

# Protect Ethnic Community Broadcasting

April 2016



## The CBF Reforms Explained



Thank you for being concerned about the CBF new governance and structure model. The following information is provided to let you know the background information and the concerns of the NEMBC, for more information click below on any of the links or download the whole document in PDF:

1. <i>In Brief the NEMBC Concerns</i> .....	1
2. <i>What do community broadcasters say</i> .....	3
3. <i>What Works Well - A Proven Model</i> .....	7
4. <i>The Grants System is Fair and Equitable</i> .....	8
5. <i>The CBF and the Present Democratic Process</i> .....	12
6. <i>Ethnic Community Broadcasting: Losing its Voice?</i> .....	13
7. <i>The NEMBC involvement</i> .....	14
8. <i>The NEMBC's constructive approach during the Review process</i> .....	15
9. <i>Breaking the Review deadlock</i> .....	15
10. <i>CBF Consultation Process and the NOUS Group</i> .....	16
11. <i>Flawed Consultation Process</i> .....	17
12. <i>CBF Governance Problems</i> .....	19
13. <i>Cost Effectiveness</i> .....	21
14. <i>The Proposed New Model Lacks Detail</i> .....	21
15. <i>Background to the NEMBC</i> .....	23
16. <i>The Motion at the NEMBC AGM</i> .....	24

### 1. In Brief the NEMBC Concerns

Despite strong opposition from ethnic community broadcasters and many others within the community broadcasting sector, the Community Broadcasting Foundation (CBF) announced — on 29 February 2016 — that it will go ahead with a new governance and structural model.

The changes will have a dramatic impact on how ethnic community broadcasters continue to broadcast and detrimental effects on multiculturalism and social cohesion in Australia.

The CBF's plans to move quickly to set up a new board, by July 2016, and no clear guidelines for grants have been provided. Ethnic broadcasters are being asked to hand over all their democratic rights and trust a process that has been questionable from the beginning.

The National Ethnic and Multicultural Broadcasters Council (NEMBC) will maintain its campaign against the disempowering changes being implemented by the CBF.

The NEMBC is asking all ethnic community broadcasters and stations to boycott the CBF's new model and boycott the call for nominations for any of the positions on the board or committees.

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 CBF's new model will mainstream and dilute ethnic funding that will mean ethnic radio stations will lose funding, ethnic language programs jeopardised and metro and regional stations will lose their incentive to broadcast new language programs.

Ethnic community broadcasting is integral to multiculturalism, and the present system to determine the funds dispersal has helped to build social cohesion and inclusion maintain language and culture and combat racism. We have a fair and equitable grants process. The proposed radical changes will mean this level playing field will become highly competitive, which will create community and sector tensions.

Under the CBF proposed changes, democratic processes will be abolished and the NEMBC will be excluded from any say in how funds are to be distributed to ethnic community broadcasting. We are concerned that ethnic community broadcasting will be controlled by a small group of people – the CBF Board – that will hand-pick its own organisation and create a self-perpetuating board. The new CBF board will make decisions and determine new guidelines without ethnic community representation.

The NEMBC realises the system could have had 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 go ahead with such drastic changes.

None of the consultation process held by the CBF, from the Nous Report in 2014 or the two rounds in 2015, 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 2015; 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 NEMBC and ethnic broadcasters are very opposed to these changes, including: The imposition of one model of structuring for CBF and funds distribution that was provided by the Review.

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- The CBF Board (self appointing with no election process) – stations nominate to a pool, then selected on a set of “skills”.
  - The funds dispersal method – from the hourly rate to a complex arrangement whereby stations have to apply and overly justify funding.
  - Lack of consultation in the original review process and lack of real independence of the Nous Group from the CBF.
  - The refusal of the CBF to listen to other ideas that have been put by NEMBC and others during the Review process.
  - No costings were provided for these major changes, no savings identified.
  - No explanation why the CBF removed the 25% per hour restriction on ethnic religious broadcasts. This has the potential to cause disquiet in communities.
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## 2. What do community broadcasters say

The last consultation period of the CBF, on the 18 December was for the first time open and transparent so the sector could see what was being said. Previously it was a closed shop and the CBF stated they had majority support from the sector. From this open submission process it is clear that the CBF does not have the support that it claims.

The submissions are available on the CBF website at: <http://www.cbf.com.au/cbf-update/responses-embracing-change-stronger-future-community-broadcasting/>

The CBF received 66 submissions, of which 61 respondents agreed to have their submission published.

The NEMBC analyses of the submissions are: There are 40% that are strongly opposed and there are 40% clearly in favour of the reforms. There are about 15% that raise serious questions that the CBF cannot go ahead with their proposed model. And 5% are anonymous.

Here are some of the responses from organisations that oppose the new model or raise some serious questions:

### **2SER Sydney Educational Radio**

*“The current proposals do also not address the costs of any change, or provide any mechanism for appeals, or even an adequate process by which a board can be reviewed or replaced. Given that the funds the CBF manages have been earmarked for community broadcasters, this needs to be addressed. There needs to be some mechanism for the sector to have greater*

*input on the running of the organization, without compromising the CBF's independence. There is a concern amongst community broadcasters of a lack of democratic input brought about by these changes, this could be resolved by having some greater mechanism by which organizations which have fully elected boards, such as the CBAA, provide checks and balances.*

*I expect the peak body to be able to advocate on my behalf when it comes to funding. Given some recent decisions, I can well recognize people's fear of the CBF becoming a 'sector shaper' as opposed to a funding body."*

Melanie Withnall Station Manager and CBAA board member

### **2BOB Taree - Manning Valley**

*"With regard to the changes to Ethnic Broadcasting funding, we oppose them, as these changes will place a greater burden on us in the grant application process, and very likely to see a reduction in the funding that we receive for operational support. This funding (as do other CBF grants) represents significant part of our budget, and our volunteer efforts to keep the station operational provides the platform for our ethnic broadcasters to service their communities. The elimination of the hourly rate of funding is not a course of action we support. Ethnic Broadcasting is an original strand of Australia's Public Broadcasting philosophy"*

### **2GLF Liverpool**

*"There appears to be no analysis or investigation into the impact these changes will make to the different type of business models station use. There is also very little detail on how the transition process will work and any guidance on the consultation process that will be in place when the actual grant guidelines are determined or published.*

*We suspect we would be worse off as would many other sub-metropolitan stations under the new funding model.*

*We are very concerned there is the potential that these changes will have a major impact on our current business model with a very short time frame to implement changes".*

*Glen Burns, Treasurer*

### **One FM Shepparton**

*"We are about to apply for the Ethnic Programs Grants and the present system of applying seems very simple and equitable. It encourages stations like ours to reach out to ethnic communities to have language programs. We are not sure if the new interim guidelines which will require us to prove actual costs would provide the same incentive to start new programs."*

Jason Welsh, CEO

### **Central Australian Aboriginal Media Association (CAAMA)**

*“CAAMA believes that there is a need for CBF to change as over the last 7 or so years, it has evolved from an easily understood grants-provider organisation, into a broader, almost multipurpose organisation where providing grants is no longer the core focus. The original objectives of CBF should be re-examined to re-track CBF back to its original ‘reason for being’- that being to administer and coordinate the allocation of funds provided to it by the Government, and to provide the administration of those funds through a transparent and equitable process that now seems to have been lost to the sector.*

*I would also note that there has been minimal consultation with the Indigenous broadcast sector, and certainly CAAMA has not been involved to any great extent in discussing the impact of the proposed changes to the CBF structure.*

*The Northern Alliance, and CAAMA, will need to be persuaded and included on this issue for acceptance by this sector.”*

Michael Robertson, CAAMA Chief Executive Officer and Chairman of the Northern Indigenous Media Alliance

### **3KND - Melbourne’s Indigenous Station**

*“Whatever else is in the detail of the proposal, this is the core intention: to remove this direct connection back to sector representatives, and accountability back to the sector. A pretend version of accountability will take its place, with handpicked individuals who will represent nobody but themselves.*

*The community radio sector is made up of many nations and cultures. The saving grace of the CBF, until recent times, is that it was set up in a way that those many cultures were represented. It was set up to serve the sector, under the overall direction of elected representatives of the sector peak bodies who had accountability back to that sector body. We allowed the CBF to receive and distribute our money on that basis. It’s our money, not the CBF’s money, because we successfully lobbied the government for it.”*

*Jim Remedio Stations Manager and ex-CBF Board member.*

### **3PBS - previous CBAA President Adrian Baso.**

*‘Per hour funding’ versus the ‘cost of production’ for certain specialist broadcasters. This change is dramatic and I can understand the quite vocal reaction from some quarters on moving from the current straight forward approach of an amount per hour by satisfying certain criteria, to that of justification and interrogation of figures (costs of production). I can understand that the CBF wants to support certain groups that need more help, but this could be achieved in a less bureaucratic and confrontational manner. By simply applying a ratcheted-up hourly rate for those areas that are needing extra assistance would be an effective and efficient means of achieving such support. I might add that the proposed stance by the CBF is not supported by the original Nous report or the Content Review that was undertaken.*

### **4EB Brisbane’s Full time ethnic station**

This Submission made by 4EB in Brisbane explains in detail how successful the hourly rate is and the reason why it needs to be maintained:

*“With respect to ethnic programs and the proposed grant categories there are a large amount of variables with respect to costs and access to local funding. It must be understood that it is the value of a local program broadcast in language that is the key deliverable and not what it may or may not cost to get such a program to air. Whilst some costs may appear to be generic across Australia this is false as every program is different in every way. Ethnic language programs differ in timeslots across Australia with some programs operating during drive time, some daytime, early mornings, evenings and late nights. Some CALD communities and volunteers are located nearby to the stations, others have broadcasters that travel more than 100 kilometres for the opportunity to volunteer. Some communities have wealthy donors, sponsorship opportunities, highly skilled broadcasters and fundraisers, and some communities have none of these characteristics. Some communities have support through clubs and consuls and others such as Kurdish may have no such support.*

*There are many variables and this is the case within all communities with respect to region and timing throughout Australia. Local and world events impact on the diaspora and through these ebbs and flows community access stations such as 4EB must support these communities as best it can whilst maintaining a level of support which could be deemed to be reasonably fair and somewhat equitable. Otherwise, as has been drafted within grant guidelines 'competitiveness' is to be a key determinant in deciding access to community media.*

*Community stations such as 4EB must maintain access and fairness and this has been achieved by providing different levels of support to different communities depending on the circumstances but the primary goal is to build capacity for CALD communities to develop regular radio programs to support citizenship and strengthen those communities whilst strengthening the community at large.*

*As alluded to, costs fluctuate dramatically and the largest cost and largest asset for community organisations are the staff and volunteers. Costs for a specific language group may include all or none of the following - technical and broadcast equipment, training, technical support, production, conflict resolution, organisational or administrative support, marketing, meeting rooms, locker storage, computers, computer software, data storage, security, internet and wireless access, website and server access locally and remotely, streaming and on-demand services, emergency programming, phone calls, photocopies, printouts and social media. Some of the items are basic requirements whilst all have become standard in modern media.*

*Essentially, the costs of producing a program and the ability to raise funds for a specific program irrespective of which city it is broadcast from should not be a factor when determining how much funding should be provided for a particular ethnic program. It should remain that each program has a weighted hourly rate as per the current grant allocation system for ethnic program grants. Community radio is about access and empowerment. A competitive funding model runs contrary to the purpose and underlying values of having community run media.”*

**Community Broadcasting Association of Australia (CBAA)**

*While the CBAA in general supports the CBF reforms like many other organisations they have said the hourly rate should be maintained; this is clearly stated in their July 2015 submission:*

*'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)*

### **3. What Works Well - A Proven Model:**

#### **The ethnic sector funding is a proven model that works**

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. Ethnic community radio broadcasts in 130 languages via 100 radio stations scattered around metropolitan, rural and remote Australia.

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. The CBF oddly 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 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 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 will threaten efforts to build social cohesion and to maintain language and culture.

## **4. The Grants System is Fair and Equitable.**

What we would like to address is the issue raised about 'merit' of the present funding system for Program Grants, commonly called the 'hourly rate', for ethnic community broadcasting. Firstly, it's important to know that no one within the sector has raised any problems with the hourly rate. It has been driven from a small group within the CBF 'the sub-committee' that raised questions about transparency with the hourly rate.

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)

The CBF Review of Content, in 2014, actually found that there was strong support for 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 Program Grants funding being utilised to increase the hourly rate available to language programs"(CBF Review of Program Grants Funding Report July 2014, pg 7)*

### **On the question of Merit and Transparency**

How can you equitably fund 110 different language programs across the country that broadcast at over 100 radio stations delivering 2,000 hours of weekly language programs to their local community? The answer is simple and it's been working seamlessly for over 30 years and it is the present Program Grants funding system.

Program Grants are unique in their simplicity and they are effective because each language is treated equally in this non-competitive and even distribution system. Each station makes an application and provides audited acquittals to the CBF in order to get the funding.

The hourly rate is a simple model ideally suited to ethnic community broadcasting because it allows stations to get on with the job of managing their diverse stations and doesn't burden them with complicated grants processes and blow out bureaucracy costs.

The existing hourly rate speedily enables migrants from non-English speaking backgrounds to broadcast without the barrier of not being fluent in English, without the barrier of being unable to fill out a grant application form. Each group earns this privilege to broadcast if it abides by Australia's rules and regulations, if they break these rules the privilege to broadcast can and is removed.

At first glance it may seem that granting an hourly rate per language broadcast is unfair given the way other community broadcasting funds are distributed. However, this is a fair and transparent system because each station and ethnic broadcaster must comply with the following:

- Each broadcaster must strictly adhere to the Broadcasting Act in relation to rules and regulations around defamation, copyright and plagiarism.

- Ethnic community broadcasters have to comply with producing fifty percent of their program in spoken language. No-where else in the community broadcasting sector is a radio program asked to spend so much time producing content for their program. A non ethnic music program for example can just play music for an hour. But an ethnic program has to produce 50% spoken word in their language to their community.
- Currently Ethnic community broadcasters may broadcast and train alongside people who come from often diametrically opposed cultural and language backgrounds. Each broadcaster must abide by their station's diversity rules regarding working with people from all cultures and backgrounds. Each language group, by broadcasting in a community radio station is assisting social cohesion within the radio station and when they broadcast outside the station to their community.
- Each program must not broadcast more than 25% religious material in an hour.

Broadcast language groups only receive 25% of the hourly rate to subsidise the collection of their program materials. The remainder of the hourly rate goes to the local community radio station to subsidise infrastructure, legal, development and training costs. Without this assistance many community radio stations would not have survived.

The Submission made by 4EB in Brisbane on 18 December 2015 explains in detail how successful the hourly rate is and the reason why it needs to be maintained:

“With respect to ethnic programs and the proposed grant categories there are a large amount of variables with respect to costs and access to local funding. It must be understood that it is the value of a local program broadcast in language that is the key deliverable and not what it may or may not cost to get such a program to air. Whilst some costs may appear to be generic across Australia this is false as every program is different in every way. Ethnic language programs differ in timeslots across Australia with some programs operating during drive time, some daytime, early mornings, evenings and late nights. Some CALD communities and volunteers are located nearby to the stations, others have broadcasters that travel more than 100 kilometres for the opportunity to volunteer. Some communities have wealthy donors, sponsorship opportunities, highly skilled broadcasters and fundraisers, and some communities have none of these characteristics. Some communities have support through clubs and consuls and others such as Kurdish may have no such support.

There are many variables and this is the case within all communities with respect to region and timing throughout Australia. Local and world events impact on the diaspora and through these ebbs and flows community access stations such as 4EB must support these communities as best it can whilst maintaining a level of support which could be deemed to be reasonably fair and somewhat equitable. Otherwise, as has been drafted

within grant guidelines 'competitiveness' is to be a key determinant in deciding access to community media.

Community stations such as 4EB must maintain access and fairness and this has been achieved by providing different levels of support to different communities depending on the circumstances but the primary goal is to build capacity for CALD communities to develop regular radio programs to support citizenship and strengthen those communities whilst strengthening the community at large.

As alluded to, costs fluctuate dramatically and the largest cost and largest asset for community organisations are the staff and volunteers. Costs for a specific language group may include all or none of the following - technical and broadcast equipment, training, technical support, production, conflict resolution, organisational or administrative support, marketing, meeting rooms, locker storage, computers, computer software, data storage, security, internet and wireless access, website and server access locally and remotely, streaming and on-demand services, emergency programming, phone calls, photocopies, printouts and social media. Some of the items are basic requirements whilst all have become standard in modern media.

Essentially, the costs of producing a program and the ability to raise funds for a specific program irrespective of which city it is broadcast from should not be a factor when determining how much funding should be provided for a particular ethnic program. It should remain that each program has a weighted hourly rate as per the current grant allocation system for ethnic program grants. Community radio is about access and empowerment. A competitive funding model runs contrary to the purpose and underlying values of having community run media.”

The merit associated with the hourly rate is that it is reliable funding and provides the opportunity for stations to plan and gives them reassurance of funding so they can coordinate and be sustainable.

The merit associated with the hourly rate is the “value of a local program broadcast in language’ and ‘that is the key deliverable”. This key deliverable is 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. An additional transparency is that stations have reported to us that broadcasters and listeners will ring a station and inform them if a broadcast is starting to overstep a guideline, so aware are they of the need to preserve their precious social lifeline.

This transparency supports an essential avenue for multicultural and multilingual broadcasters to be heard in their local community, enhancing social cohesion in Australia’s. That has been the success story for the last thirty years.

This funding model has enabled thousands of ethnic broadcasters to gain access to media and work effectively to break down stereotypes and combat racism.

### **The CBF reforms are creating uncertainty:**

1. The community broadcasting sector includes some of the most disadvantaged and newly arrived people in the country. How will the new CBF grants applications be filled out by people with a poor command of English?
2. Using the new CBF model for ethnic broadcasters will result in applicants with the best English language skills having a much greater chance of getting a grant than newly arrived communities with poor English language skills.
3. Currently each of the 110 language groups receives the same amount of money per hourly broadcast. How will community radio stations deal with the tensions that will arise between some language groups receiving more money from the CBF than another language groups for similar amounts of time on air? This unneeded and uncalled for new tension will be felt within stations and outside in the local community. The CBF don't seem to have a duty of care to the many community stations with Language Other Than English (LOTE) broadcasts.
4. The diversity policy suggested by the CBF new model doesn't address the looming issues which will undermine the existing collegiate fabric and jeopardise many local ethnic community broadcasts.
5. How will community stations in regional and remote areas cope if hourly rate goes? They will lose stability and the ability to plan, stations may be severely restricted and have to stop ethnic broadcasts because no one has the time or language skills to fill in the complex grant applications forms.
6. Presently each program must not broadcast more than 25% religious material in an hour. This has worked without complaint since inception. However, the CBF propose removing this restriction, meaning under the CBF proposal in future a program could have 100% religious material and still attract funding. The CBF have ignored our requests for a reason for this puzzling change, which could cause serious disquiet in various communities.

## **5. The CBF and the Present Democratic Process**

The Community Broadcasting Foundation (CBF) is an independent non-profit funding body, it was established by the **community broadcasting sector** — its broadcasters and radio stations — in 1984 as the Public Broadcasting Foundation (PBF) and renamed the Community Broadcasting Foundation in 1992.

The CBF is responsible for dispersing Commonwealth funds and acts as a custodian to hold the funds *in trust* to be distributed to the community broadcasting sector based on the *deeds* with government.

The reason why the CBF has worked so well for the last 30 years is because it had the confidence of the government and of the community broadcasting sector. A key strength of the CBF comes from

its formal structural links to the national representative peak-bodies; the NEMBC, AICA, CBAA and RPH. These structural links were written into the CBF's constitution when it was established. It gives the national peak bodies an effective mechanism to feed into decision-making of the Foundation, providing a real sense of ownership whilst still maintaining the crucial 'arms-length' relationship. The structure is open, it is transparent, it is democratic and it works. While it is complex at times it is truly reflective of the democratic process of the community broadcasting sector.

Each of the four national peak bodies have a *representative* on the CBF board through a process of elections at each of the peak bodies AGMs. These national peak-bodies are truly representative organisations, elected by their members and the grassroots members.

The national representative peak-bodies have played an important role in providing policy direction through dialogue, advocacy and submissions. Most importantly, the peak-bodies are **the face and the voice** of their sector, especially when it comes to lobbying and speaking to government or representing the views of their constituents.

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.

In the 2014-15 financial year the CBF had \$17.6m in government funding for distribution. Of that 17 million approximately 5.5 million is for digital funding and this is given directly to support digital community broadcasting. Of the remaining 12 million in core funding ethnic community broadcasting is allocated almost 4 million and Indigenous broadcasting 1.2 million.

Ethnic community broadcasting and Indigenous broadcasting make up a substantial part of the core funding that is distributed by the CBF.

Now that the CBF's new model is starting to be rolled out, all of this history and democratic structure will be tossed out.

## 6. Ethnic Community Broadcasting: Losing its Voice?

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 adopted by the CBF, on the 29 February 2016, gives it the opportunity to become a 'sector shaper' (as was proposed in the Nous Report). This new model will fracture the community broadcasting sector and undermine the very unique establishment of the community sector. The NEMBC sees no alternative but to oppose the move and will

do so in the strongest possible way. Support for opposition is being sought from the ethnic community broadcasting sector and the larger multicultural sector.

## 7. The NEMBC involvement

The NEMBC has been an active participant in the process

**The NEMBC has been actively participating and giving detailed feedback in attempts to find solutions on the following occasions.**

- Participated in the first consultation and met with the Nous Group prior to the report's release on 30 June 2014
- Wrote a submission to the Nous Group - 7 July 2014
- Wrote a detailed submission to the CBF regarding the Nous Report 20 October 2014.
- The NEMBC AGM discussed the CBF reforms - 2 November 2015
- The CBF extended the 6 week consultation, and the NEMBC wrote another submission on 24 November 2014.
- The Community Broadcasting Foundation (CBF) released a 'Consultation Paper' on 11 June 2015 for a six week consultation. The NEMBC made a detailed written response on the 23 July 2015.
- Representatives of the NEMBC attended the CBF board meeting in August 2015.
- Due to sector requests, the CBF conducted a second round of consultation and released 'Consultation Paper 2' on 27 October 2015.
- CBF representatives attended a meeting with the NEMBC Board 26 November 2015
- The NEMBC Conference, 27 November 2015, held a special plenary session on the CBF Reforms allowing equal time for three representatives of the CBF and the NEMBC to put their case followed by questions and statements from the floor.
- The NEMBC AGM, 28 November 2015, spent significant time discussing the CBF reforms.
- The NEMBC wrote a detailed response to 'Consultation Paper 2' on the 18 December 2015.
- The NEMBC requested the submissions to the Review process be open and transparent. This was eventually agreed to and all submissions were made

publicly available on the CBF website (<http://www.cbf.com.au/cbf-update/responses-embracing-change-stronger-future-community-broadcasting/>).

- The NEMBC read and analysed all the 64 submissions and concluded that there is a strong and significant opposition to the CBF reforms.

## 8. The NEMBC's constructive approach during the Review process

The NEMBC submitted an alternative model to the CBF Review. This was a composite Board model: a combination of the old and the new. The proposed model would consist of:

- the four original Grants Advisory Committees (GAC) members
- a member representing Community Television
- the CBAA to continue to nominate the CBF President.
- two to four board members appointed on the basis of their skills and experience needed for the Board.

This means a total of eight to ten Board members.

We believe that this model reflects more directly the needs and wishes of the community broadcasting sector, by ensuring that there is an open and democratic process to appoint board members to the CBF.

This model was proposed by the NEMBC in response to the Nous Report and in response to the 1<sup>st</sup> Consultation Paper in July 2015. The NEMBC has never received feedback from the CBF about this model.

The NEMBC has also offered assistance to improve grants processes. The Ethnic Grants Advisory Committee (EGAC) has minimal administration costs. The CBF refers to the General Grants Advisory group as a bureaucratic problem, and the NEMBC has offered to work constructively to make changes in that area.

## 9. Breaking the Review deadlock

The CBF on 29<sup>th</sup> February 2016 adopted their new model despite strong opposition from the ethnic broadcasting community and others. In discussions with the CBF over the reforms, we believe we have reached an impasse. At no time has the CBF sort to assure ethnic community broadcasters that they want **this vital community resource** to continue seamlessly. The CBF are angry with the NEMBC for raising concerns.

The NEMBC was keen to have a more efficient and cost effective grant system, and wanted the CBF to improve its structure for administration purposes and improve the grants categories. The NEMBC never expected the CBF would propose such dramatic changes.

The new model turns everything on its head. We have a democratic process whereby our members elect the Ethnic Grants Advisory Committee (EGAC) and the convenor sits on to the CBF Board. The

NEMBC is directly involved in policy development with the EGAC. This unique stakeholder relationship and consultation process is written into the CBF Constitution and thus provides the CBF a meaningful and representative role within the community broadcasting sector. The CBF proposed changes will abandon this process completely and can rewrite their Constitution without appropriate consultation with the sector.

Under the CBF changes, the NEMBC will have no say in how funding will be distributed to ethnic community broadcasting. We are concerned that the future of ethnic community broadcasting will be determined by a small group of people; the CBF Board will now hand-pick its own organisation and create a self-perpetuating board. Decisions and new guidelines can be developed at the discretion of the new CBF board.

The NEMBC, as a membership based organisation and peak body representing ethnic community broadcasting, will be treated the same as a radio station.

The new model of operation is a complete departure 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; to an agency that can shape the sector to its own liking.

**The CBF is to going ahead with their proposed reforms and we are of the opinion that the ethnic broadcasting sector should receive its allocation of Commonwealth funding by a different mechanism, and not be channelled through the CBF.**

## 10. CBF Consultation Process and the NOUS Group

The CBF employed the Nous Group in 2014 to hold a review into their Governance and Structure.

The NEMBC has 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.

The model suggested by the Nous Group is what the CBF used to justify its new model.

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. The Nous Report proposed leaving the hourly rate for Ethnic broadcasters this advice has been ignored. And in the 2<sup>nd</sup> Round of Consultation round there was an 'Advisory Group' established.

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

The new model of operation is a complete departure from the reason why the CBF was first established. It changes the CBF from an agency that administers funds to one that determines what happens to those funds; to an agency that can shape the sector to its own liking.

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.

## 11. Flawed Consultation Process

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

What have others said about the consultation process:

- Deb Welsch Radio Adelaide in the June submission 2015

*"For my station community to have input, we'd need a period that would allow one or two Board meetings, the opportunity for informed input and discussion among station personnel, and ideally an opportunity to participate in sector discussions to understand the broader picture.*

*That again would fit with a broader, open process, where those engaged with the challenges the sector faces are accorded greater status than a group of inexperienced consultants without a track record in community broadcasting management at any level. 'Having our Say' in a context where the CBF is pushing a desired result, arrived at by these means, in the timeframe provided, is not genuine consultation.*

*It does feel very sad that a sector which was built on a genuine model of participation, that has in its guiding principles to pursue the principles of democracy, access and equity, has its funding administration body use the kind of determinist community engagement strategy so prevalent now in corporate and government environments.*

*So without opportunity for proper input, and to ensure that you do not register Radio Adelaide as a “no-comment”, at the time of your deadline, Radio Adelaide remains a supporter of the original constitution of the CBF and opposed to these changes.”*

- 3CR Melbourne

*“Unfortunately, time is always a pressure within busy community radio stations, and once again we feel that we have not had ample time to address all the issues and concerns that the current phase of consultation presents. While we recognise that the CBF has extended the consultation period by a few months, this is still inadequate and limits the opportunity for discussion and consultation within the station.*

*We would like it noted, however, that we are concerned that the process for change has been unduly divisive and antagonistic, and the rationale for such significant change within the structure of the CBF, in our opinion, remains unclear and unjustified. We hope that a clear path forward can be found that is in the interest of the Australian community broadcasting sector as a whole.”*

The consultation process has been like a moving target and proves an astounding disconnection with its own members. The CBF consultation process did not take into account the fact the community radio boards around the country meet at best at six week intervals. Thus making it very difficult to get considered responses back during the two brief windows of time allowed by the CBF for feedback.

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 a consultation process, it tried to push through the results of the Nous Report in 2014 but was forced to extend it to the CBAA Conference.

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 were included in the 2<sup>nd</sup> Round of consultation — November/December 2015 — this is a very busy time for peak-bodies, ethnic and multicultural organisations and radio stations because they hold AGMs, conferences and stations hold radiothons. 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 was more akin to a corporate style than one associated with the community broadcasting sector. The language used by the CBF was 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 plainly stated that they seek *'input to help refine the proposed new model'* rather than seek a variety of options.

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. 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. Its lack of assurances for the ethnic broadcasting sector is quite plainly shocking.

## **12. CBF Governance Problems**

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 adopted model treats 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 new model of how the peak bodies will be involved and consulted if the model is adopted.

The CBF added an 'Advisory Group' made up of national peak body representatives as a way of replacing democratic processes. This Advisory Group has no real powers and ultimately the CBF board will still make the decisions.

The volunteer 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 who sits on the board.

## Self Perpetuating Board

The CBF will do away with the present GAC system of representation and will put 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. This is a radical departure from the past democratically elected model.

The new board and organisation 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 organization<sup>1</sup>.

The CBF's new model sets 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 was 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.

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

## 13. Cost Effectiveness

### What about Financial Effectiveness: Is the Community Broadcasting Foundation cost effective?

The CBF presently operates on 1.1 million annually. The ethnic community broadcasting funding contributes to over \$350,000 of the CBF's operations, that's a one third contribution from the ethnic sector to the overall running of the CBF. This seems costly when the CBF only employs one person to distribute the ethnic grants and it's the simplest of all the grant allocations.

- The ethnic sector is not aware of how that money is spent and no financial costing is available. The NEMBC has requested an explanation but not received any information. Nor does the CBF annual financial statement provide a breakdown.
- The NEMBC would like to see current and future CBF operational and administrative costs for ethnic funding. Not only did the review not give a breakdown of current charges of \$350,000, they did not look at estimated costings for their new model.
- The CBF have not given an answer to the possibility there will be cost blowouts and that even more ethnic funding will go towards bureaucracy under the new model. 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.
- The growth of bureaucracy – the new model will double committee numbers; this new model proposes at least 80 volunteer assessors to assess the various grants. Broadcasters can apply to be an assessor but these assessors have to be chosen and then trained, this will cost not only time but money.

## 14. The New CBF Model Lacks Detail

The CBF's final Consultation Paper lacked detail and analysis in key areas, including the following:

### Financial estimates

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 the 2nd Paper the CBF produced 'interim guidelines' as requested by the NEMBC. However the interim guidelines only heightened the NEMBC's concerns.

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

The 'interim guidelines' are vague and will undergo a review, 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.

## 15. Background to the NEMBC

### National Ethnic and Multicultural Broadcasters' Council (NEMBC)

The National Ethnic and Multicultural Broadcasters' Council (NEMBC) is a national peak body that advocates for multiculturalism and supports multilingual community broadcasting around Australia. The NEMBC contributes to media diversity in Australia by maintaining and connecting people to their language, culture and identity.

Ethnic community broadcasters produce programs, which provide a lifeline to Australia's culturally diverse population.

Ethnic and multicultural community broadcasting plays a vital and central role in strengthening social cohesion and citizenship within our diverse Australian community. It is highly valued by established migrant communities for the critical role it plays in maintaining language and culture, and for the opportunities it provides for second-generation Australians to connect with their linguistic and cultural heritage. Ethnic community broadcasting also plays a vital role in helping newly-arrived migrants and refugees build supportive networks within their own community and assist them in learning about their new country.

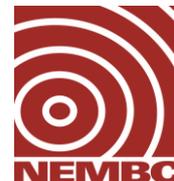
Ethnic community broadcasting is an incredibly diverse sector, serving the needs of hundreds of thousands of Australians of all ages in urban and regional areas across the country. It is also highly cost-effective, harnessing the skills, expertise and time of more than 4000 volunteers from 125 distinct cultural groups<sup>i</sup> who create 2,118 hours<sup>ii</sup> of content every week in over 108 languages<sup>iii</sup> broadcast via 120 radio stations<sup>iv</sup>. Government funding plays a highly important role in catalysing and building the capacity of this voluntary sector.

#### **Ethnic community broadcasting includes:**

Hours of broadcasting per week	2118
Languages broadcast	108
Number of cultural groups	125
Number of stations	131
Number of regional & rural stations	79
Number of metropolitan stations	52
Number of volunteers involved	4000
Monetary volunteer contribution	\$61 million

Volunteers hours each year

over 2 million



Languages played on ethnic community radio stations:

Afrikaans – Albanian – Amharic – Arabic – Armenian – Assyrian – Austrian – Azerbaijan – Bangla (Bengali) – Bangladeshi – Bosnian – Bulgarian – Burmese – Cambodian – Cantonese – Chilean – Chin Congolese – Coptic – Croatian – Cypriot – Czech – Danish – Dari – Dinka – Dutch – Egyptian – Fijian – Finnish – French – French – Creole – German – Ghana – Greek – Gujarati – Hakka – Harari – Hebrew – Hindi – Hindustani – Hmong – Hungarian – Indonesian (bahasa) – Iranian Farsi – Irish – Italian – Japanese – Karen – Khmer – Korean – Kurdish – Laotian – Latvian – Lebanese – Arabic – Lithuanian – Macedonian – Malaysian – Maltese – Mandarin – Maori – Mauritian – Mon – Montenegrin – Moroccan – Motu – Nepalese – Niue language – Norwegian – Oromo – Pashto – Polish – Portuguese – Pukapukan – Punjabi – Romanian – Romany – Russian – Samoan – Scottish Gaelic – Serbian – Sinhalese – Slovenian – Somali – Spanish – Sri Lankan – Sudanese – Sudanese Arabic – Swahili – Swedish – Swiss – Tagalog/Filipino – Tamil – Telugu – Tetum – Thai – Tibetan – Tigrinya – Tok Pisin – Tokelauan – Tongan – Turkish – Ukrainian – Urdu – Vietnamese – Welsh – Yiddish and Hebrew.

## **16. The Motion at the NEMBC AGM**

Dear Ethnic community broadcasters and radio stations

The 2015 NEMBC National Conference for Ethnic Broadcasters held in Melbourne (27-29 November) unanimously rejected the CBF governance and structure proposals.

In view of the CBF's continued insistence to proceed with these undemocratic proposals that threaten the viability of ethnic funding and the unity of Ethnic Broadcasters, the Conference called on the Federal Government to fund directly ethnic broadcasting through the NEMBC.

Given the CBF's refusal to listen to the voices of ethnic broadcasters, this AGM endorses the strategic position that the NEMBC seek direct funding from the Federal Government and that it makes this a top priority.

### **November 29th NEMBC 2015 AGM**

#### **Notice of Motion for CBF Restructure and Governance**

This 2015 NEMBC AGM rejects the main tenants of the proposed CBF Restructure and Governance Review that seek to remove two fundamental and non-negotiable principles of community radio, that is:

a. the absolute right of broadcasters their Stations and national bodies to democratically elect their representatives on the CBF Board and grants advisory committees.

b. the funds earmarked by Government for making programs in Ethnic Languages are used solely for that purpose based on guidelines developed by the NEMBC in collaboration with the elected Ethnic Grants Advisory Committee (EGAC).

This AGM calls on the NEMBC, all its affiliates, broadcasters and the communities they represent to continue and intensify the sector and public campaign of opposition to transforming the CBF from a funds distributing agency as advised by sector elected Grants Committees into a dictating policy maker; self-appointed and appointing committees, governing in fact as a private corporation.

Given the CBF's refusal to abandon this elitist, antidemocratic and destructive course this AGM endorses the strategic position that the NEMBC seek direct funding from the Federal Government and that it makes this a top priority.

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<sup>i</sup> Community Broadcasting Foundation (CBF). "Australian Community Broadcasting Sector Snapshot 2009". *Community Broadcasting Foundation Ltd Annual Report 2008/2009*. (2009): inside page. Print.

<sup>ii</sup> Community Broadcasting Association of Australia. *Community Broadcasting Station Census: Survey of the Community Radio Sector 2009-10 – Abridged Report 2012*. (2012). [http://cbonline.org.au/wp-content/uploads/2012/11/Station\\_Census\\_2011\\_abridged\\_report.pdf](http://cbonline.org.au/wp-content/uploads/2012/11/Station_Census_2011_abridged_report.pdf). Website.

<sup>iii</sup> This figure is taken from the membership database of the NEMBC, and made with comparisons of CBF funding to language groups.

<sup>iv</sup> Community Broadcasting Foundation (CBF). "Australian Community Broadcasting Sector Snapshot 2010". *Community Broadcasting Foundation Ltd Annual Report 2009/2010*. (2010): inside page. Print.