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HOUSE OF REPRESENTATIVES

STANDING COMMITTEE ON COMMUNICATIONS,
INFORMATION TECHNOLOGY AND THE ARTS

(Subcommittee)

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HOUSE OF REPRESENTATIVES

**STANDING COMMITTEE ON COMMUNICATIONS, INFORMATION TECHNOLOGY AND THE
ARTS**

Wednesday, 14 June 2006

Members: Miss Jackie Kelly (*Chair*), Ms Owens (*Deputy Chair*), Mrs Bronwyn Bishop, Mr Garrett, Mr Hayes, Mr Johnson, Mr Keenan, Mr Laming, Mr Ticehurst and Ms Vamvakinou

Members in attendance: Mr Garrett, Mr Hayes, Mr Laming, Ms Owens and Mr Ticehurst

Terms of reference for the inquiry:

To inquire into and report on:

- The scope and role of Australian community broadcasting across radio, television, the internet and other broadcasting technologies;
- Content and programming requirements that reflect the character of Australia and its cultural diversity;
- Technological opportunities, including digital, to expand community broadcasting networks; and
- Opportunities and threats to achieving a diverse and robust network of community broadcasters.

WITNESSES

MARTIN, Mr John, President, Community Broadcasting Foundation 1
**STANISTREET, Mr Ian Douglas, Executive Officer-Company Secretary, Community
Broadcasting Foundation 1**

Subcommittee met at 9.30 am**MARTIN, Mr John, President, Community Broadcasting Foundation****STANISTREET, Mr Ian Douglas, Executive Officer-Company Secretary, Community Broadcasting Foundation**

ACTING CHAIR (Ms Owens)—I declare open this public hearing of the House of Representatives Standing Committee on Communications, Information Technology and the Arts inquiry into community broadcasting. The inquiry arises from a request to this committee by Senator the Hon. Helen Coonan, Minister for Communications, Information Technology and the Arts. Written submissions were called for and 126 have been received to date. The committee is now conducting a program of public hearings and inspections. This is the third hearing.

I welcome the witnesses from the Community Broadcasting Foundation. Although the committee does not require you to give evidence under oath, I should advise you that these hearings are formal proceedings of the parliament. Consequently, they warrant the same respect as proceedings of the House itself. It is customary to remind witnesses that giving false or misleading evidence is a serious matter and may be regarded as contempt of parliament. Do you wish to make a brief statement on your submission or do you care to make some introductory remarks?

Mr Martin—We certainly appreciate the opportunity to speak this morning about the foundation's perspective on community broadcasting. You have our submission, which we lodged a while ago, that sets out the role of the foundation. It gives an analysis of government funding, through the foundation, for the sector. We have also sought to highlight the key areas that we think are important in terms of funding needs for the sector going forward.

All I want to do at this point is to update that submission in terms of what has happened more recently—which, in this context, are the commitments made by the government in the budget announcements and the commitments it has made for the next financial year and the four years from hereon in. The first point about that—which I think you have already discussed to some extent—has been our great disappointment that the Australian Music Radio Airplay Project, AMRAP, did not get refunded. It has been raised with this committee before.

The foundation, over its many years, has of course funded a great many activities and programming within the sector. There have been some terrific outcomes, but perhaps AMRAP stands out by any measure from all the things we have done by being incredibly successful. Therefore, it is a great shame that that project was not refunded to continue and develop. I think the CBAA indicated to you in their discussion with you that it is their intention to try to keep it going for at least a year. But, given their already extremely stretched resources, that means that it will be no more than a mere shadow of what it was and certainly what it could have been. We certainly hope that AMRAP can get reviewed again next year.

In a slightly more positive sense, we are very pleased to see that in the budget the government has decided to recommit and refund what is called targeted funding. The formula for funding for the sector through the foundation by the Department of Communications, Information Technology and the Arts is fairly complicated. There are a number of different categories. For

instance, each year we have minimum amounts set aside to go in support of ethnic broadcasting, Indigenous broadcasting, Radio for the Print Handicapped and various other initiatives.

Those amounts are divided into different categories. There is core funding, which tends to be ongoing; there is targeted funding on top of that; and there is project based funding, which is very limited in terms of time frame. The targeted funding component is about \$1.7 million out of the total for next year of \$7.8 million. That was up for review, or came to an end in terms of commitments, this financial year, but the government has decided to take that forward and recommit for another four years, which is really good news, and we are very appreciative of that.

I would like to highlight one of the key problems that we have as a funding agency. When the government refunds that, what it is doing is committing the same amount of money for that particular area of activities as it did when that started. The targeted funding started 10 years ago, so the same amount of money is being provided as was allocated 10 years ago. In the interim, the growth of the sector has been something like 54 per cent and, therefore, what we can actually do with that money has been enormously diluted. That is the same thing we are finding in virtually all aspects of our grants programs, and it is causing some very severe difficulties in the level of support we can provide.

I will give you another example of that. One of the key areas of programming in the sector that we support is Radio for the Print Handicapped—a very important service that is being provided full time by stations around the country. It is programming for people who are blind, have poor eyesight or cannot hold a book or a newspaper. Someone reads the newspaper and magazines for them on radio.

The amount of money which comes through the foundation in support of that stands at \$316,000. That amount certainly provides critical support for those stations to do their work, but it has not increased for 10 years, during which the number of programs and services being provided by community stations in the RPH area has grown by 71 per cent. The effective support that we can provide for that is getting thinner and thinner.

I have another example in the same vein. When I first became involved with the foundation more than a decade ago, in the general grants area, when a new station got going, we always tried to give them at least one grant in that critical establishment phase. The grant would be in the order of \$20,000, which would really be important to get a mixer in the studio and to get them going. Because of the growth of the sector, because of the success of the sector, because of the number of stations there are now, that sort of first-off amount is now capped at something like \$7,000, which, in today's environment, means a huge reduction in the real value of that support in that critical first phase. Throughout our submission, you will find that is the key point that we want to bring to your attention.

There are other areas, of course. There is the fact that community television at the moment gets no support financially through the foundation at all. There is the other important area, which I think you have also addressed to some extent already, of community broadcasting's ability to start participating in the new platforms which are emerging, such as digital broadcasting. There are fairly major funding needs. Looking at what is being done now, the success and growth of the sector is reducing the real level of support that we can provide. I would like to leave it there.

Hopefully, in the discussion, we can expand on some of the other issues that are in our submission.

ACTING CHAIR—Could you expand a little on where that 54 per cent growth has come from? Is it new ideas, is it different areas or is it more of the same?

Mr Stanistreet—This is really an expansion of the services provided—that is, the number of stations. Principally, they would be community radio stations outside metropolitan areas. That is where the major growth has been, particularly in the last decade. More recently, it is in the diversification of the sector into the fully licensed community television stations that are being established in metropolitan areas across Australia. That is where we see that growth.

Looking at it from another perspective, there has been a large growth within the radio sector in specialised services rather than generalist services. There is a growth in stations that are meeting the needs of youth, mature aged sections of society and other areas such as Christian or religious broadcasting. That kind of development of the sector is really what has happened, particularly in the last decade.

ACTING CHAIR—Is that growth being held back by the level of funding? Would that growth be greater or is there a natural growth pattern which is being followed?

Mr Stanistreet—I think there is a natural growth pattern that is being followed, given that the level of funding that comes through the foundation from the Australian government is only a fairly small proportion of the income of stations; a small but very vital catalyst to their growth and development. At the moment, at the station level, it equates to something like six per cent of their income. The kinds of grants that we offer, particularly in support of specialist programming and in the areas of capitalisation and recapitalisation, can be quite vital to stations that are really only just producing a surplus or breaking even in most cases. It is very hard for those stations to raise income and create a surplus that allows them to develop their facilities for the use of their communities. They are really generally just breaking even, so the grants that we offer allow them to buy fairly large-ticket items, such as transmitter replacements and consoles. Embracement of new technology is where we play a vital part.

ACTING CHAIR—You do not fund operational costs as such?

Mr Stanistreet—No. Very rarely we might, in our general grant program, provide a subsidy in a single year to assist the station to develop itself from being a fully volunteer-run station—of course half the community radio stations are fully volunteer-run—to employing their first staff member, but overall we do not provide operational funding; certainly no ongoing operational funding.

Mr Martin—Just to add to that, support for particular types of programming tends to be ongoing, of course, such as ethnic, Indigenous and RPH programming where there tends to be a pool. People are assessed as to whether they are eligible for support and then that amount of money is divided between all of those who are eligible.

Mr TICEHURST—With the community stations, you are saying that there has been this 54 per cent growth. Are a lot of those start-up community broadcasters?

Mr Martin—Yes, certainly.

Mr TICEHURST—So are we providing funding to many or a few of them?

Mr Martin—It made it very difficult in fact to provide much. My illustration was that where 10 years ago, we could provide something like \$20,000 for anyone who was just starting, now, because of the numbers, that has dropped down to something like \$7,000 which, in trying to set up a radio station, is of course not a great deal.

Mr TICEHURST—I am from the Central Coast and we have had some issues up there with allocation of licences and frequencies. Have you had many instances of that in other parts of the country?

Mr Martin—Of complications with licensing processes?

Mr TICEHURST—Yes.

Mr Martin—There obviously have been a number and have been many delays in different areas. Yes.

Mr TICEHURST—In some cases we have had a particular station who were fairly technically orientated and they were aware that there were certain frequencies that could be used without interference. In fact, they offered to run a station on the basis of their selection of frequencies and, if there were any interference, they would immediately shut down. The ABA would not allow them that opportunity. Then on other occasions they would use a particular frequency, on a temporary basis such as for Seniors Week or a rock'n'roll festival. They would successfully operate on that frequency on a number of occasions without any interference, but the ABA would not allow them to operate continuously on that frequency. Have we had any other instances of that?

Mr Stanistreet—I am not aware of that being a frequent problem associated with establishing community broadcasting stations. Generally, in regional areas outside the metropolitan areas, it has not been difficult to locate a frequency, although of course the licence area plans for analog broadcasting are now completed. It is, as I understand it, still possible to locate frequencies which might not be identified on the plan. That is really outside our general area of expertise, being a funding body.

Mr TICEHURST—Do these existing stations need much ongoing funding that you get involved with?

Mr Stanistreet—With the existing stations, we provide a level of funding in different areas that they can access which might assist their development and their ongoing operation. For instance, if they are providing specialist programming in the areas of Indigenous programs, ethnic programs for non-English-speaking audiences or Radio for the Print Handicapped programs, that is where a lot of our funding is placed. But it is also placed in the recapitalisation and development that I mentioned earlier and in creating a national infrastructure that is of use for the sector as a whole.

Mr Martin—A critical thing in the targeted funding which has just been renewed is to give all stations some basic computer facilities, such as being able to access the internet for their own requirements, as well as, hopefully, developing some basic digital production facilities. That really applies to all stations.

Mr TICEHURST—You said the level of funding has not changed for 10 years.

Mr Stanistreet—Yes.

Mr TICEHURST—Is it the same quantum that is being given each year, or is there any indexation?

Mr Martin—There is a basic indexation for—

Mr Stanistreet—There is a partial indexation in some areas. But when we talked about there being no level of increase in funding, that was for the RPH sector. There have been periods where the foundation and the sector have argued for increased funding and have received it, but those times have been few and far between. There was an increase in 1992-93. More recently, in 2004, we received funding for national training and also for transmission support. Even with those increases in funding that we have received, as is explained in our submission, we are in a position now where, if you are looking at the notional level of average support we could provide to a station in the sector, it is actually in real terms lower now than it was when the foundation was established in 1984. There has been a continued erosion of our ability to support the development of a very rapidly growing sector and a sector that is diversifying in its infrastructure and in the range of services that it provides. We feel that there is an incredible potential for the sector to develop further its services for Australian society which is being hampered in many ways by being limited in the resources and assistance that we can provide through the foundation.

Mr TICEHURST—A lot of these stations also generate their own funding through sponsorship, radiothons and various fundraising activities. Do you think that is an important component of their operation?

Mr Martin—I would think it is vital. Clearly, that is why they have been able to continue, despite the fact that we have had this pressure on the funds that we provide. As Ian indicated previously, the government funding component averaged out over stations is probably of the order of six per cent or seven per cent of their total revenue. It is a very small amount, but in a situation where every dollar has to be counted three times and stretched to deliver the maximum, every dollar is of great importance. Therefore, we are hoping that we can at least catch up in terms of the effect of growth within the sector. Also, I just wanted to say that, while we have gone through a period in the last decade in particular of enormous growth within the sector, whilst it is still increasing, it is certainly tapering off and is plateauing, so I do not think it is going to be an endless dilemma.

Mr TICEHURST—There could be some opportunities, too, through programs like Regional Partnerships.

Mr Martin—Certainly.

Mr TICEHURST—This might be a division, I think. We will be back.

Proceedings suspended from 9.50 am to 9.58 am

ACTING CHAIR—We will resume. Just to get an idea of what the priorities are at the moment: if you did receive additional funding, where would it go for the short term of the sector, and where would it go for the long term of the sector?

Mr Martin—It would be just to pick up needs that are very apparent in stations such as the one you talked about, Mr Ticehurst. There are needs in terms of basic facilities. The last time we did a survey of what stations have or do not have, we had results that half the stations do not have anywhere to train people. Given that volunteerism is lifeblood, you have to somehow train those people. But there is no room. Somehow that has to happen in between things in the live-to-air studio. Thirty per cent of stations do not have a production studio—they just go live to air. That clearly limits the range and quality of programs that they can produce. Half of the stations have no talkback facilities. Half of them have no facilities to do an outside broadcast to engage with their communities by being part of community events around the place.

It is those sorts of very essential and very basic requirements which increased funding would be able to support. Stations are doing an awful lot in fund raising locally through sponsorship, through membership drives and other functions, which will keep the basics going, pay the power bills and get them some more CDs. But, quite clearly, it is not going to be enough from the results of that sort of audit of the sector to give them the money to invest in those very necessary facilities.

In the longer term, there are developments required in areas, as I alluded to at the beginning, to allow the sector to take up opportunities in new platforms. Digital radio is due for licensing in the capital cities in 2009. There is a lot required before the community broadcasting stations can actually do some serious planning as to how they will take up the space which is being offered to them, and there will be very significant funding requirements for that.

Community television is another area where, at the moment, there are zero dollars coming through the foundation in support of that and, as a result, I think, that has severely held back the range and the quality of programming that has been possible on community TV. So there is another area that is crying out for development in training people and in getting their production facilities to a reasonable level. There is a long list.

Mr Stanistreet—Indeed there is. One of the other things in the short term would be to provide an appropriate level of funding for the specialist programming content that the sector provides—that is, in the areas particularly of ethnic, Indigenous and radio for print handicapped broadcasting, which presently receive very low levels of support through the foundation. These are areas where the sector meets needs that would otherwise have to be met by government broadcasting, and for which there is no commercial incentive for commercial broadcasters to take up, but which are very basic and essential needs of Australian communities. At the moment, the level of support that is provided for them is extremely meagre. There needs to be a recognition of the value of the production of those kinds of specialist programming, and a more realistic assessment of what the level of support should be.

There were examples given in our submission with regard to the cost of ethnic broadcasting, comparing it to the way ethnic broadcasting is produced within the community broadcasting sector and how it is produced in the government broadcasting sector. Quite clearly, we are much more cost effective at producing programming in that area, that is locally relevant, but the level of support is as low currently as \$38 an hour. Now \$38 might buy you one CD to assist you in presenting your program, but it is really not going very much further than that. We believe that the value of these programs needs to be recognised by a more appropriate level of support.

Mr TICEHURST—But is it reflected in the communities? Ethnic broadcasting will be of interest to certain groups, but the community at large may not be interested in that. When you are talking about funding, you are talking about taxpayers' money.

Mr Stanistreet—Indeed, you are. But I think that one of the roles that we play is to meet needs that are not met by other media. The community broadcasting sector is set up to meet those needs that are not met by commercial and government broadcasting, so there is a strong argument that, where we do meet those needs, it is appropriate that that funding is made available.

Mr Martin—The ethnic programming, as you say, is obviously one small part, and it is one of a number of different types of programming that we do support.

Mr TICEHURST—The average community would think, 'Well, we have got SBS,' which essentially is looking after those communities. That is a fairly expensive exercise too—look at the amount of money that goes into that.

Mr Stanistreet—There is an essential difference there: SBS is a national service and our connection is with local communities, by and large, so the kind of content that can be developed in a community radio or community television station will reflect the needs of a local non-English speaking community rather than the broader issues that might be covered through the SBS services. I think that degree of localisation is extremely important in the value of the service.

Mr TICEHURST—Does the foundation have other sources of funding?

Mr Stanistreet—The foundation has explored other sources of funding at various times. In fact, we—that is, the foundation and the peak sector organisations within community broadcasting—are currently considering an independent report that we commissioned in October of last year about the opportunities available to the foundation for developing other sources of income. Unfortunately, those opportunities have been judged independently as being extremely limited—the reason being the difficulty in aligning the kinds of interests that we represent with the interests that, say, philanthropic organisations, commercial entities or other government sources might want in the kinds of grant programs that we operate. Generally, they want a close association with the beneficiary of their funding, so they prefer to deal directly with that rather than go through an intermediary organisation such as the foundation.

Mr TICEHURST—You certainly have your work cut out. People like Kerry Stokes on the media side might view you as some sort of competition, but maybe what you do does not fit the bag of fairly philanthropic people, like John Singleton on the Macquarie side.

ACTING CHAIR—Can we talk about that?

Mr Stanistreet—Certainly.

ACTING CHAIR—The commercial sector obviously is very keen that you do not compete on their turf with a subsidy. How does the foundation manage that relationship? Where is the line that you draw?

Mr Martin—It is in terms of the activities and the programs that you fund. We certainly would not fund anything that looks even remotely like a commercial radio program. We are quite clear on that, and I do not think there is any chance of that ever overlapping. There is an enormous unmet demand for a whole range of programming which is nothing like commercial broadcasting, which is the strength of community broadcasting. That is the area that we are seeking to support and develop.

ACTING CHAIR—Do you have any closing statements or remarks that you would like to make?

Mr Stanistreet—First, I have a point that occurred to me with regard to the specialist programming that the sector provides and which has been supported by the foundation. I think it can also be recognised that there are other areas of opportunity for community broadcasting to develop programming which in no way competes with commercial or national broadcasting to any extent, in the sense that it has a particular local perspective. Things like supporting local arts is an area which could be effectively developed through funding. Supporting local music, as we did through the Amrap project, can be done more effectively through additional funding and development of that initiative. There are a range of other opportunities that could be developed through seed funding from the foundation, but at the moment we are very constrained within the types of funding that we receive from the federal government and the quantum of funding that prevents us from doing that kind of extremely important development work, which will ultimately benefit Australian society through the many hundreds of communities that we serve across Australia.

Mr TICEHURST—What about state governments? Have you approached them for funding?

Mr Martin—We received very mixed responses. We received very strong support in Western Australia, limited support in South Australia and a little bit in Queensland, I think. Western Australia is wonderful, mainly through its gambling people. There is lots of money going into direct support, but it is going directly to this station's radio and TV in Western Australia. That money does not really come through the foundation, obviously, as it has that very specific state focus.

I will just expand a little on what Ian was saying. You have probably heard that there have been some really encouraging results from audience research that has been undertaken, in terms of the straight numbers, by McNair Ingenuity surveys—and there is another one happening now. Also, there is a more qualitative study being undertaken by Griffith University, looking at the relationships and values that the community broadcaster has within its community. There are some very interesting results.

What stands out so far is that what is most appreciated by the growing audience of community broadcasting is local information, local news and its support for Australian music. Those happen to be the areas that at the moment the foundation has no funding to support.

ACTING CHAIR—Can we move to accept the evidence.

Mr TICEHURST—It is so moved.

ACTING CHAIR—There being no objection it is so resolved. Thank you.

Subcommittee adjourned at 10.11 am