1 May 2017

Phyllis Fong
Manager, Community Broadcasting and Safeguards Section
Australian Communications and Media Authority

Via email: phyllis.fong@acma.gov.au

Dear Phyllis,

Proposed changes to the B66 form – Application for renewal of a community broadcasting license

Thank you for the opportunity to provide feedback on the proposed changes to the B66 form – Application for renewal of a community broadcasting license. Unfortunately we were unable to meet the deadline you had set, but hope that you will still be able to consider these comments in your review of the form.

The ACMA has explained that the intention behind the proposed changes to the B66 form is to simplify and clarify the questions asked, and improve the process for license renewal. In principle, the CBAA supports this intent.

As we advised at our meeting on the 14th March the CBAA has recently been asked by members to undertake an analysis of license renewal actions being requested by the ACMA. Given the crossover of some of the findings with issues related to the form we have included some of these aspects in our feedback. We appreciate that some of these issues will need further conversation with the ACMA and extend beyond specific feedback on the form.

We also note that aspects of the form will most likely require further changes following the conclusion of the current Codes of Practice review. It is the CBAA's view that finalising the Codes of Practices will give Community Radio Stations and ACMA an improved framework in which to operate and will also lead to a necessary review of some of the ACMA guidelines relevant to Community Radio. We look forward to a further review once the Codes of Practice are finalised.

1.   Time and resources

One concern repeatedly identified by our members is the length of time it took to fill in the B66 form and prepare their license renewal.

One of our better resourced members identified that it took 7 FTE staff to provide the final 350 page documentation. The layout of the form is greatly improved and it is hoped that this will aid in significantly reducing the time and resources needed.

The CBAA would like to discuss with ACMA a shift towards a more risk managed approach to license renewals and we will be developing a paper on this approach over the next few months and will write to you in due course.

2. Integration with ACNC

Many of our members are charities registered with the Australian Charities and Not-for-profits Commission (ACNC). The ACNC are working to share charity information with other government agencies by use of the ACNC Charity Passport. This allows a 'report once, use often' approach which would mean substantial parts of the B66 form could be pre-populated.

We have been in discussions with the ACNC about several matters, including streamlined charity and DGR status applications and governance assistance. One of the ACNC's responsibilities is to streamline reporting arrangements for charities with other Commonwealth regulators. David Locke, Assistant Commissioner, Charity Services at the ACNC has indicated his availability to sit down with the CBAA and the ACMA at an appropriate time to discuss how the ACNC and ACMA can collaborate to streamline reporting arrangements.

3. Media, Not-for-profit and Sponsorship evolution

As I'm sure the ACMA appreciates, there is significant evolution currently occurring in the media and also the Not-for-profit sectors.

The rise of digital radio and podcasts, the decline in volunteerism and demand by sponsors for ''integrated marketing' opportunities and a shift to online advertising on platforms like Facebook and Google and also the rise of professionalism and staff lead organisations means that the space Community Broadcasting operates in is constantly and rapidly changing. These are challenges for licensees, the CBAA and ACMA, and further consultation and partnership is needed to make sure the sector continues to thrive.

4. Concept of membership

As mentioned above, the decline in volunteerism is affecting all parts of society, from sporting clubs to soup kitchens. Community radio is no different. People are no longer 'joiners'.

The anecdotal information from our members matches the numerous studies that have identified this. This partly explains why several of our members have placed less emphasis on membership and/or subscribers and more emphasis of Donors. This shift in practice is not reflected in the new B66 form.

5. Specific comments on the B66 form

Section 3, Question 8

While this is a significant improvement on the previous version of the B66 form, CBAA members have expressed concern that ACMA are requiring licensees to have a Community Consultation Strategy and/or Engagement programs, which is not a specifically requirement of either the Codes of Practice or the enabling legislation.

This template based approach (here is the formula for engagement; here are the policies you need) is less effective than if stations are being responsive to their unique needs.

A specific concern expressed by our members is that this section of the licence renewal is not clear on how much activity is desired by ACMA. In that sense we appreciate ACMAs push towards each licensee having a Community Consultation Strategy and/or Engagement programs.

But in our view a more productive approach would be to work in partnership with the CBAA, allowing us to consult our members and incorporate this elements into the upcoming Codes of Practice revision. The CBAA is currently considering the development of a Community Engagement Toolkit and would like to work closely with the ACMA on its development.

This Question additionally reads as somewhat prescriptive in the activities that licensees are expected to undertake, as well as not incorporating activities on social media and/or other platforms.

Advertising in local papers is also something that for many licensees is impractical, out dated and not cost effective. Additionally, outside broadcasts at schools are not appropriate for some licenses. This section could be reworded along the following:

Provide examples of community engagement and consultation, which includes any of the following:

- *Surveys of members and/or community members*
- *Number of on-air promotions broadcast in a typical week, seeking feedback from members of the community and/or examples of how to participate in the operations of the service*
- *Copies of advertisements or articles in local media seeking feedback from members of the community and/or examples of how to participate in the operations of the service*
- *Online surveys or polls, social media posts seeking feedback from members of the community and/or examples of how to participate in the operations of the service*
- *Names and dates of outside broadcasts*
- *Examples of newsletters , printed or electronic, from the past 12 months*
- *Copies of emails to members seeking feedback from members of the community and/or examples of how to participate in the operations of the service*

Section 3, Question 9

The CBAA is unsure why five key community needs are being prescribed. At the very least, this could be reword to say "Please list up to five key community needs and interests identified in the past 12 months and how the station responded."

More consultation with the CBAA may lead to a better design on this question as there is a potential disconnect here between serving the community needs and interest and business models of stations.

There is also the broader question previously referred to about the changing nature of the media landscape.

Section 4, Question 12

The CBAA is concerned that ACMAs push for stations to have Program (or other committees) could approach on Good Governance. It is essential that a station Board or Management Committee is empowered to establish committees that are relevant to the board's needs and to decide whether they may or may not have authority to make decisions or may only make recommendations. Care also needs to be taken to avoid board committees becoming de facto operational committees that encroach on management.

This question could be re-worded as follows:

Does the Board of the licensee have a Program sub-committee? Yes or No

If yes, how many staff, members and non-members (ie representatives from other community organisations) are on the Program Sub-Committee?

Staff_____ Members _____ Non-members _____

Section 5, Question 13

Overall the CBAA feels this question and the other requests for documentation should be combined but there are some specific comments to make as well.

Checkbox two regarding the organisational structure diagram should include volunteer positions, so that it reads:

- Diagram of the organisation structure, showing the board / management committee and committees/ sub-committees, as well as office bearers, staff and volunteer positions.

In regards to the request for staff positions and salaries, the CBAA feels quite strongly that this breaches Privacy provisions and this was raised in the last review.

It would be more appropriate to request details of how many staff are employed and what is the total salary and/or commission paid. This approach is in keeping with the legislative requirements and accounting standards.

Section 5, Question 14

This table needs some minor tweaking. Asking how many members reside in the licence area does not necessarily give an accurate picture of engagement, as well as being outside the remit of the Codes of practice or the Act. The CBAA believes asking how members are active in the licence gives a more accurate numbers as many people listen to radio at work but may live outside the licence and wouldn't be accurately captured under the current question.

Additionally, a third column should be added to ask list the number of Donors (if any) a licensee has.

Section 5, Question 15

This section was an area of concern that the CBAA raised in the last review of the B66 form. It is disappointing that ACMA is continuing with its request for five year business plans and budgets. Given the general non-for-profit nature of the sector and the rapid changes occurring in the media space, five year business plans and budgets are unrealistic.

Whilst long-term strategic and operational planning should be, and is to be encouraged, this request unfortunately does not lend itself to that. The CBAA notes that the five year horizon is not only longer than the three year budgeting undertaken by the CBAA itself (in excess of standard not-for-profit practice), but longer even than the Federal Governments own budget forecasting periods. Ongoing changes in the not-for-profit and media environment render such timelines redundant. Community radio stations have no way of accurately forecasting revenues over that period, and so any attempts to satisfy the ACMA's licence condition will in reality be 'box ticking' at best, and would not in any way actually affect the governance and operations of the stations in the out-years of the period. As stated in our previous review submission, a 2-3 year business plan and one year operation budget is more realistic and achievable.

Governance and long-term planning is an area that the CBAA has identified for development in the community broadcasting sector. It is hoped that the ACMA will accept the proposed increased focus on governance in the draft Community Radio Broadcasting Codes of Practice ("the Codes") and associated sector development projects, and work with the CBAA to ensure their concerns are addressed through this process, rather than through pre-emptive licencing renewal conditions.

Additionally, the table requesting 5 key revenue sources and expenditure items in this section suggests that the columns should add up to 100%. Unless item 5 for both categories is 'Other', then this won't necessarily be the case and the '100%' total should be removed.

Section 5, Question 16

The reference to 'ACMA Fixed 1' is not clear, so this needs clarification.

Other suggested changes

There is multiple asks for documentation, with occasional duplication. The CBAA believes in would be easier for licensees to list all the documentation – either as one question, or alternatively provide a checklist at the end.

For example, new Section 2: Documentation

As part of the renewal of licence, ACMA requires the licensee to provide several pieces of documentation. Please provide copies of the following:

- ☐ Current constitution or articles of association
- ☐ Audited financial statements for the previous two years (if the licensee is not required to audit accounts, copies of unaudited financial statements should be provided)
- ☐ Two year business plan
- ☐ One year operational budget
- ☐ Diagram of organisational structure, showing the board / management committee and sub-committee (including the program committee), as well as staff and volunteer positions, and officers
- ☐ List of current board members (if not provided with audited accounts)
- ☐ Minutes of the last two AGMs and most recent annual report

- ☐ Copy of membership application form and schedule of membership fees
- ☐ Number of FTE and total salary/commissions
- ☐ Community engagement examples
- ☐ Licensee policies - including:
  - ☐ Corporate Governance
  - ☐ Membership
  - ☐ Internal Conflict
  - ☐ Complaints handling
  - ☐ Community participation
  - ☐ Programming
  - ☐ Volunteering
  - ☐ Sponsorship
- ☐ Technical documentation if required – ACMA Form B12
- ☐ Any outstanding Renewal actions

Consistent language

The form is inconsistent in its terminology for the applicants; variously referred to as stations, services, licensees and companies. Standardised nomenclature should be used throughout the form.

We trust you can find a way to assist in this matter and would be very pleased to meet for further discussion.

Yours sincerely

Jon Bisset
Chief Executive Officer