members. A form of this model was proposed by the NEMBC in response to the Nous Report and also in response to

the 1st Consultation Paper in July 2015. The NEMBC is amazed; **we have been given no feedback about this sensible compromise.**

The CBF's Constitution already allows for flexibility to develop and evolve while remaining accountable to the community broadcasting sector, without betraying the principles on which the CBF was established.

Previous submissions from the NEMBC have recognised the General Grants Advisory Committee (GGAC) could be improved because they receive a large number of applications and this creates a heavy workload on that Committee. The NEMBC has offered to work with the CBF and peak-bodies to make improvements. The requests and suggestions by the NEMBC have not been embraced. The NEMBC has always been of the view that this is a structural administration problem and can be sorted out without a complete overhaul of the CBF.

It is important to note that the Ethnic Grants Advisory Committee (EGAC) does not have the high administration or bureaucratic problems as GGAC and is a much simpler process. The NEMBC does not therefore see a reason to change EGAC because it is already extremely simple efficient and effective.

2. NOUS Group Report

From the Nous Group Report, to the July 2015 consultation and now this 2nd Round 'consultation' it has been very difficult to respond to the CBF *key questions* because they are all linked to the single model, and the only choice is to take it or leave it. The Nous Group did not offer a number of models or options to choose from nor have the two rounds of CBF consultation.

The NEMBC stated in 2014 that we did not want to spend another year of CBF Reviews and be peeling-back from the Nous Report; the NEMBC stated "Their recommendations are too extreme, and we do not want to work back from this extreme position".

Granted there are some differences to the 2014 Nous Report such as: CBAA can nominate the president; powers that were proposed for CBF Secretariat are shifted to the Sector Investment GAC, and; the CBF requires more research on 'Social Return on Investment' outcomes. And now in this 2nd Round of Consultation there is an 'Advisory Group' established.

However the CBF's proposed new model is the Nous Report re-tweaked; fundamentally it's the same radical change especially for the ethnic community broadcasting sector.

The NEMBC has previously expressed concern that the Nous Group had little to no experience to hold a governance and structural review for the community broadcasting sector. Other *Reviews* held by the CBF were performed by organisations that have significant experience in the community broadcasting sector. The Training Review was done by Griffith University and the Content Review by Impact Consulting Group and Kath Letch.

The NEMBC still has concerns about the Nous Report. The CBF was the contractor, wrote the tender brief and employed the consultant. The Nous Group responded to the CBF and their main brief was to develop a new funding model for the CBF. The Nous Group are an independent consultancy group, but their employer is the CBF and the Nous Group is compelled to deliver what the employer wants. If the employer was the community broadcasting sector — the peak sector-bodies for example — or the Government, the outcome may have been completely different.

3. Consultation Process

While the NEMBC is pleased there is this 2nd Round of consultation for the sector, this important decision should have been a one year **continuous** consultation process that aims at meaningful dialogue.

For such an important decision the sector should expect a one year consultation process that was inclusive of everyone's views. This type of massive change needs to be carefully considered by the community broadcasting sector and cannot be implemented when there are such strong dissenting voices.

The CBF should have realised that a six week consultation, in June/July 2015, was not enough time for our sector. This is the second time the CBF has had to extend consultation when it tried to push through the results of the Nous Report in 2014.

Now again in 2015 the community broadcasting sector has this 2nd Round of consultation which creates a knee-jerk reaction in trying to respond to two consultation periods rather than a well thought out plan of meaningful dialogue over a period of one year.

These stop-start consultation periods add more confusion rather than assisting appropriate dialogue. The Consultation Papers produced by the CBF have been highly bureaucratic as layer upon layer has been developed through the Nous Report, the first round of consultation and now this second round.

While sector conferences have now been included in the 2nd Round of consultation this is a very busy time for peak-bodies, ethnic and multicultural organisations and radio stations because they hold AGMs, conferences and stations hold radiations. The need to respond should have been better planned by the CBF.

To their credit the CBF has been extremely active in making contact with the sector and held a broad consultation process involving sector conferences, contact with radio stations, attending organisations AGM's and using social media. However the NEMBC is concerned that the consultation period has been more about the CBF pushing a desired outcome rather than seeking genuine feedback.

The 'consultation' process is more akin to a corporate style than one associated with the community broadcasting sector. The language used by the CBF is very resolute, they state: *'Our experience and research tells us that there is a simpler and better way for the CBF to*

operate’ and the changes *‘are bold but necessary’*. The CBF has plainly stated that they seek *‘input to help refine the proposed new model’* rather than seek a variety of options.

The community broadcasting sector has always been slow and considered in its approach because it values meaningful input in recognition of its community based approach. It is saddening to see the CBF using a process that seeks a quick response and with such a determined view to a single model rather than deep, democratic consultation.

A key strength of the sector is the trust and co-operation that has been built up between stations and broadcasters with diverse needs and interests, represented by their sector peak bodies, and the CBF. The risk that the new model could fracture the community broadcasting sector is a real concern.

4. The Proposed New Model Lacks Detail

The CBF 2nd Consultation Paper is still lacking in detail and analysis in key areas, including the following:

Financial estimates

2. The Second CBF consultation paper has not provided financial estimates or a business model has not been presented.

The CBF will double in size and require a lot more oversight from Advisory Committees, the CBF Secretariat and the Board, but there is no financial plan or indicators.

The CBF is claiming the new model will be more ‘effective and efficient’ yet it is not shown how these new procedures will make the CBF more cost effective and reduce its present operational costs of 1.1 million.

Interim guidelines

The most concerning change for the NEMBC is the consolidation of the ethnic funds into one allocation and the end of the current distribution and criteria for Ethnic Program Grants. In this 2nd Paper the CBF have produced ‘interim guidelines’ as requested by the NEMBC. However the interim guidelines have only heightened the NEMBC’s concerns.

The CBF review paper still does not explain how the proposed ethnic grant application system will be more efficient than the current hourly rate system for applicants.

The ‘interim guidelines’ are vague and they offer no reassurance or safeguards to ethnic community broadcasters. To get funding for ethnic programs it will become more competitive with stations competing for ‘content projects’ or ‘development grants’. The present hourly rate will be reduced to ‘proving actual costs’ so stations and radio programs will be asked to prove how much they spend on a CD or buying a newspaper for their program on an annual basis. The ethnic community broadcasting sector will be

‘mainstreamed’ into a general formula and lose the reason why *specialised* funding is given to benefit language programs.

How ‘Transmission’ costs will be distributed or accounted for is not explained. Presently there is an equitable way of distributing transmission costs based on the agreement with government. The new interim guidelines are vague in this area and this grants area will become competitive and will rely solely on the discretion of the CBF.

The guidelines are contradictory especially when referring to the potential loss of funding to full-time ethnic stations or access stations when it comes to the ‘hourly rate’. The CBF (on page 12) states: ‘The introduction of Content Grants and Development Grants will necessitate different applications to support content costs and operational costs.’ It is clear that Content Grants will not cover operational costs; therefore this must be accessed through Development Grants. However in Development Grants, under ‘*What can’t you use the grant for*’ the CBF states ‘*Operational Costs*’ (page 5).

Sector Investment Advisory Committee (SIAC)

There are no guidelines developed for how the Sector Investment Advisory Committee will operate and how it will set outcomes for the national peak bodies for example. No process is given for how the Sector Investment Advisory Committee (SIAC) will consult with the sector to decide funding priorities. The sole element of ‘peer review’ is that a majority of Sector Investment Advisory Committee (SIAC) members will be community broadcasters, but they will be appointed by the CBF Board (albeit with assistance from the Advisory Group) rather than representing the sector or its four core components. This means broad strategies and budgets for each GAC will be set without sector peak bodies having a voice.

5. Governance

The present community broadcasting structure has stood the test of time and is well respected for being ethical, transparent and representative. This is acknowledged by government, the community broadcasting sector and radio broadcasters.

Most community radio stations are incorporated and operate by having a membership base. Elections, AGMs and board members are part of the organisation; that is what makes community radio very democratic, across hundreds of radio stations. This is also reflected in the national peak bodies: for example the NEMBC board are all ethnic broadcasters.

This participatory and bottom-up approach, with elections and AGMs to the national representative peak bodies, all flow into the CBF, and thus provide the CBF a meaningful and representative role within the community broadcasting sector. This structure that has grown from a grassroots volunteer base is exceptional; in fact, it’s unique in the world.

The CBF seeks to overturn this unique system because it sees the present system as problematic. It states, ‘there has been too much administration and not enough impact’.

The impact of community broadcasting in Australia has been extraordinary. The ethnic community broadcasting sector has had a tremendous influence on policies around immigration and cultural diversity, as well as on public perception of migrant communities by providing a visible example of multiculturalism in action.

What's remarkable about Australia's community broadcasting sector is its structure as well as its achievements, because the structure both enables and reflects the diversity of the sector. The CBF's role should be to facilitate the impact that community broadcasters make; by administering funds, rather than to direct the sector by deciding its objectives.

The CBF have made it clear that radio stations are the key essential ingredient in terms of the new model. Whilst the NEMBC recognises the stations are fundamental to the sector the efforts undertaken by the peak bodies have been given very little recognition in what they have provided the sector. The new model treat the peak bodies the same as a radio station and there is scant recognition in the new model of the value that is added by the peak sector bodies. Similarly there is very little in the proposed new model of how the peak bodies will be involved and consulted if the model is adopted.

The 1st paper proposed an open nomination process with endorsements from stations and peak bodies that could result in hundreds of candidates, and while the 2nd Paper has added an 'Advisory Group' made up of national peak body representatives. This Advisory Group has no real powers and ultimately the CBF board will still make the decisions.

The Advisory Group will become an administration department of the CBF and will literally become a human resources section as they will sift through hundreds of applications to suggest 5 names to the outgoing CBF board that will ultimately decide on the who sits on the board.

Self Perpetuating Board

The model proposed by the CBF does away with the present GAC system of representation and puts in place a self-appointing board that can choose the rest of the organisation, albeit this time in the 2nd Paper there is a 'Advisory Group' that has no other powers but to advise. The outgoing board still is a 'self-appointing' board that goes on to appoint the rest of the organisation. The new model is very different to what occurs now.

The new model will create a board and organisation that will become self-perpetuating and there are many risks associated with such a system.

Alienation is a common problem for a self-perpetuating board, especially when it sits in a highly diverse and political environment. The board and organisation may come to be unrepresentative of the constituency or community the organization serves and continue to select new members who are just like them. Organisations have been known to become complacent without the scrutiny of the broader constituency or 'have been too lax in their

oversight of their CEOs or even the behaviour of their fellow board members, with disastrous results for the organization¹.

The CBF's new model would set itself apart from the community broadcasting sector and it would put itself in a situation where it could be continually at risk. Imagine in the future if a number of peak bodies and stations were in opposition to the CBF approach, and there was no institutional framework in place for the sector to support the CBF.

Grants Advisory Committees —GACs

No reason is given for why the four original GACs need to be changed. The paper identifies democratic processes and the involvement of sector peak bodies as a 'risk' and 'weakness' rather than strength. The value of ensuring the representation of the four core GAC's of community broadcasting, and the principle of arms-length funding, is not recognised.

The CBF will create a system of 'Assessor Pools' that will use online assessment. This will mean the CBF will become much more automated and technocratic.

The present EGAC system works very well for the policy development and for project input because it is very personal and relies on human contact, dialogue and discussion.

6. Hourly Rate — 'Ethnic Program Grants'

The new proposal will make it more complicated for ethnic community broadcasters:

Of most concern to the NEMBC and ethnic community broadcasting is the consolidation of the ethnic funds into one allocation. This means the present 'hourly rate' will vanish and be replaced by a very convoluted grant process.

The current system for ethnic grants is simple, reliable and fair. The proposed model will make ethnic program grants more complex and competitive. It requires more work from stations and broadcasters. It will put ethnic radio programs at risk and will substantially reduce funding to full time ethnic stations.

There is no **clear** indication why the hourly rate needs to change: Many other organisations including the CBAA have said the hourly rate should be maintained.

'It is noted that neither the Nous Review report nor the Content Review report recommended this change. The CBAA is yet to hear a solid argument for the proposed changes [the hourly rates] and believe that, in the absence of an extensive consultation process backed by sound reasoning, they should not go ahead at this time'.(CBAA Submission July 2015)

¹ *Non-Profit Management Principles and Practise, Michael J Worth, Second Edition 2012, Sage Publications, page 78.*

The Review of Content actually found that there was strong support for the that the hourly-rate and that it needed an increase in funding. The Content Review held by the CBF and carried out by *Impact Consulting Group and Kath Letch found:*

“It was clear in the review process that there is strong support for additional content development funding being utilised to increase the hourly rate available to language programs” (CBF Review of Content Development Funding Report July 2014, pg 7)

Currently Ethnic Grants for content development are tied to clear, material outcomes (distributed based on each hour of content produced) as well as community priorities (new and emerging communities, regional and rural stations, and supporting new programs). The CBF paper alleges the current model is ‘arbitrary’ and ‘lacks transparency’ but the new interim guidelines only show that stations will be faced with a huge burden of administration if they have to break down the production costs of every ethnic program into ‘actual costs’ on an annual basis.

7. A Proven Model:

The ethnic sector funding is a proven model that works

The present system of funding to the ethnic sector has proven itself to support the maintenance and development of language, culture and identity, and shows that the ethnic sector knows best on how to manage those issues that require change. The Program content funding framework of supporting an hourly rate is advantageous because it services a large group of programs with very little administration. One staff member at the CBF can administer to hundreds of ethnic radio programs and very little time and energy is needed by EGAC considering it oversees thousands of ethnic volunteers. This model is still successful in creating an efficient approach to reach a large number of broadcasters.

Ethnic funding has been extremely successful for regional and rural stations; many stations have said they would not have survived if it were not for the reliable assistance that ethnic funding has provided. This funding model has enabled thousands of ethnic broadcasters to gain access to media and work effectively to break down stereotypes and combat racism.

Ethnic radio programs have a better chance of getting on air with the present funding model because stations know what criteria ethnic programs have to meet. This reliability supports an essential avenue for multicultural and multilingual broadcasters to be heard in their local community, enhancing social cohesion in Australia’s rural and regional areas.

Sub-metropolitan areas have also received similar reliability and support from the ethnic funding model. The system has also supported metropolitan ethnic full time stations to support an extraordinary large numbers of broadcasters and languages, giving them a strong voice in the capital cities.

The Program content model of supporting an hourly rate has meant that the core business of community broadcasting for multiculturalism and multilingualism has been supported; that is support for new arrivals to go on air and supporting established communities with language and cultural maintenance.

Under the new proposed CBF model the NEMBC is certain that full-time ethnic stations will lose funding, the grants process will become more complicated and concerns that the mainstreaming of ethnic community broadcasting will have detrimental effects on multiculturalism. Ethnic community radio programs have been integral to building a multicultural Australia and the new model proposed by the CBF will threaten efforts to build social cohesion and to maintain language and culture.

8. Ethnic Community Broadcasting: Losing its Voice?

This has been stated in previous submissions to the CBF in October and December 2014 and again in July 2015. However it is important to restate this again:

The NEMBC and the ethnic community broadcasting sector have lobbied hard for funding for at least 30 years, and is a major stakeholder in the government funding provided to the ethnic sector through the CBF. If the ethnic sector's national representative peak body loses its voice and no longer has involvement, the NEMBC will be forced to seek funds directly from the present government and bypass the CBF.

The new model proposed by the CBF gives it the opportunity to become a 'sector shaper' (as was proposed in the Nous Report). If adopted this new model will fracture the community broadcasting sector and undermine the very unique establishment of the community sector. The NEMBC would see no alternative but to oppose the move and will do so in the strongest possible way. Support for such a move will be sought from the ethnic community broadcasting sector and the larger multicultural sector.

As mentioned last year in the response to the Nous Group report and in several other submissions to the CBF:

'The NEMBC would prefer not to take this approach. The present Federal Government is consolidating its finances and cutting administration, and the CBF is one of those bodies. We do not want to be forced into a campaign, with potential risks that may incur. We would prefer the CBF continue with the job of administering funds and give up the idea that it can manage and create the future for the community broadcasting sector.'

'The NEMBC recognises there should be some changes to the CBF, but we do not want to use the Nous Group's recommendations as a basis. Their recommendations are too extreme, and we do not want to work back from this extreme position.'

9. NEMBC Response to the ‘Key Questions’

These so called ‘Key Questions’ are rather arbitrary to comments that need to be made on the whole governance and structural review but the NEMBC will respond to these questions as well.

1) Advice on Nominations arrangements: based on sector feedback and our review process, it is proposed that the means of seeking and monitoring nominations to CBF positions would change. Do you have any feedback on the proposal that a group of community broadcasting sector representative organisations would provide advice on nominations to the CBF Board, Sector Investment Advisory Committee (SIAC), Grants Advisory Committees and Assessor Pool? (See 1.1.5 on page 7).

NEMBC RESPONSE:

With a growing threat of racism in Australia, it’s vital to support expressions and institutions of self-determination by ethnic communities. We cannot agree to an advisory role only for national peak bodies as an impoverished replacement for democratically elected representation from the ethnic sector. The NEMBC stands behind the democratic right of all ethnic broadcasters to participate in an electoral process for CBF board and committee positions.

2) Station operational support. While stations will still be able to apply for service support through Development grants, some stations have expressed concerns about possible changes to funding support levels through changes to ongoing specialist funding and transmission support funding.

Key question for consultation: How can the CBF can best support station operations, encourage organisational capacity building, and facilitate sustainability and development while also discouraging ongoing dependency on CBF funding?

NEMBC RESPONSE: We would like to see the CBF’s risk assessment for the ongoing viability of the 131 radio stations, 79 of them in regional and rural areas and 52 in metropolitan areas, broadcasting not only in English but also in over 100 languages. These stations rely on the hourly rate to support their ongoing operations. The CBF’s consultation papers have given no costings or reassurance about the viability of stations after these proposed major changes to the ethnic grant process. Thanks to work the work of the NEMBC and communication with EGAC, the hourly rate has evolved to be more generous for regional broadcasters and new language programs, this rate change was to ensure their ongoing viability. The current ethnic grants system has demonstrated the flexibility to evolve with the times. The CBF’s paper suggests funding should be prioritised for one-off operational projects.

3) The draft grant guidelines for Content grants and Development grants propose a list of draft ‘project priorities’ and ‘organisation priorities’ which can be found at Section 5 of each set of guidelines. Which priorities do you consider to be the most important in each area? Are there other priorities that should be included?

NEMBC RESPONSE: A priority is that the hourly rate for ethnic broadcasts be retained. Removal of the hourly rate will likely become a point of tension between language groups and that's the last thing the NEMBC wants. The removal of the hourly rate will ensure that funding only goes to those with the English language skills and time to write first-class grant applications. To be fair, under the proposed scheme, ethnic grant applicants should be able to apply for grants in the language of their choice.

Missing is any explanation of how this new proposed grant system has been simplified for ethnic broadcasters applying for grants. The hourly rate is transparent and representative.

The NEMBC notes that neither the Nous Report nor the CBAA in their July feedback response could see any reason for removing the hourly rate for ethnic programs.

Without any explanation the CBF has proposed to remove the 25% restriction on religious content from Ethnic Content Grants. Was this omission an administrative error? We think the current 25% restriction on religious content is fair and has worked without any significant conflicts for the last thirty years. The 25% restriction should remain.

Sincerely,



Dr Tangi Steen
NEMBC President



Nick Dmyterko
NEMBC Vice president

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