



Submission 104

The Secretary,
Standing Committee on Communications, Information, Technology and The Arts
House of Representatives
Parliament House
CANBERRA ACT 2600

Inquiry into Community Broadcasting

The board of management of 5tcbFM Bordertown SA, thanks you for the opportunity to tender the following information and opinion for the committee's perusal and consideration. The submission supports the delegation received by Chair Jackie Kelly MP, by 5tcbFM and 3ONE Shepparton with Bruce Ferrier.

Further support is sent in the form of a hard copy business plan drawn from our Development Plan specifically to attract funding and support from Local Government when the station needed assistance in 2003-2004.

Yours sincerely,

Geoff Williams
General Manager

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Executive Summary



Scope and role.

5tcb has, for 20 years, held the major market share of all radio in the Tatiara Council District (population 7,400) within the Upper South East of SA. It is considered by its peers to be professional in its approach and presentation and relevant in its local inclusion and focus.

A generalist station, 5tcb takes its role very seriously and has perhaps equipped itself as well as any rural broadcaster in order to deliver dependable results for its 3 market segments - listeners, volunteers and sponsors. Regarded by the CBA's Barry Melville as a 'social entrepreneur', 5tcb is proud to be known also as a 'responsible broadcaster' in the industry.

Content and programs

Being the only daily provider of local information based in the region, 5tcb operates 168 hours a week with all but 10 hours being locally produced. 5tcb thus occupies an important part of, and is an important contributor to, the social fabric of the community. Additionally 5tcb's part time journalist produces daily rural programs and local news stories as well as the sector's two national rural weekly half hour programs – on farming and the rural lifestyle and on ecology and sustainability.

5tcb employs an accredited training officer for its volunteer development and all staff are engaged in some form of esoteric, administrative or management training at all times. Since inception we have encouraged community input to the decision-making and abide by the rule of thumb 'give them what they want when they want it and they will listen'.

Technical Requirements

Thanks to recent CBF transmission grants, the station has almost a full establishment of transmitter sites and equipment, with 4 sites out of 5 now fully established. A well equipped central transmitter site at Bordertown supplies signal to 3 translator sites throughout the district. By 2007 the whole district will be satisfactorily covered from the border to the coast. The studios are equipped with quality gear generally no more than 6 years old enabling full function in the recording studio, production studio, 2 broadcast studios and newsroom.

Finance

On a \$400,000 pa turnover, the station this year will budget for half the expenditure being in wages, met by half the income coming from sponsorship sales.

The turnover translates to each community member in the core audience realistically paying \$50 a year to fund the station.

That's almost 14c a day.

(Executive Summary cont'd)

Opportunities and Threats

Located in a town of just 2,600 people, the station has defied the odds in surviving 20 years.

Opportunities include

1. Opportunity to strengthen audience share by capitalising on weak local content of other broadcasters in the area,
2. Upcoming availability of youth presenters as new boomers leave primary school,
3. Commissioning of the final translator site on the coast to satisfactorily service the community of interest from east to west, increasing our potential audience to 20,000.
4. Return of major sponsors from television as 5tcb supplies them with market reach,
5. Increased professionalism and improved succession planning with new staff model,
6. The community uptake of broadband Internet access. (The station is an agent).

Threats

1. The busy-ness of people and multiple job opportunities limits the volunteer pool,
2. Attracting staff, especially sales staff, to the country to live and work,
3. Recent negative publicity of the station seeking local government support has affected the station's other fundraising efforts and credibility,
4. Television, poaching our sponsors and potential sales staff.
5. The cost of wages.

Needs

1. A representative able to secure sponsorship from the major national advertisers.
2. Annual audience surveys to support the sales effort.
3. More Volunteers for on air and administrative roles,
4. A real sales team to ensure self sufficiency,
5. Marketing dollars to encourage youth into the recording studio.

We believe our credentials and experience in the rural area add weight to our observations and so tender our recommendations for the committee's consideration.

Recommendations

1. **Recognition.** That the Australian Government foster national corporate sponsorship of the sector by leading the way with substantial use of the medium in its own advertising campaigns, thereby improving the sector's credibility by recognising its ability to deliver results.
2. **Content.** That, seeing rural communities as minority groups in need of positive discrimination, the Australian Government fund locally produced programs for local

consumption of the general community, including sub groups such as Indigenous and Ethnic, rather than only those sub groups.

3. **Continuity.** That the Australian Government funds a leadership position, such as station manager, in at least every rural community broadcast station to ensure continuity, stability and productivity. The criteria to include governance, management training and key performance indicators.

These arguments and 5tcb's credential are further explored in the full submission attached.

5tcb Submission



Scope and role of 5tcb.

Based in Bordertown, on the Melbourne – Adelaide highway, 5tcb is a community radio station servicing the Tatiara Council District (population 7,400) towns of Bordertown, Keith and Padthaway as well as Naracoorte to the south and in 2007 adding Kingston-Robe in the west to its coverage of its service area - the Upper South East of SA.

5tcb is a generalist station serving a geographical area with a community of interest largely dictated by the football league and the holiday shack. Bordertown, although not the largest town of the region, is the administrative centre of the Tatiara District, one of the largest council areas in the state.

5 surveys over the past 15 years show consistent involvement in the station by 85% - 91% of its core audience and a radio listening share of 49% - 53%. Other broadcasters are principally the recent entry Freshstream (Flow FM) commercial licensee and ABC regional radio based in Mt. Gambier 200kms away.

The station takes its role very seriously and has equipped itself to deliver predictable and professional results for its 3 market segments - listeners, volunteers and sponsors. Perhaps 5tcb differs from some of its peers by its adherence to the pursuit of excellence and self-sustainability and, most importantly, by continuity of management over a 20-year period, enabling it to evolve to fulfil the need for local information and entertainment with a united internal purpose, focused on the main game.

The board of management sees the station as a serious broadcaster and a business, not a plaything, nor filling an 'alternative' niche. The Listener Unique Selling Proposition statement is "*Part of the Family*". The Sponsor statement is "*Taking Care of Business*". The Positioning Statement is "*Limestone Coast Radio*", reflecting the new larger territory. Management focus is on sustainability and the dream is - self-sustainability.

The premises are sound and owned by the association and the facilities are the envy of many regional commercial and public broadcasters and recording studios.

Content and programs on 5tcb

Being the only daily provider of local information based in the region, 5tcb occupies an important part of, and is an important contributor to, the social fabric of the community. 5tcb operates 168 hours a week with all but 10 hours locally produced.

The station has employed a part time journalist since 1995 and so additionally 5tcb produces 2 federally funded rural programs for national syndication by the CBAA's satellite distribution.

They are the sector's two rural weekly half hour programs. '*Landlink*' is a look at farming, life and work in the rural areas – for 12 years a regular feature at over 40 stations. '*EcoLand*', which began this year, examines the things we should be doing – but are not – to balance the ecology and sustain the land and energy from a farming and a household perspective. We believe content is king.

Programming is strip formatted to attract and hold listeners in the broad major age demographic 14 – 54 during the day, with specialist programming at night for special interest groups.

Since inception we have encouraged community input to the decision-making and abide by the rule of thumb 'give them what they want and they will listen'. The format is largely unchanged since 1990. The content has kept pace with trends.

The quality of programming is underpinned by formalised training. A small volunteer announcer corps is trained professionally in-house, supported by a paid staff now numbering 5 full time and one part time. The accent is on training youth, before they leave for the city. 5tcb employs an accredited training officer for its volunteers, offering Certificate II and III in Broadcasting and a secondary school subject in Media accepted for the SA Years 11 and 12 SACE Certificate. 5tcb also pioneered School Based Apprenticeships, enabling students with a career focus to obtain paid work at the station during school hours with training support. This effort resulted in an SA Great regional award in 2003/4 for Excellence in Training. Each staff member is encouraged to engage in some form of broadcast, administrative, event management or business management training at all times.

Feeding the industry. In excess of 300 volunteers have been formally trained, benefiting from the career advantage and also the lifeskills advantage. Approximately a dozen former volunteers currently occupy positions of Announcer, Program Manager, Music Director, Commercial Producer, Rural Journalist and Newspaper Editor of major capital city networks, ABC Regional radio and Country Newspapers. All will willingly testify to the 5tcb advantage. 5tcb's training is also familiar to the principals of major media training institutions in Adelaide, Melbourne and Sydney. 5tcb also sponsors return to work administrative skilling for volunteer mothers of teens.

Technical Requirements of 5tcb

Thanks to recent CBF transmission grants, the station is almost fully established with a well found central transmitter site supplying signal to 3 translator sites throughout the district. By January 2007, the whole district will be satisfactorily covered with relatively high powered transmitters.

The studios are equipped with quality gear generally no more than 6 years old in a fully equipped digital recording studio, 2 broadcast studios and a news room. Our requirements are summarised as maintenance and forward planning, with 20 computers requiring updating and the station automation system (now unsupported and based on old platforms) to be replaced.

The studios were purpose built in 2000 in an acquired Telstra Exchange building.

The station is attempting to consolidate with all decisions long range for the long term enjoyment of the community.

As a community **resource** 5tcb also offers multimedia facilities, recording studios for musicians and participation in broadcasting for which the station was awarded the AusIndustry regional award for Innovation.

5tcb was instrumental in bringing broadband to the region, by partnering a satellite and wireless telecommunications company. This resulted in Telstra introducing ADSL shortly afterwards. 5tcb remains selling agent for Bigpond ADSL and APN satellite.

5tcb's Finance

On a \$400,000 pa turnover, the station this year will budget on half coming from sponsorship sales and half the expenditure will go on wages. Realistically, each community member in the core audience will pay \$50 to fund the station. Almost 14c a day.

In the period 1998 - 2004, 5tcb generated \$3.7m in revenue, of which 18.5% has come from all federal, state, local governments and some corporate entities for equipment (4%), program production (7%), development projects (5.5%), and untied or salary supplements (2%).

Delivering a quality product from quality surroundings exerts cost pressures we imagine might be similar to that of a small commercial broadcaster, without the benefits of a network. Sponsorship is the dominant revenue stream, however national advertising accounts for just 2% of sponsorship income compared with 40% for a commercial broadcaster.

Hence many of the opportunities we have positioned for also offer revenue.

2006 –2007 Budget

This year's budget is notable for the migration of some operating costs into wages and the further employment of staff now numbering 5.5. The wages bill, including program costs (journalism) and sales commissions is \$200,000 plus on costs - almost 100% increase on the 10-year average and 54% of expenditure. On the other side of the ledger the clear leader is sales at 58% of income before commissions – down from an average of 70%.

Long-term staff fund their own vehicle and fuel, mobile phone costs and travelling costs.

The annual budget currently before the board is fairly typical and is attached as Appendix 1.

In summary,

A balanced budget of \$433,000 broken down as follows:-

Income	Sponsorship	58%
	Fundraising Events	17%
	Programs funded	8%
	Federal funding	5%
	Production	5%
	Local Govt funding	4%
	Training	3%
	Subscriptions	1%
Expenditure	Wages and Super	54%

Fundraising Costs	6%
Program purchases + costs	10%
Admin & Other	15%
Premises, phone, power	9%
Production	1%
Training	4%
Advertising & Marketing	2%
Subscription to CBAA	1%

Opportunities and Threats

Located in a town of just 2,600 people, the station has defied the odds in surviving 20 years without dumbing down its act. It has done so by focusing on the product rather than the experience and ensuring the product is attractive to its various stakeholders in the community.

Opportunities include

1. Opportunity to strengthen our audience share by capitalising on weak local content of other broadcasters in the area, and expanding our own commitments to new audiences.
2. Availability of youth as volunteers during their high school years before they move to tertiary education in Adelaide. (The Bordertown Primary School currently has 600 students, this in a town of 2,600 people – 23% of the population).
3. Commissioning of the final translator site on the coast to satisfactorily service the community of interest from east to west, and bring a further 2,000
6. Return of former sponsors who moved to television to reach their larger target market.
7. The recent increase in staff numbers, coupled with their excellent training, enables the station to pursue greater professionalism and to establish an excellent succession model for the existing 20 years plus people.
8. The further assistance of regional development, through community encouragement of the uptake of broadband Internet access,

Threats

1. The busy-ness of people everywhere, especially small towns, combined with multiple job opportunities in the community severely limits the volunteer pool which places a strain on remaining volunteers and staff.
2. The difficulty we have attracting staff into the region from elsewhere, especially sales staff. City people do not appreciate country life – and it's a seller's market for country based sales people.
3. Recent negative publicity of the station seeking local government support has precipitated a jealous reaction from other community groups seeking access to the same money, thus jeopardising the station's other fundraising efforts.
4. Television, which attracts our major sponsors and would-be sales people.
5. The cost of wages. The lack of volunteers has driven a need for qualified (or trainable) staff to ensure quality delivery of content and product. This is expensive and generates a need for increased sales, which vies with administrative and production tasks for proactive attention by the staff.

Needs

1. A representative able to secure sponsorship from the major national advertisers.

2. Annual audience surveys to support the sales effort.
3. More Volunteers.
4. A real sales team. Currently 5tcb has only the general manager and the production engineer selling when time allows.
5. Marketing dollars to create awareness and for publicity of the recording studio throughout the greater region of the Limestone coast to foster youth access.

Recommendations

- 1. Recognition.** The lack of national and state sponsorship on community radio is fuelled by a belief that too many community stations are unable or unwilling to provide a reliable audience to an advertiser. We believe the Australian Government could show the way by recognising the real ability of most community broadcasters (especially rural and regional stations) to deliver a cost effective audience. Use of the sector by the Government to place real dollars (say, 12%), from the annual advertising budget would provide a real return, foster the mentality in the stations of working for the dollar and lead the way for other national advertisers to do the same. Such a practice would support the user pays principle of the Australian Government. Recognition of responsible community broadcasters as a test case (just as the current sponsorship regulations were tested) is an option, hiving 12% off the planned campaign to place on prime rural markets, such as South East (SA), Shepparton (Vic) and Wagga Wagga (NSW), would clearly support the TV campaign, with superior results.

The relaxing of the 5-minute rule for key programs is also a corollary. e.g. a number of 5tcb's sponsors want to get into the half hour each day of rural programming.
- 2. Content.** 5tcb has been fortunate enough to be a recipient of CBF funding for the development of rural programs available to the sector for 12 years. This is a practical way of injecting funds into stations, raising the professionalism and level of experience, rewarding effort and providing content for the sector. The bulk of the existing program funds are directed toward established minority groups for positive discrimination. Yet, the biggest minority group needing assistance is the general rural community – which includes indigenous and ethnic sub groups.

We believe that, subject to key performance indicators, stations should be funded to produce relevant and local programs for the whole community. Why do commercial stations walk away from local programming? Because it is expensive. And so it is for community broadcasters.
- 3. Continuity.** As an observer of community radio at the local and state level for 22 years, the writer is very familiar with the various development phases of community stations and the dynamics that occur within differing operator groups. The single magic factor in ensuring stability and productivity in a community broadcasting station is unquestionably - continuity. Continuity creates a climate for leadership and 'followership', which is further developed with training. Continuity is usually only found in stations with a paid leader or a passionate retiree. It is our recommendation that the Australian Government funds a station manager position in every rural station at least - backed by true governance and management training and key performance. The other benefit is that this ensures other monies granted are a long term investment.