



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

CBF Structure and Governance Review

CBAA Submission

NOVEMBER 2014



Executive Summary

The Community Broadcasting Association of Australia (CBAA) welcomes the opportunity to comment on the CBF Structure and Governance Review prepared by the Nous Group ("Nous Report").

The CBAA is the lead sector organisation with membership representing nearly 80% of the sector including stations from all sub-sectors, communities of interest and licence types. It is the CBAA's core role to champion community broadcasting by building radio stations' capability and creating a healthy environment for the sector to thrive. Our work falls into two key areas:

1. **Growing stations' capability** - From webinars, conferences and events through to initiatives like the Australian Music Radio Airplay Project (Amrap), the Community Radio Network and the Digital Radio Project and resources like our soon to be launched online resource hub the CBAA works with radio stations to ensure they are capable and sustainable. The CBAA is the go-to source for information, knowledge and advice on how to run a radio station.
2. **Building a Healthy Community Broadcasting Environment** - The CBAA leads the sector in building a healthy environment in which community broadcasting can thrive. We do this by raising public, community and social awareness of community broadcasting and by proactively working with influential stakeholders to strengthen their knowledge, understanding and support. We undertake significant research on the sector to ensure effective leadership.

The CBAA Board is supportive of CBF reform and considers the commissioning of the review by the CBF Board as a constructive step in ensuring that the CBF can deliver on its mission and support the community broadcasting sector well into the future. The CBAA is looking forward to helping the CBF assess each of the Nous Group recommendations and to assist in the development of a considered and well informed path forward.

In preparing this submission we have consulted with our members and the wider sector. We developed and published a discussion paper and we conducted an open forum at the 2014 CBAA Conference in Adelaide. The discussion paper helped to facilitate consultation with our members and stakeholders and a number of submissions were made in response to it.

The CBAA makes the following observations in relation to the Nous Report:

- The Nous Report identifies technological change and convergence across distribution platforms as the primary external change driver and correctly identifies the sector's very low resource base to deal with these changes. While some of the ways statements are framed regarding online reach etc are arguable in terms of current impacts and the nature of community services, the overall context is appropriate in relation to the need for strategic investment, flexibility and station viability.
- The Nous Report proposes a strengthening of the CBF Strategic Intent. The focus of the CBF must continue to be on funding and, while there are overlaps, the CBF role should not extend to initiating projects, project management nor to commentary, analysis or recommendations about broader sector or industry strategy issues. These are roles for the CBAA and Sector Representative Organisations ("SROs").
- The role of the CBAA as a peak body structure with membership open to all community radio licensees and approximately eighty percent of full-time stations (excluding RIBS) as members is not sufficiently acknowledged or recognised in the Nous Report. Instead, the

primary source of consultation becomes the Sector Roundtable; a role for which the roundtable was not established and is not appropriate.

- The CBAA is incorrectly positioned in the Nous Report as the peak organisation for “general” stations. The CBAA champions community broadcasting by growing the capability and sustainability of stations and by building a cohesive and supportive environment in which community broadcasting can thrive. The CBAA has significant numbers of members from Ethnic, Indigenous and RPH licensed stations and represents the sector in its entirety.
- The role of policy settings and development priorities for Sector Representative Organisations (SROs) is not sufficiently acknowledged in the envisaged stronger strategic role for the CBF – especially in terms of the CBAA’s whole-of-sector representation role on broadcast issues.
- There are significant issues in collapsing all funding lines to five categories, in relation to lobbying and advocacy in the sectors’ interest and for maintaining funding distinctions and core areas. Other options to increase funding allocation flexibility need to be considered further. The combining of sector projects with funding allocations determined by the CBF is also problematic and may not be in the interests of sector-wide development projects or the sector as a whole – particularly digital transition and funding support but also other project areas such as Amrap and CBOonline research.
- Section 2.2.2 of the Nous Report suggests that the CBF must now support a sector that is larger and more diverse than ever before. Whilst the basics are fine in this section, it fails to acknowledge that the Board structure is not just an outcome of the ‘1980s model’ of the sector but also the funding model.
- Section 2.2.5 of the Nous Report points out disparities in funding allocations Competitive grants structures will always create ‘winners and losers’. The recommended revised structures and funding allocations may not result in much change in this regard.
- Throughout the Nous Report the concept of ‘public good’ is applied to Ethnic, Indigenous and RPH sectors – that seems to contradict the public interest outcomes for the full diversity of the sector and the SROI model put forward. The concept of ‘public good’ applies to the entire sector and as such this terminology should not be applied to sub-sectors.
- It’s interesting that the Nous Report does not provide a breakdown of station categories or at any stage refer to general stations (or more accurately stations that are not licensed as Ethnic, Indigenous and RPH) constituting close to 70% of the sector (excluding Remote Indigenous Broadcasting Service (RIBS)).
- There are issues to be considered in the revised Board structure and assessment panels.
- Further consultation and consideration is required by the CBF past November 2014 before decisions are made on revised structural and governance models. SROs require the time and opportunity to consult with member stations and provide further feedback.
- As would be expected, the Nous Report covers some areas in more detail or depth than others given the scale and timeframe for the review. The Nous Report recommends further consultation and risk assessment by the CBF although the timeframe outlined for the CBF to decide on its future structure and governance model (Sep – Nov 2014) seems unrealistic and contradicts considerations that would likely require more time for the decision-making process. The implementation and transition timeframes are more realistic.

Strategic Intent of the CBF

In the course of the consultation undertaken by CBAA, it became clear that there is some concern with the CBF becoming a “Sector Shaper.” It is noted that, whilst the Nous Group developed a series of high-level models as outlined in Exhibit 22 on page 53 of the Nous Report that included the concept of the CBF as a “Sector Shaper” as an option, the report does not actually make such a recommendation and it is unfortunate that this interpretation has been made.

In fact, the Nous Report states that the CBF does not need to adjust its formal purpose to ‘seek, secure, administer and distribute funding to support the development, creativity and sustainability of community broadcasting in Australia’.

The CBAA continues to support this as the appropriate purpose for the CBF.

The Nous Report does suggest that the CBF has the potential to strengthen its strategic role in the Community Broadcasting Sector and recommends that the CBF should more tightly define its strategic intent through its three key roles. Exhibit 6, on page 22 (reproduced below) of the Nous Report recommends how it should do so.

Exhibit 6: CBF’s future strategic intent to deliver on its purpose

1. Seek and secure funding	<ul style="list-style-type: none">• Maximise funding for the sector: CBF’s core responsibility is to provide funding to support community broadcasters. This creates an imperative for CBF to grow its revenue base, and it should seek to supplement DOC funding with private funding sources. It should also continue to support SROs in the maintenance and growth of Federal Government funding.• Flexibly respond to funder objectives: CBF must be able to adapt to the objectives of funders, including creating refined value propositions, and encouraging sustained funding support.
2. Administer funding	<ul style="list-style-type: none">• Respond to changing sector needs: CBF should support sector innovation necessary to meet emerging sector needs such as shifting audience habits, but without jeopardising existing sector strengths. In responding to sector needs, CBF should be largely informed by sector-wide mechanisms such as the Sector Roundtable and the Station Census.• Build sector capability to achieve sustainability: CBF’s funding and investment should aim to build long-term sustainability amongst broadcasters, including support for broadcasters to diversify their own funding sources.• Provide clear accountability: CBF’s decisions must be transparent and should be underpinned by broad representation on the CBF Board and assessment panels.
3. Distribute funding	<ul style="list-style-type: none">• Efficiently use sector resources: CBF should disburse funds efficiently to maximise the impact of limited resources, including a high-level evaluation of return-on-investment against a basic SROI framework to drive future funding decisions. CBF should continue to assure that the minimum compliance requirements of its funders are met.

The CBAA in principle supports this proposed strategic intent except for the section that states that the “... CBF should be largely informed by sector-wide mechanisms such as the Sector Roundtable ...”

The Community Broadcasting Sector Roundtable (the Roundtable) brings together six national community broadcasting sector organisations and the Community Broadcasting Foundation (CBF), under the auspices of the CBAA, to recognise collective strengths and identify and advance issues of mutual interest. It should be noted that the Roundtable is neither an entity nor a decision making body. The member organisations on the roundtable having varying sizes of membership and interests and some organisations involved in the sector are not represented. The Roundtable should not and does not speak on behalf of the sector.

The Nous Report recommendation to utilise the Roundtable as the primary consultation mechanism does not sufficiently acknowledge or recognise the role of the CBAA as a peak body with membership open to all community radio licensees and approximately 80% of full-time stations (excluding RIBS) as members. The Nous report incorrectly positions the CBAA as the peak

organisation for “general” stations. The CBAA has significant numbers of members from Ethnic, Indigenous and RPH licensed stations and represents the sector in its entirety.

Whilst it is certainly legitimate for the CBF to participate in the Roundtable and to present, discuss and seek input from the group, it must not be at the expense of consulting directly with the CBAA, SROs and other stakeholders.

Additionally, the role of policy settings and development priorities for SROs is not sufficiently acknowledged in the envisaged stronger strategic role for the CBF – especially in terms of the CBAA’s whole-of-sector representation role on broadcast issues. This requires significant further consideration and discussion with the CBF.

The focus of the CBF must continue to be on funding and, while there are overlaps, the CBF role should not extend to initiating projects, project management nor to commentary, analysis or recommendations about broader sector or industry strategy issues.

The CBAA would like to enter into further discussion with the CBF at an appropriate time regarding how CBF funding an investment can better support long term sustainability amongst broadcasters.

Implementation Timeline

The Nous Report recommends that reform should be phased to ease the transition and to manage inter-dependencies between the required steps. The CBAA supports this phased approach.

As would be expected, the Nous Report covers some areas in more detail or depth than others given the scale and timeframe for the review. The Nous Report recommends further consultation and risk assessment by the CBF. The CBAA also supports this approach.

The timeframe outlined for the CBF to decide on its future structure and governance model (Sep – Nov 2014) is unrealistic and contradicts considerations that would likely require more time for the decision making process. Unfortunately the timeframe proposed by the Nous Group has contributed to concerns being raised by some stations.

The CBAA recommends that the CBF also consider the various recommendations of the report in a phased manner to enable more contained and productive consultation to occur. It would be particularly useful to focus first on any revised strategic intent of CBF and Board Structure and following those decisions being made and consultation concluded consider changes to grant categories and grant assessment processes.

Considerable further consultation and consideration is required by the CBF beyond November 2014 before decisions are made on revised structural and governance models. As the CBF should be aware, SROs and other stakeholders require the time and opportunity to consult their members and provide further feedback.

Considerable CBAA resources have already been allocated to CBF reviews and reporting over recent months. Whilst the CBAA desires to work constructively with the CBF to further the growth and development of the sector, it is asked that the CBF Board consider the significant workload implications being imposed by this and other reviews as well as ongoing reporting requirements and our normal day-to-day activities in establishing any implementation timeline. Unfortunately the workload being demanded by the CBF has contributed to the recent negativity from SROs.

It is also essential that a fluid and flexible approach be taken to this change process to minimise risk and to bring along as many stakeholders as possible. The CBAA encourages the CBF to include workshops, webinars and other forms of consultation rather than just simply written submissions.

The CBAA suggests that consideration could be given to a special meeting of the Sector Roundtable to present the CBF Boards positions following the 6th December meeting and as the launch of the next round of consultation.

Observations and CBAA positions on report recommendations

Seeking funding

Recommendation 1 *CBF should seek to reshape its current funding arrangements with DOC moving to a three-year funding deed and five simplified funding lines. These funding lines should be for General, Ethnic, RPH, Indigenous and Sector Projects.*

The CBAA sees significant benefits with multi-year funding agreements but is concerned with the simplification of funding lines to the degree that is recommended in the Nous Report.

Multiple Year Funding Deeds

The CBAA strongly supports multiple year funding agreements between the CBF and the Department of Communication ("DOC").

The CBF has recently moved to a tri-annual funding deed (excluding the Digital Radio Project). The CBAA has for some time been advocating this change. Multiple year funding reduces administrative burden, provides longer-term stability and allows more effective planning and resource allocation.

However, a three-year funding deed is still a relatively short period in the context of government funding, and we understand schemes managed by the DOC are moving to four, five or even six year arrangements. Over time the CBF should pursue further increases in the period of the funding deed beyond three years and should continue to pursue multi-year funding for the Digital Radio Project. It is noted that the Australia Council has recently announced six-year funding for arts organisations.

Multiple year funding to the CBAA, and where relevant, other SRO's and stations, should be implemented immediately.

Simplified Funding Lines

While some simplification of funding categories seems advisable, the CBAA is concerned about consolidation to the degree that is recommended in the Nous Report. It is essential in this area that the CBF undertake further close consultation with the CBAA and SROs beyond initial feedback on the review.

Section 2.2.3 of the Nous Report (p. 16) considers how the DOC's funding line structure restricts CBF's flexibility to respond to an emerging sector. This is a complex area that the CBAA is concerned is not given sufficient context in the Nous Report in terms of:

- the role of political advocacy for specific funding purposes required in the sector;
- the capacity for flexibility within funding lines in terms of CBF mechanisms regarding priorities and distribution of funding (or scope to increase flexibility within funding deeds with DOC);
- longer term implications and impacts of reducing funding lines in terms of the risks of ending up with broad funding categories that disempower the sector's capacity to argue for maintaining funding or increased funding in specific areas (i.e. supporting a government position that allocates \$xxx to a specific area and any and all development priorities then become the CBF/sector responsibility).

The four headline categories of General, Ethnic, RPH and Indigenous could work if there were prescribed allocations within those categories so that distinctions were maintained in terms of a minimum of operational and content funding sub-categories across all four funding categories. In that structure, operational funding could include transmission.

If those sub-categories were to be set by the CBF there must be a structured process for input from each relevant SRO that ensures a role in decision making rather than solely ‘consultation’, and the funding allocations must be prescribed in the funding deed so that advocacy can be maintained with government in at least those two primary areas. Without at least a basic distinction between station operational costs and content support, and given the scale and scarcity of resources in the sector, there is a risk that operational costs will eventually consume most available resources. Another option would be to have operational, transmission and content sub-categories.

Recommendation 2 *CBF should seek ongoing funding for the Digital Radio Project, to be included in the Sector Projects funding line.*

The CBAA supports the recommendation to seek ongoing funding for the Digital Radio Project (DRP). The CBAA will lead discussions with Government in this regard.

The representation of DRP funding in the report is a little confused (p24 and in other tables). On p16 the report notes the base level at \$2.28m (forward estimates from 2016) but in the report funding tables it seems to use a mixture of current funding (2013/14) and the CBAA estimate of \$4.1m for 2016/17. Though \$4.1m doesn’t seem to be the basis of the table in 4.2 (p47).

The fact that the forward estimates currently allocates \$2.28m for 2016/17 serves to highlight issues of simply rolling all sector projects together as the shortfall requires specific strategies to be pursued by the CBAA.

Recommendation 3 *CBF should institute outcomes-based reporting through a basic SROI framework, responding to the objectives of CBF funders.*

The CBAA supports the recommendation to institute outcomes-based reporting. It is widely recognised as best practice for granting activities to have an outcome orientation so that grant recipients focus on outcomes and outputs for beneficiaries.

A small number of member stations have expressed concern regarding a move to outcome based reporting and their capacity to do so. Some of this concern is possibly related to the linkage of the SROI framework, which is a complex concept, to outcome-based measures. It is noted that they aren’t depended on each other. The Social Return on Investment (SROI) framework would be one way to measure the achievement of some outcomes. It is also noted that this recommendation is contained among the “seeking funding” group of recommendations and as such is referring to how the CBF reports to the DOC, not necessarily how CBF grant recipients report to the CBF.

CBAA agrees that a SROI framework (or other similar type of framework) and analysis could contribute to a more outcome focused CBF approach to report requirements and is a direction that the sector needs to increasingly pursue in relation to both funding and advocacy. Measuring and demonstrating social value will require considerable research and case study support that is not currently well resourced in the sector and as such requires further assessment for implementation.

It is noted that the CBAA has previously written to the CBF regarding the need to identify the social, environmental, and economic benefits generated by the community broadcasting sector and this will be further assessed as part of a review being undertaken by the CBAA of the sector’s current research efforts and needs.

The CBAA is currently implementing “theory of change” methodology to plan and evaluate its various programs.

Recommendation 4 *CBF should obtain DGR status and seek additional funding from private sources. CBF's target should be \$2.5m over five years.*

The CBAA has long felt that diversifying revenue streams should have been a higher priority for the CBF as it has always been part of the CBF constitution. It is productive to see this emphasised in the Nous Report.

The Nous Report's suggestion of a more ambitious target of \$2.5m over five years for the fundraising role already in process is appropriate. The current CBF target of \$1m over five years barely makes the pursuit worthwhile given costs and resources involved.

It should be noted this is a complex and highly competitive area and the sector does not have a good track record in attracting private or corporate support at a sector-wide level. There are also inherent conflicts and it is essential that the CBF consults with the CBAA, SROs and stations to minimise competition for limited funding.

In seeking feedback on the review it has become clear that there is widespread confusion and unnecessary concern regarding the CBF's fundraising ambitions and communication of the CBF Boards plans to SROs and stations would be beneficial in the short-term.

Recommendation 5 *CBF should set up a low-cost online fundraising platform allowing donors to donate to the CBF, SROs or individual stations.*

The focus of the CBF must continue to be on funding and, while there are overlaps, the CBF role should not extend to initiating projects or project management such as an online fundraising platforms for individual stations or SROs. Service provision is the responsibility of the CBAA and other SROs. There are many third party online funding platforms available that could be set up relatively easily, however, further consultation would need to occur around how any donations are distributed based upon donor's desires, etc.

Other models/roles for the CBF could be explored, for example concepts similar to the [Australia Cultural Fund](#) managed by Creative Partnerships Australia or the [Australian Sports Foundation](#) managed by the Australian Sports Commission.

The CBAA is currently scoping, with the support of OGAC, a radio station website service. It is anticipated that websites produced through this service will have capacity to accept donations from donors. A pilot project is being deployed with Mountain District Radio and the site is now live at www.3MDR.com. The current site accepts listener subscriptions but not direct donations at this time.

Recommendation 6 *CBF should consider coordinated sponsorship packages offering high value potential partners publicity across a wide network of community broadcasters and platforms. Stations should have the ability to opt in or opt out of such arrangements.*

The concept of sector-wide 'sponsorship packages' is especially complex and the CBAA does not believe this is a workable approach for the CBF.

It is also noted that there are a number of agencies that represent various parts of the sector to government, business, media buyers and other agencies. For example, Spots and Space and 4PeopleMedia. Hope Media also acts on behalf of various Christian Media and a feasibility study will commence shortly on behalf of a group of West Australian based stations. It is a highly competitive and resource intensive area.

Coordinated sponsorship packaging would be resource intensive and complex to operate and is unlikely to be successful financially – it would be more effective to pursue strategies in collaboration with the CBAA to support stations to more effectively harness sponsorship revenue.

The CBAA will be conducting a series of 3-4 webinars in the first few months of 2015 to assist stations with their sponsorship strategies.

Grant Categories

There is scope for consolidation of some funding categories to increase flexibility and priority settings. However, very careful and detailed consideration needs to be applied to the longer-term implications of funding requirements, funding advocacy, and the position regarding funding categories put forward to the Government and DOC by the CBF. Further examination of options to increase flexibility within funding categories and deeds should also be examined by the CBF.

Recommendation 7 *General grants (Operations and Content Innovation) should only be available to stations that do not receive their core support through the Ethnic, RPH or Indigenous funding line, noting that any station may apply for “emergency funding” through the General funding line if the station’s viability is immediately threatened.*

Section 2.2.5 of the Nous Report points out disparities in funding allocations. Competitive grant structures will always create ‘winners and losers’. The recommended revised structures and funding allocations may not result in much change in this regard.

The model proposed in the Nous Report is just one model that could be considered to address disparities in funding allocations. The CBAA recommends that other models be explored by the CBF in consultation with the CBAA and other stakeholders. It is important to acknowledge that the community broadcasting sector has a culture of collaboration between stations irrespective of their community of interest and any models established should ensure that this culture is continued to be fostered.

The Nous Report’s recommendation to no longer have Ethnic, RPH and Indigenous station eligibility to any area of general funding would increase general funding support. It is interesting that the Nous Report does not provide a breakdown of station categories or at any stage refer to general stations (or more accurately stations that are not licensed as Ethnic, Indigenous, RPH) constituting close to 70% of the sector (excluding RIBS).

The term ‘innovation’ is not particularly useful for broad content categories and increases barriers for small and regional stations. It implies all content has to be ‘new’ and ‘innovative’ rather than encouraging stations to apply for content support. It would be more productive to classify content grants under ‘content support’ with grant guidelines supporting quality and innovative content.

Recommendation 8 *Ethnic Public Good Subsidy grants (to be paid at a specified hourly rate) and Ethnic Content Innovation grants should be available to all stations for the production of Ethnic content, irrespective of their licence.*

The concept of setting hourly rates in advance seems likely to be constructive for station planning and also likely to introduce an element of competitive grant allocations in the applicable areas (though it may also produce a surplus).

There needs to be a clear and transparent process for the allocation of any excess funds not provided to stations as part of any grant round.

Recommendation 9 *RPH Public Good Subsidy grants (to be paid at a specified hourly rate) and RPH Content Innovation grants should be available to all stations for the production of RPH content, irrespective of their licence.*

The concept of setting hourly rates in advance seems likely to be constructive for station planning and also likely to introduce an element of competitive grant allocations in the applicable areas (though it may also produce a surplus).

There needs to be a clear and transparent process for the allocation of any excess funds not provided to stations as part of any grant round.

Recommendation 10 *Indigenous Public Good Subsidy grants (to be paid at a specified hourly rate) should be available to all stations for the production of Indigenous content, except those that receive their core operational support through another federal government program. Indigenous Content Innovation grants should be available to all stations for the production of Indigenous content, irrespective of their licence and other funding streams they may access.*

The concept of setting hourly rates in advance seems likely to be constructive for station planning and also likely to introduce an element of competitive grant allocations in the applicable areas (though it may also produce a surplus).

There needs to be a clear and transparent process for the allocation of any excess funds not provided to stations as part of any grant round.

Recommendation 11 *Public Good Subsidy grants should be paid at a fixed hourly rate up to a maximum total number of hours, agreed on a per-round basis, for each category to which they apply (currently ethnic, Indigenous and RPH).*

The concept of setting hourly rates in advance is likely to be constructive for station planning and also likely to introduce an element of competitive grant allocations in the applicable areas (though it may also produce a surplus).

There needs to be a clear and transparent process for the allocation of any excess funds not provided to stations as part of any grant round.

Recommendation 12 *All grants should be platform neutral, available to both radio and TV stations and to fund content produced for any platform.*

The CBAA has not supported the 'platform neutral' terminology in previous submissions or in its response to the Convergence Review which used the term heavily.

In common usage it tends to imply a simplistic version of content production that implies content can simply be produced in a single form and delivered across multiple platforms. The term 'multi-platform' more accurately describes the specific forms of content production and preparation required for various delivery platforms and audience and consumption patterns.

We recommend that the CBF support the CBAA approach and cease using the 'platform neutral' terminology.

It is noted that the positions for community radio and television are increasingly divergent and the Nous Report was completed prior to recent announcements regarding community television spectrum allocations.

It has historically been CBAA's position that new funding should be obtained to fund Community Television rather than further diluting the already scarce resources available to community radio.

Recommendation 13 *Stations can put in one application covering all categories per funding round, with two funding rounds per year.*

In conversations with stations the CBAA has identified a diversity of views regarding this recommendation. The proposal poses opportunities as well as some issues and risks that need to be more accurately identified. There is particular concern that bigger, more resourced stations, and stations skilled in grant writing may be advantaged in this system. Further research and discussion is required.

Recommendation 14 *CBF should invest in building station capability to write grant applications, through activities conducted by CBF Secretariat staff and CMTO. This should include the development of recommended ideas to provide stations with inspiration in their grant applications.*

The CBF should work with the CBAA, training organisations and other SROs to build station capability to write grant applications. This will be especially important with a move to outcome-based reporting.

Sector advancement funding

Recommendation 15 *The CBF Board should allocate sector advancement funding to SROs advancing the interests of a particular sector area on a three-year basis. The funding should be used to deliver on a series of outcomes agreed by the SRO and CBF.*

The CBAA supports the recommendation to institute outcomes-based reporting. It is widely recognised as best practice for granting activities to have an outcome orientation so that grant recipients focus on outcomes and outputs for beneficiaries. It is appropriate to highlight the need for strong and clear outcomes for funding to sector representative organisations.

Some changes to the GAC role in allocating sector advancement funding (currently sector coordination funding) to a more centralised CBF role has merit, particularly for the CBAA.

The CBAA has a unique relationship with the CBF in the sense that it receives more funding than any other organisation, principally due to the fact we manage three sector projects and more specifically the sheer number of grants that are awarded to the CBAA.

Whilst current structures require this to occur it is not efficient or effective. As an example, four different grant applications to two different GACs were required in relation to the recent establishment of the content distribution hub at the CBAA for the transition to the VAST satellite. It would have been far more effective to develop one project plan assessed through an appropriate centralised process.

The current decentralised nature of decision making has other issues. As an example, recently the CBAA's Technical Advisor, David Sice gave an extensive briefing to the CBF Board on digital development issues. However, the funding decision for which this understanding is required is made at GAC level.

This highlights one of the 'structural' deficits in information flow on whole-of-sector development issues within CBF processes, and will not necessarily be improved by any of the mechanisms outlined in the Nous Report in terms of funding decisions. In fact, rotating 'assessment panels' could reduce understandings on whole-of-sector development issues. This issue needs considerable consideration and discussion.

CBF systems and structures have a significant impact on CBAA operations and are regularly a considerable source of frustration to the CBAA. Changes are critical if CBAA is to be able to effectively deliver outcomes of benefit to the sector.

The CBAA recommends that the following changes are made:

- Reporting on sector advancement funding should be outcomes-based.
- Reporting by the CBAA to the CBF on Sector advancement and Sector Project funding should be done once per year (as recommended by the Nous Group) not quarterly as has been the case.
- Multiple year funding agreements should be implemented. Multiple year funding reduces administrative burden, provides longer-term stability and allows more effective planning and resource allocation. Agreements should preferably be for a minimum of a four-year period. It is noted that the Australia Council has recently announced six-year funding for arts organisations.
- CBAA to submit one consolidated application in March/April 2015 covering Sector Coordination and all Sector Project funding.

Given the complexity of funding arrangements between the CBAA and the CBF, the CBAA is extremely keen to put in place revised arrangements for 2015/16.

The Nous Report opens up the possibility of additional organisations receiving sector advancement funding. Whilst from time to time there may be legitimate reasons for new Sector Representative Organisations to be formed some criteria should be developed to ensure unnecessary proliferation of new organisations doesn't occur and that any new organisation has appropriate legitimacy and meet minimum governance requirements.

Recommendation 16 *The CBF Secretariat, on behalf of the CBF Board, CBF should monitor sector advancement funding annually on an outcomes basis.*

The CBAA supports this recommendation. It is widely recognised as best practice for granting activities to have an outcome orientation so that grant recipients focus on outcomes and outputs for beneficiaries.

The CBAA has already commenced implementing “theory of change” methodology to plan and evaluate its various programs.

Sector projects

Recommendation 17 *CBF should move over time towards a model where sector projects are commissioned through a public request for quotation made available to SROs, stations and external organisations.*

The CBAA does not support a ‘blanket’ approach to ‘projects’ being commissioned through a public request for quotation made available to SROs, stations and external organisations.

In terms of current sector-wide projects:

1. The Nous Report suggests that the Digital Radio Project is less appropriate to an RFQ process due to its political nature. The CBAA agrees.
2. The Nous Report suggests that training is not appropriate for an RFQ process as it is delivered through the CMTO; a specifically structured autonomous organisation. The CBAA

agrees though notes that if some of the Nous Group recommendations were implemented in earlier years then training may still be delivered by the CBAA.

3. CBOOnline is a segmented project. It would be difficult to manage outside of the CBAA role. The National Listener Survey for example is a shared cost project amongst a number of stations across a variety of sub-sectors.
4. Amrap has been conducted effectively for many years by the CBAA. Significant infrastructure and resources have been allocated to its development. It is noted that the CBAA contributed considerable funds from its reserves to continue its operations during the recent funding crisis.

An RFQ process could be considered for any new national projects or where a current provider is not meeting the requirements of the project. Sector representative organisations should be given priority, and possibly a first right of refusal to maximise stability and efficiency and foster skills within the sector. There are also considerable intellectual property issues that need to be considered as well as integration between various projects.

The Nous Report states that 'The CBF Board should determine which sector projects it would like to prioritise and the funding levels for each, within the overall total DOC allocation for sector projects. It should consult with the sector via the Sector Roundtable in this planning phase.' The CBAA strongly disagrees with this approach – it is noted that it would be highly unlikely that the sector would be involved in Digital Radio if this process was in place in the past. It is also noted that it is inappropriate for the Sector Roundtable to be the primary consultation mechanism for the CBF.

The focus of the CBF must continue to be on funding and, while there are overlaps, the CBF role should not extend to initiating projects or project management, nor to commentary, analysis or recommendations about broader sector or industry strategy issues. This is a role for the CBAA and SROs.

The comments under Recommendation 15 related to recommended changes also apply to this recommendation.

Recommendation 18 *The CBF Secretariat, on behalf of the CBF Board, should monitor sector projects annually on an outcomes basis.*

The CBAA supports this recommendation. It is widely recognised as best practice for granting activities to have an outcome orientation so that grant recipients focus on outcomes and outputs for beneficiaries.

CBF Board

To be effective a Board needs the right group of people, with an appropriate mix of skills, knowledge and experience (eg. professional backgrounds, industry experience, philanthropic support etc) that fits with an organisation's objectives and strategic goals.

Boards with this mix are better equipped to deliver value and respond to challenges that may arise. The key question therefore is what the optimal level of diversity is for the CBF Board.

Recommendation 19 *CBF Board members should be appointed for two year terms, serving no more than three consecutive terms.*

Good organisational practice suggests that any Board should have a staggered rotation system for Board members, with a maximum term in office of between six and 10 years to encourage Board renewal while retaining corporate memory. As a guideline, good practice is for around one third of the Board to retire each year, noting that retiring Directors are able to seek re-election within term

limits. Terms for Directors should be two or three years before re-election, with the ability to be re-appointed up to the maximum term.

By imposing a maximum period of consecutive service and by staggering Board member terms it ensures that an appropriate balance between fresh talent coming onto the board and the continuity of appropriate knowledge, skills and experience on the board, as well as continuity on organisation and Board-specific issues is achieved.

Two year terms for Board members are common in many not for profit organisations. The CBAA feels that a two year term would be appropriate for the CBF Board, though a three year terms could be considered. One year terms are too short and would not allow a Board member to contribute effectively.

Maximum terms are now very common in not for profit organisations and serving no more than eight to nine years would be appropriate.

Recommendation 20 *The CBF Board should be appointed by the outgoing Board against a skills matrix, from candidates nominated by sector stations and SROs. Each station and SRO can nominate up to two candidates. Five Board directors should be selected from the pool of nominated candidates, with at least four to have demonstrated community broadcasting experience. The Board should contain individuals with community broadcasting experience from a variety of different parts of the sector.*

It is important that Boards are comprised of members with a variety of skills and experience and who act in the best interests of the organisation as a whole.

The CBAA makes the following observations in relation to the recommended Board structure:

1. The proposed structure would allow a Board of five persons. A Board of this size is regarded as very small. Seven or eight would be a preferable total number and as such the CBAA is considering that the two co-opted roles could be a requirement (rather than an optional 'up to two co-opted roles').
2. The Nous Report recommends that the President is appointed by the incoming CBF Board. Over many years, the CBAA has nominated independent individuals to the CBF for the CBF Board to appoint as President and this has been widely regarded as a positive and effective process. Given the broader representational role played by the CBF President, the CBAA considers that the existing CBAA nomination role (in consultation with other SROs) should remain in place resulting in a total of eight Directors, or alternatively four rather than five could be selected from the pool of nominated candidates.
3. Whilst there are many examples of successful Boards in the not for profit sector where outgoing Directors appoint incoming Directors the CBAA does not support that model in this circumstance. To ensure that the CBF Board is comprised of members with a variety of skills and experience and who act in the best interests of the organisation as a whole, a Nominations Committee could be formed with 3-5 people which may be a combination of CBF Directors and external appointments. The process should:
 - Utilise a skills matrix to guide appointments;
 - Consider the diversity of the Board including gender and other demographic elements;
 - Include appropriate involvement of the CBAA and other sector representative organisations. The majority of nominations committee members should be independent from existing CBF Board members.

4. On page 37, the Nous Report recommends the establishment of four board committees. The CBAA considers that the 'risk and audit' function may be better positioned with finance and that a committee related to media and broadcast issues, which is not currently covered, should be established.

Recommendation 21 *All Board positions should be open for nominations every two years. Existing Board members who have not served three consecutive terms may re-apply. To balance continuity with regular refreshing of the Board, at least 2 Board members must not seek reappointment.*

Board terms should be staggered so that a third to a half of Board members complete their terms in a given year.

The CBAA supports a maximum period of service of three consecutive terms.

By imposing a maximum period of consecutive service and by staggering Board member terms in this way, it ensures that an appropriate balance between fresh talent coming onto the Board and the continuity of appropriate knowledge, skills and experience on the board, as well as continuity on organisation and Board-specific issues is achieved.

Recommendation 22 *The incoming Board should appoint the President, Vice-President and Treasurer.*

The CBAA does not support the recommendation that the President be appointed by the incoming Board. See observations under Recommendation 20 above.

The CBAA supports the appointment of the Vice-President by the Board of Directors from amongst the appointed Directors.

Recommendation 23 *The incoming Board can co-opt up to two Directors to fill skills matrix gaps. Co-opted Directors do not need to be nominated by stations or SROs.*

All Boards should have a clear process to determine the skills mix of Directors required to carry out its governance role at a point in time. The Board should determine the skills of elected Directors and map them to the skills mix required, thus identifying gaps. It is good practice for a Board to have the ability to appoint Independent Directors to address gaps.

As mentioned previously, the CBAA considers that a Board of five Directors is too small. Seven or eight is a preferable total number and as such the two co-opted roles could be a requirement (rather than an optional 'up to two co-opted roles').

Recommendation 24 *At least one Director must be Indigenous.*

There is good evidence that diversity on Boards leads to better performance. The Board appointment process must consider the diversity of the Board including Indigenous and other demographic elements.

Grant assessment

The CBAA is strongly supportive of reforms that make grant applications and processes easier for stations. However, there is also a strong desire for more information regarding the operational details of these changes so specific implications can be better gauged.

Recommendation 25 *CBF should form assessor pools every two years from candidates nominated by sector stations and SROs. Each station and SRO may nominate up to 5 candidates. Appointment to the pool should be based on the individual's skills and community broadcasting experience, as well as diversity considerations including adequate representation of women and young people.*

The CBAA agrees that the GAC process requires some revision and the assessment panel structure could be a reasonable framework to replace the current GAC structures. Broadening the nomination base would be a constructive move for assessment pools but it would also be productive to retain some role for SRO nominated processes.

One option to integrate both processes would be for the assessment panel Chair to be nominated by the relevant SRO.

The CBAA has concerns that the proposal for CBF Grants Administrators to take a non-voting Chair role would potentially interfere with their role in supporting and advising grant applicants and in their capacity to support assessment processes and panels.

More discussion and consideration should occur in relation to specific details of the assessor pool structure.

Recommendation 26 *Assessor pool members have a two year term limit and may serve up to three consecutive terms. The assessor pools should have 14 general, 10 ethnic, 10 RPH and 10 Indigenous sector representatives.*

The CBAA sees merit in this recommendation. More discussion and consideration should occur in relation to specific details of the assessor pool structure.

Recommendation 27 *Two grant rounds should be convened per year. Assessment panels will be formed for each round from a subset of the assessor pools by the relevant CBF grants administrator, who will also serve as the non-voting chair. The panels should include seven general, five ethnic, five RPH and five Indigenous sector representatives. For the ethnic, RPH and Indigenous panels, if it is not possible to find five panel members, a three person panel should be appointed. Pool members not selected for a panel for a given grant round will have no role in that round.*

The CBAA sees merit in this recommendation. More discussion and consideration should occur in relation to specific details of the assessor pool structure.

There is significant potential that 'assessment panels' could reduce understandings on whole-of-sector development issues. Further discussion and consultation needs to occur to ensure this and other issues are addressed in the implementation of any new system.

Recommendation 28 *An assessor may only sit on a maximum of three rounds per term.*

The CBAA sees merit in this recommendation.

Recommendation 29 *Grants should be assessed using an online system and confirmed over a single weekend, with all panels meeting at a single venue. Attendance should be subsidised by the CBF where possible as part of the CBF's administrative levy from each funding line.*

The CBAA sees merit in this recommendation.

CBF Secretariat

The CBF Board is responsible for identifying the resources they need to deliver on their purpose and to plan as to how those resources will be made available to, and best managed by the CBF. It is not the role of the CBAA to provide direction in this regard just as it is not the role of the CBF to direct the CBAA or other organisations in relation to resource allocation. As such broad comments only are passed on the following recommendations.

Recommendation 30 *The CBF Senior Grants Administrator role should transition to a Senior Administrator – Sector Engagement role. This role should cover responsibility for shaping and measuring outcomes of sector projects and sector advancement funding on behalf of the Board.*

The CBAA sees merit in this recommendation. Shaping of outcomes must be undertaken in close consultation with the CBAA and other SROs.

Recommendation 31 *The CBF Secretariat should have different grants administrators aligned to General, Ethnic, Indigenous and RPH grants. This will allow grants administrators to assemble and chair bi-annual panels related to these grants. All grants administrators should contribute to the administration of other grants as required, acknowledging that the largest workload will be in General grants administration.*

The CBAA has concerns that the proposal for CBF Grants Administrators to take a non-voting Chair role would potentially interfere with their role in supporting and advising grant applicants and in the their capacity to support assessment processes and panels.

Recommendation 32 *The CBF Secretariat should appoint a fundraising manager to support the Board in diversifying funding sources.*

The CBAA sees merit in this recommendation.

Recommendation 33 *The CBF Secretariat should aspire to appoint a grants administrator who identifies as Indigenous to manage Indigenous grants.*

The CBAA sees merit in this recommendation.

Indigenous broadcasting

Recommendation 34 *CBF should continue to work with the Indigenous broadcasting sector to determine what role CBF should play in future distribution of Indigenous funding.*

The CBAA supports this recommendation.