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1) Community Broadcasting

1. Snapshot of the Community Broadcasting Sector

Community broadcasting services are broadcasting services that are provided for community purposes, are not operated for profit and generally rely heavily on volunteers. There are currently 358¹ licensed community radio stations throughout Australia, including 80 in remote Indigenous communities. There are 30 aspirant broadcasting groups operating on a temporary basis. Over 70 percent of community radio services are located in regional and remote areas.

There are 104 community broadcasting stations which produce 1,800 hours of ethnic community broadcasting each week. Six of these are full-time ethnic stations. There are 106 Indigenous community radio stations, including 22 full-time, three aspirant and more than 80 remote Indigenous radio services. There are 15 dedicated Radio for the Print Handicapped (RPH) services, and 35 full-time religious radio stations. In addition to these specialist stations there are many generalist stations and stations with a focus on youth, senior citizens, arts, fine music, and other specialist interests.

Community television licences have been issued in Sydney, Brisbane, Melbourne and Perth. A licensing process is underway in Adelaide and community television trials are taking place in Lismore and Mt Gambier.

The CBOonline project <http://www.cboonline.org.au/> maintains a list of community broadcasters that can be searched by region or licence type.

By comparison there are 274 commercial radio stations and the Australian Broadcasting Corporation has 60 local radio stations and four national services. There are also two types of narrowcasting services – high powered open narrowcasting (HPON) and low powered open narrowcasting (LPON) services. There are currently 219 HPON and 1,797 LPON licences allocated. These services must be limited in some way, for example by being targeted at a special interest group, limited location, limited period of transmission or by providing programs of limited appeal.

Of the three types of radio services - national, commercial and community broadcasting - in recent years community broadcasting has become the largest sector in terms of number of stations and makes a major contribution to achieving the Government's objective of ensuring audiences have access to a diverse range of services.

2. Community Broadcasting Audiences

The Department of Communications, Information Technology and the Arts (DCITA) provided funds to the Community Broadcasting Foundation (CBF) to undertake quantitative audience research in 2004. The research was conducted by McNair

¹ Figure provided by Licensing Section, Australian Communications and Media Authority, February 2006

Ingenuity, and was assisted by the Department's Communications Research Unit in its design. The research found a much higher listenership than policy makers had previously understood. Research findings² included:

- 24% of Australian radio listeners aged over 15 (3.76 million) listen to community radio in a typical week;
- 45% of Australian radio listeners aged over 15 (7 million) listen to community radio in a typical month; and
- for some 685,000 Australians, community broadcasting is the only form of radio listened to in an average week.

3. *Station Revenue*

The best available data on radio station revenue comes from the CB Online sector survey³ relating to 267 stations in 2005 (based on the 2003/04 financial year). Some findings include:

- average per station revenue was \$190,148.70; and
- revenue from the Commonwealth through the CBF was a relatively small part of station revenue – some 6.4 percent.

The 6.4 percent figure is probably higher now – the Commonwealth has lifted its CBF funding from around \$5.5 million per year to \$7.6 million since the survey was done.

The figures on other revenue are skewed by approximately 21% coming from miscellaneous revenue (which included relatively large amounts of Indigenous Broadcasting Program funding and funding from educational institutions going to a proportionally small number of stations). However, the relative proportions are still useful to gain a general understanding of the sector's economics:

- around 35.3% of revenue was from sponsorship announcements;
- around 22.2% of revenue was self-raised from station fundraising, donations and subscriptions; and
- around 12.2% was from Commonwealth, State and Local Government grants (including the 6.4% from the CBF).

Due to characteristics of the survey, this 12.2% figure does not take into account the separate Government funding provided under the Indigenous Broadcasting Program to Indigenous stations referred to above.

The statistics do not cover the operations of remote Indigenous broadcasting services, community television stations or temporary radio licensees.

4. *Australian Government Funding*

² McNair Community Radio National Listener Survey, September 2004

³ Information provided in March 2006 by the CBAA from the Survey of the community radio broadcasting sector 2003-04.

In the 2005-06 the Government will provide the CBF with total funding of approximately \$7.6 million (excluding GST). This consists of approximately:

- \$3.8 million for core funding;
- \$1.7 million for targeted funding for ethnic community broadcasting and infrastructure projects;
- \$1.6 million for transmission support grants; and
- \$0.5 million for a training fund.

In the 2005-06 CBF Funding Agreement funding is allocated as follows:

Core funding

General community broadcasting	\$1,251,152 (plus \$125,115 GST)
Ethnic community radio broadcasting	\$1,552,550 (plus \$155,255 GST)
Indigenous community radio broadcasting	\$655,254 (plus \$65,525. GST)
Radio for the print handicapped	\$308,204 (plus \$30,820 GST)
Total core funding	\$3,767,160 (plus \$376,716 GST)

Targeted funding

Ethnic community radio broadcasting	\$1,133,347 (plus \$113,335 GST)
CBOnline Project	\$509,837 (plus \$50,984 GST)
Community Radio Satellite	\$56,656 (plus \$5,666 GST)
Total Targeted funding	\$1,699,840 (plus \$169,984 GST)
National training fund	\$500,000 (plus \$50,000 GST)

Transmission support funding

Transmission support – infrastructure and	\$1,500,000
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operational costs.	(plus \$150,000 GST)
Transmission support – subsidised access to Broadcast Australia sites	\$156,989 (plus \$15,698 GST)
Total transmission support funding	\$1,656,989 (plus \$165,699 GST)
Total Funding	\$7,623,989 (plus \$762,399 GST)

From time to time the Government provides funding for one-off projects. For example, on 5 April 2004 the Minister announced \$2 million in funding to provide additional television transmitters at Remote Indigenous Broadcasting Services (RIBS) sites across remote Australia. This funding was provided to the CBF to administer the project.

The Government also provides \$13.3 million through direct grants to Indigenous broadcasting organisations under the Indigenous Broadcasting Program (IBP). This funding was transferred from ATISIS to DCITA in July 2004. The IBP provides funding support for Indigenous organisations that hold a community broadcasting licence under the *Broadcasting Services Act 1992*. It also contributes towards the ongoing operations of peak Indigenous media bodies, the satellite delivery of networked Indigenous radio programming, and some Indigenous radio content producers.

The Department delivers the Program through a network of Indigenous Coordination Centres, which were established on 1 July 2004 under the Government's new whole of government arrangements for the delivery of Indigenous Programs.

5. *The Community Broadcasting Foundation (CBF)*

The CBF is a not-for-profit company limited by guarantee created by the sector as an independent funding agency and used by the Australian Government to disburse funding (other than the IBP funding) to the sector. It was originally created as the Public Broadcasting Foundation on 3 February 1984.

The CBF allocates funds to community stations and other incorporated community broadcasting organisations on the recommendation of peer group grant advisory committees. Total administrative costs for the CBF in 2004-05 made up 4.5 percent per annum of total program costs but typically are around 6-7 percent per annum.

The CBF constitution requires the CBF Board to comprise of 5-10 directors, including an Australian Government nominee who is appointed by the Secretary of the Department and 5 directors drawn from nominees of the sector peak body organisations (CBAA, National Ethnic and Multicultural Broadcasters' Council (NEMBC), Australian Indigenous Communications Authority (AICA) and RPH Australia). The Australian Government nominee is the General Manager, Public Broadcasting Branch, of the Department of Communications, Information Technology and the Arts.

The CBF Secretariat, based in Melbourne, runs the day-to-day operations of the Foundation. CBF staff administer the grant funding process and liaise with an extensive range of agencies and stakeholders, including government, peak community broadcasting sector organisations, stations and broadcasters.

The Secretariat comprises an Executive Officer, three Grant Administrators and an Administrative Officer.

6. *Structure and Processes for disbursement*

The CBF Board is advised by a number of volunteer grant advisory committees (GACs) that make grant recommendations and provide expert advice. Between 30 - 40 people serve on the CBF GAC's, generally for a two-year term. The GACs normally meet between two and four times each year, to consider grant applications and to make recommendations on the allocation of grants and the development of funding criteria. The GACs are:

- Ethnic Grants Advisory Committee (EGAC);
- General Grants Advisory Committee (GGAC);
- Indigenous Grants Advisory Committee (IGAC);
- RPH Grants Advisory Committee (RPHGAC);
- Australian Music Grants Advisory Committee (AMGAC);
- Training Grants Advisory Committee (TGAC); and
- Online Grants Advisory Committee (OGAC).

Project Advisory Committees

CBF project advisory committees provide specialist advice in particular areas. Currently the only CBF project advisory committee is the Qualitative Audience Research Advisory Committee (QARAC).

7. *Sector Organisations*

Different types of community broadcasters are represented by different national peak bodies. The following organisations represent various community broadcasting sector interests:

- Association of Christian Broadcasters (ACB) - the peak body representing Christian Broadcasting in Australia.
- Australian Indigenous Communication Association (AICA) - a body that represents members of the national Indigenous media and communications industry. AICA advocates for, and formulates policy on behalf of, this sector.
- Community Broadcasting Association of Australia (CBAA) - the peak body for community radio and television stations. It provides leadership, advocacy and support for members to actively provide independent broadcasting services and to build and strengthen local communities.
- Community Broadcasting Foundation (CBF) - a not-for-profit company limited by guarantee created by the sector as an independent funding agency and used

by the Australian Government to disburse funding to the sector. Annual Government funding is provided to the sector through the CBF.

- Indigenous Remote Communications Association (IRCA) - the peak body for remote Indigenous broadcasters.
- National Ethnic and Multicultural Broadcasters' Council (NEMBC) - promotes and represents the interests of ethnic and multicultural community broadcasters throughout Australia in radio, television and other electronic media.
- RPH Australia - the national peak body for a network of unique, independent radio reading services striving to meet the daily information needs of Australians with a print disability.

2) Digital Radio and Television

The Government announced a policy framework for the introduction of digital radio in Australia on 14 October 2005⁴. Under the framework, Australia will implement terrestrial digital radio based upon European Digital Audio Broadcasting (DAB) Standards, also known as Eureka 147.

The Government's framework is based on an assessment that digital radio will supplement existing analogue radio services for a considerable period and may never be a complete replacement. The framework therefore allows for a staged rollout of digital radio in Australia commencing with commercial, national and wide-coverage community broadcasters in state capital markets.

The framework includes dedicated spectrum for the two national broadcasters, a guaranteed minimum level of broadcast capacity to incumbent commercial broadcasters (more capacity or bit rate will be available if new services are offered), guaranteed access to the digital platform for wide-coverage community broadcasters, no simulcast requirement and a first right of refusal to broadcasters to control the multiplex and hold relevant spectrum for a nominal administration cost.

It is expected to take two or three years to complete the necessary legislative changes, plan and allocate spectrum, install necessary infrastructure and for digital services to begin. The Government will continue to work with industry stakeholders during this period to implement the framework.

Wide coverage community broadcasters⁵ in any market will have access rights to 128kbps per analogue service up to a maximum of 256 kbps for each available multiplex on the basis that they collectively determine how this is to be shared. Digital radio services will be introduced under a staged approach, allowing the radio sector to take advantage of digital opportunities and encourage consumers to benefit from new services alongside existing high quality analogue radio services. Access to

⁴ Digital Radio Policy Framework, http://www.minister.dcita.gov.au/media/media_releases/framework_for_the_introduction_of_digital_radio, 14 October 2005.

⁵ Wide-coverage community broadcasters are those licensed within the relevant commercial Licence Area Plan (LAP), with services generally representing the entire community of interest and coverage planned to match that of the commercial services.

the digital platform by localised community broadcasters will be considered at a later stage.

On 14 March 2006 the Government released a discussion paper on reform options for Australia's media industry – including the development of a Digital Action Plan for analogue switch off. In the discussion paper *Meeting the Digital Challenge: Reforming Australia's media in the digital age*⁶ it was noted that 'the Government is yet to finalise conversion strategies for community television broadcasters.... The Digital Action Plan would provide an opportunity for the Government to consider the basis upon which conversion of these services can occur'⁷.

3) Legislative Framework

1. Objects

Section 3(1)(a) of the *Broadcasting Services Act 1992* (BSA) makes it an object of the Act to promote the availability to audiences throughout Australia of a diverse range of radio and television services offering entertainment, education and information.

One of the ways of giving effect to the object of promoting diversity is through community broadcasting services. Section 15 of the BSA defines community broadcasting services as broadcasting services that are provided for community purposes, are not operated for profit or as part of a profit-making enterprise, and that provide programs that are able to be received by commonly available equipment, and made available free to the general public.

2. Planning

The number of community broadcasting licences in an area is determined by the Australian Communications and Media Authority (ACMA) under Part 3 of the BSA.

ACMA applies planning criteria set out in section 23. These require ACMA to promote economic and efficient use of the spectrum, and have regard to demographics, social and economic characteristics, demand for new services and technological developments.

ACMA prepares Licence Area Plans (LAPs) under section 26 of the BSA that determine the number and characteristics of broadcasting services that are to be available in particular areas having regard to the criteria in section 23.

The Minister has the power to reserve capacity for community broadcasters under section 31 of the BSA (this power is generally not exercised as ACMA goes through

⁶ *Meeting the Digital Challenge: Reforming Australia's media in the digital age* a discussion paper on media reform options, March 2006, available at

http://www.dcita.gov.au/__data/assets/pdf_file/37572/Media_consultation_paper_Final_.pdf

⁷ *Meeting the Digital Challenge: Reforming Australia's media in the digital age* a discussion paper on media reform options, March 2006, pages 17 and 18, available at

http://www.dcita.gov.au/__data/assets/pdf_file/37572/Media_consultation_paper_Final_.pdf

an extensive process of determining how many commercial and community services are appropriate in a licence area having regard to the criteria in section 23).

3. *Licensing*

Sections 134 and 135 of the BSA prohibit provision of community broadcasting services without a licence. Community broadcasters are licensed under Part 6 of the BSA.

For licences in the broadcasting services bands, ACMA calls for applications under section 80 of the BSA. ACMA allocates licences having regard to criteria in section 84(2) of the BSA. These include:

- (a) the extent to which the proposed service would meet the existing and perceived future needs of the community within the licence area of the proposed licence; and
- (b) the nature and diversity of the interests of that community; and
- (c) the nature and diversity of other broadcasting services (including national broadcasting services) available within that licence area; and
- (d) the capacity of the applicant to provide the proposed service.

Licences remain in force for five years (section 89) and are subject to a renewal process (under sections 90 and 91). Temporary community broadcasting licences can be allocated under Part 6A of the BSA. This enables aspirants to gain experience in broadcasting before a formal licence allocation process occurs.

4. *Licence Conditions*

The conditions governing community broadcasters are set out in clause 9 of Schedule 2 of the BSA. The most important require the broadcaster:

- not to broadcast advertisements, and limit sponsorship announcements for radio to 5 minutes in any hour and 7 minutes for community TV (clauses 9(1)(b) and 9(3) of Schedule 2);
- to remain a suitable licensee (clause 9(2)(a));
- to continue to represent the community interest that it represented at the time the licence was allocated or last renewed (clause 9(2)(b));
- to encourage members of the community that it serves to participate in :
 - (i) the operations of the licensee in providing the service; and
 - (ii) the selection and provision of programs under the licence (clause 9(2)(c));
- to provide the service for community purposes (clause 9(2)(d));

- to not operate the service for profit or as part of a profit-making enterprise (clause 9(2)(e)).

5. *Codes of Practice and Complaints*

Section 123 of the BSA provides for the development of codes of practice. The CBAA has developed a code for the community broadcasting sector.

Under section 147, a person may complain to ACMA about an offence or breach of licence condition by a broadcaster. Complaints about program content and compliance with the code of practice must be made to the station in the first instance. If the person considers the response inadequate or does not receive a response within 60 days, the person can complain to ACMA (section 148). Under section 149, ACMA must investigate unless satisfied the complaint is frivolous or vexatious.

There are a range of sanctions which can be applied to a community broadcaster. It is an offence to breach a licence condition set out in clause 9(1) of Schedule 2. ACMA can issue a notice under section 141 to a community broadcasting licensee who is breaching a licence condition directing the licensee to take action to ensure the service complies with the licence condition. It is an offence to fail to comply with such a notice (section 142).

ACMA can suspend or cancel a licence under section 143 if the licensee breaches a licence condition or fails to comply with a notice under section 141. A further licence condition can be imposed under section 87 if circumstances require it.