



Community Broadcasting Sector Sustainability Review

Department of Infrastructure, Transport, Regional Development, Communications and the Arts

Submission by
ArtSound Incorporated

1. Introduction

As a community and arts broadcasting organisation, ArtSound welcomes the opportunity to submit comments to the Community Broadcasting Sector Sustainability Review.

In a time of limited funding, but ever-developing creativity, we support any dialogue and strategies that could bring about stronger outcomes for both the arts and community broadcasting sector.

2. Background

ArtSound is an award-winning community radio broadcaster that supports and promotes music and the arts in the ACT region through FM and digital radio channels, and nationally through its streaming services. The organisation was established in 1983 and secured a full-time broadcasting licence in 2000. We are acknowledged as playing an important cultural role in Canberra — in fostering of music, literature, theatre, film, spoken word, art exhibitions, local concerts, and more.

We broadcast with our own FM transmitter using BAI-owned combiner/antenna facilities on Black Mountain and at our translator on Mt Taylor ACT, we own all our transmission equipment.

Our operating-cost obligations are about \$10,000 per month. Transmission and electricity costs are the most significant expenses and are dictated by BAI site rental agreements in effect to 2034.

A recent three-year grant from the Community Broadcasting Foundation (CBF) is helping us to meet this obligation; however, since the withdrawal of regular arts funding from artsACT in 2016, our financial position has generally declined, and we have faced alarmingly low levels of income to meet core operating costs. Raising money from other sources and efforts to move away from our dependency on grants has become increasingly difficult. With no paid staff, an all-volunteer ArtSound runs on a very lean budget.

Notwithstanding the severe funding pressures, ArtSound has continued its arts support role, contributing to positive social and economic outcomes for Canberra thanks in part to a loyal volunteer, membership and donor base.

Although stressed by the recent pandemic, which also imposed financial hardships on sponsors, donors, and supporters, ArtSound maintained its service well. Some timely Covid assistance grants from the ACT Government and the CBF helped; but volunteers remain under enormous burdens while creating and managing the locally produced output that comprises most of the station's broadcasting.

ArtSound has recently attracted significant and welcome funding support from the CBF and their support over many years for equipment upgrades and transmission expenses (although not always successful) has been highly valued. However, it is important to underscore that these



successes come at a significant cost to some stations, particularly those who lack professional grant-writing skills, or volunteer time and expertise.

While ArtSound has been fortunate to develop strong expertise in this area, and also has access to professional technology skills, we have still found it increasingly challenging to apply for and secure grants for those costs, equipment or staff considered vital to maintain continuity of broadcasting. The two round per year grant cycle often meant up to two out of twelve months preparation work was required to be set aside each year for two or more volunteers, with the possibility of nil outcome.

Also, the somewhat subjective peer assessment process used by the CBF means that a certain element of luck is involved depending on who is assigned to one's grant application, and what their skillset might be. Successive negative outcomes can be disheartening (or even devastating) for a station and can have a significant impact on the health of volunteers who feel sometimes that their efforts have been in vain. This can be especially demoralising when an applicant in critical need and with an ostensibly excellent rating falls just below the cut-off point due to a CBF funding shortfall, or when it is observed that some stations with large cash reserves are still receiving windfall pay-outs. The latter instance can arise because a station happens to fall within a different funding pool.

In ArtSound's case, it has been difficult to get salary subsidies, because essential transmission fees and operational costs have frequently been higher priorities. For example, grant funding for staff last came in 2012/13: a "one-off" CBF grant for a part time program coordinator. This enabled the launch of several programming initiatives. But that funding soon ended; that forced the appointee to resign. Earlier, in the early 2000s, even with three staff, our volunteers had to work very hard to manage day-to-day 24/7 broadcasting at the level of professionalism that ArtSound FM espouses and its listeners have come to expect.

Little by little, volunteers have assumed all responsibilities and contributed countless hours of work. In 2024, having no staff continues to unduly stress those volunteers.

Meanwhile, transmission fees and energy costs continue to rise; maintaining studio and transmission sites saps our budget. In response, ArtSound has sought to develop strategic, cost-reducing alliances with local arts organisations, including like-minded community radio stations, with limited success to date.

Sustaining funding for the community broadcasting sector would secure the ability of stations to grow and pursue their licensed responsibilities more effectively; without the constant uncertainty of viability. And if stations are unable to rely on sustained funding, all the supporter community organisations under their umbrellas will also be affected.

3. What should the funding priorities and granting streams be for the CBP from 2025 onwards?

Attracting strategic recognition and long-term resources for their operations is currently very difficult for community broadcasters. If stations secure funding at all, it is often only for one-off projects. This exerts demand and pressure on a resource base which is disproportionately small versus its potential for growth and the contribution stations could make in their communities.

Like any small business seeking to grow and thrive, community stations need to be able to demonstrate to their members, supporters and donors that they have a long-term vision and that their operations are sustainable. This can be achieved, in part, by stations having, at a minimum, baseline staffing resources (such as a paid manager/coordinator and business/



sponsorship manager), and reliable broadcast technology (with access to qualified service support). Without these prerequisites, operational cost volatility will be a constant threat, and stations' ability to grow audiences and revenue and build professional reputations will be restricted.

We therefore urge that the Department considers prioritising these as funding priorities for qualifying stations (i.e. those with low to medium income streams that can demonstrate an appropriate level of return on investment of those funds through their achievements).

Having a basic staff complement would reduce stations' risk exposure from the current excessive burden on volunteers. For example, they would better manage complex broadcast and production operations, relationships with volunteers and training. They would pursue sponsorship and philanthropic support (which is currently variable in both range and quality of provision); develop innovative services; and establish more productive arrangements with other community organisations as well as sponsors.

Also, the key to meeting both income and expenditure goals is an increase in management capacity to coordinate and oversee strategic activities. That would leverage stations' assets, volunteer effort, and community goodwill that would otherwise shrink. In short, while the volunteer cohort has demonstrated the capacity to run the station without staff, it is difficult for them to take a longer and more strategic view, due both to volunteer churn and their comparative lack of relevant experience.

In respect of broadcast technology – reliability is fundamental, as community broadcasting operations are dominated by technology. If the technology fails due to obsolescence or poor maintenance, then stations' presenters and audiences can suffer. (In this regard, community stations are no different from commercial or national stations). So, keeping the technology up to date is paramount.

When stations first secured licences, their business plans (and viability projections) assumed an ongoing strong reliance on the CBF for dependable subsidisation of any costly commercial transmission fees. Applications for grants for transmission expenses were straightforward and stations were able to plan their operations with some predictability. But the goal posts later moved and CBF transmission subsidies are now increasingly competitive and difficult to obtain as federal funding has failed to keep pace with community broadcasting's growth or even CPI increases.

This has disrupted many stations' ability to budget effectively.

ArtSound has recently been lucky to secure CBF multi-year funding for the first time to cover some of its more costly transmission and operational expenses. It has taken 24 years to get to the point where we felt we had enough confidence to mount a successful bid. It took several volunteer-months' effort to assemble an application that might have easily resulted in a nil return! For such applications to be successful, the drain on resources is enormous, and in many cases, completely unsustainable.

The situation is particularly difficult in Canberra where the only really viable main broadcast site (Telstra Tower, Black Mountain) is operated by the sole operator Broadcast Australia International, as a sub-lessee of Telstra, and where stations are licensed by ACMA to provide expensive high power coverage (20KWerp) over a relatively low population of 450,000. The topography of Canberra dictates a need for ArtSound to operate a translator at another site



within a mere 6km of Black Mountain (also owned by BAI) in order to provide quality coverage of the Canberra licence area.

ArtSound would also encourage strategies aimed at generally raising the profile of the sector. This would assist stations in refining their marketing efforts and “selling” the benefits of community broadcasting sponsorship to clients. Many small businesses, arts organisations and musicians in the ACT are struggling to survive since the pandemic – if we can help to boost their confidence with well-produced, attractive promotional and marketing tools, then that should be nurtured, with win-win advantages for both stations and clients.

It is evident that specialist arts funding bodies and those organisations that fund social policy initiatives do not yet seem to fully appreciate community broadcasting’s ideal role as a mainstream delivery platform for arts and cultural matters. Given that community broadcasting is constantly building new audiences for the arts, the arts/cultural sector should regard community broadcasting as a key potential creative partner. A large proportion of the current arts programming on community radio, for example, is funded from station’s slender core operating budgets. So, there is considerable scope for considering increased investment in the community broadcasting sector from local and federal arts and related agencies, to enhance the sector’s sustainability.

Likewise, with increased resources and support, the sector could greatly strengthen its involvement with formal or informal training of future media and arts creatives.

4. What are the advantages and/or disadvantages of:

- **the 3 grants streams under the CBP?**
- **single-organisation and single year grants versus multi-organisation and multi-year grants?**

These depend on the organisation and the circumstances; all might be options available to stations. We favour multi-year grants because they provide a better ability to plan and mitigate risk.

Multi organisation grants would work providing there is good synergy between the organisations. For example, this seems to work well for stations with religious or cultural affinities. It has also worked well for the temporary relocation of three very different Canberra stations a few years ago (Christian, Arts, Multicultural consortium).

We have proposed collaboration with a local multicultural station, suggesting possible infrastructure and staff sharing, and technology mentoring to promote economies of scale and profile-building, with some success to date. The barriers to success relate mainly to the differing strategic plans and philosophies of the organisations involved, but ArtSound believes these new paths to sustainability and resource development can be managed where there is good will. Joint bids for funding, however, are more complex.

It could be problematic if some partners were to incorrectly perceive the approach as an infringement on their “territory”, a take-over, or were disinclined to accept that which might involve a threat to their normal way of operating.

This could be the case where there is a stark disparity between the parties: For example a well-funded station with guaranteed multi-year grants and other revenues, but blessed with ageing premises and obsolete studios, versus a station struggling to make ends meet and with few cash reserves, but which enjoys well-appointed premises and quality studios and



technology. Nevertheless, there are synergies worth exploring if costs are to be contained and there are many advantages to each organisation through collaboration or co-location.

For the past two decades, ArtSound has relied on single year operational grants from both the CBF and local government sources, as well as a range of project grants for equipment upgrades and other purposes. In the past, ArtSound received larger, and more dependable, local government grant funding than it does now. Current allocations, however, are not commensurate with its responsibilities. Ideally, ArtSound would receive recurring three-year funding for operating expenses of about \$100,000 p.a. and additional allocations to allow it to hire part-time staff for marketing and operations.

ArtSound's experience demonstrates that a modest investment in a station can generate high return. A better operating balance would enable stations to plan and forecast more confidently, to manage risk more effectively, and to identify new opportunities.

Greater transparency in how CBF grants are evaluated, and flexibility with how CBF grants can be used within a station to assist in opening new funding streams, are also desirable.

- **the consortium model, co-location, sharing infrastructure and network content?**

We strongly support this concept where it makes most sense. ArtSound already has in place effective technical cooperation with several other stations. It has also initiated dialogue with other stations with a view to containing administrative costs and developing new multimedia concepts, although this can be more complicated.

This could lead to some significant advantages, e.g. sharing of expertise, practice and models of working in and through the arts, joint/strategic bids for funding, sharing of content, syndication of programmes, and a stronger voice for the sector locally. In addition, new approaches to resource development and sustainability might include co-production agreements and joint content projects.

- **sector-coordinated initiatives to assist with governance, strategic and business planning?**

ArtSound would welcome the above, although direct funding of managerial staff training and salary subsidies would be considered a more immediate need.

Good business and fundraising models need to be shared more widely to give less established stations ideas, support and a greater chance of success.

- **Which quantitative and/or qualitative outcomes should the framework consider?**

Stations should be able to demonstrate that they have met a reasonable threshold level of outcomes as a return on any investment made. This should not be an onerous process, but rather an undertaking that stations apply funds for the purposes intended.

Stations should also be prepared to demonstrate what they have achieved with the funding allocated and that it is reasonable. This might be considered in lieu of licence renewals as discussed below.

- **How can services be supported to collect and report on data?**

CBAA should offer audience survey data to stations without charge, as part of their membership benefits. Paying for surveys is a challenge for the organisation in our current state, yet these results are sorely needed to demonstrate the effectiveness of our operation, for grants, patronage, sponsorship and community assistance.



- **What are the impacts of current licensing conditions on your organisation's sustainability?**

We would support providing ACMA with the discretion to automatically renew licences for community radio stations on a 5 year to 5 year basis, where it is satisfied the station has continued to meet its licence conditions and has demonstrated local community achievements and programming undertakings.

Stations incur major capital costs when investing in their studio and transmission infrastructure, not to mention long-term (up to 15 year) contracts with transmission providers, and apart from the onerous bureaucratic documentation process imposed on volunteer Boards and staff, 5 year licence terms put an unnecessary risk on stations anxious to sign sponsors who want evidence of longevity.

5. **What are the advantages and/or disadvantages of:**

- **introducing community participation tiers for remote, rural, regional and metropolitan services?**

ArtSound feels that different levels of community participation might be difficult to prescribe or judge, due to its subjectiveness. What constitutes community participation encompassing information, consultation, collaboration and empowerment in Bourke is not the same as in Canberra. It just depends on the synergy a station has with its local community, and stations can be distinctively different due to historical, organisational, financial and technical reasons.

In addition, Canberra and the ACT would be particularly unfairly disadvantaged by this system. We would be up against metropolitan stations with bigger listener pools, and sponsors and patrons with deeper pockets. We also have a strong regional footprint for our broadcast service, and this would have to be factored in.

- **including social media reach and listener data as part of community participation?**

Listener data can be applied to broadcast services, but online streaming is more difficult to measure. We support any endeavours in this space as long as we are not required to fund it!

We would be pleased if the survey data contracted by the CBAA, (and we assume paid for by the CBF) could be made available gratis to stations like the music recognition service, rather than CBAA treating this vital information as another revenue source. We consider the information to be very useful for the purposes of attracting sponsors and generating volunteer "buy-in".

- **introducing fixed-term programs to train and retain paid staff in the sector?**

We welcome this idea. This would reduce stations' risk exposure from the current excessive burden on volunteers. For example, there is a dearth of technology knowledgeable personnel in the sector and many stations rely on the good will of volunteers (many of them seniors) to maintain their infrastructure. Community radio is a technology reliant business, and the technology is advancing rapidly. There are promising plans within the Technorama organisation, in collaboration with the CMTO, to support stations with technology training and this needs to be properly funded.

In practice, we recommend the idea of technologists-in-residence, mentoring programs or shared apprenticed technical staff being assigned to stations so that knowledge transfer can take place effectively. ArtSound has taken steps to support technology succession through collaboration with another station, 1CMS – technical personnel are shared between these stations so that on the job training can occur.



Similarly, there needs to be training of operational and managerial staff as these roles appear to have a much greater churn factor than technical staff.

- **the current sponsorship limit and/or process?**

On-air sponsorship (advertising) is the largest potential income category for most community radio licensees. ArtSound currently charges \$1 per second for 10-30 second spots. If we generate 1 minute per hour for 8 hours, we would generate \$480 per day, or \$175,200 p.a. That is much more than we can currently generate, due to lack of personnel to pursue and keep track of sponsorship opportunities and contracts.

Many established stations have struggled for years to develop sustainable business models and the sector has seen revenue decline, due in part to a shortfall in available grant income. But will commercial sponsorship save the day?

The danger in increasing the sponsorship limit is that some stations with already large proportions of commercially sourced revenue could become even more commercialised. Moreover, with an increasing reliance on commercial income, there is a real danger of sponsors unduly influencing the programming of a community radio station which could have a negative impact on the station's licence/community obligations, not to mention its independence and vibrancy.

ArtSound believes that it is important to safeguard the non-profit character of the sector. The important thing is to strike a careful balance depending on individual stations' circumstances and business models. Seeking commercial advertising revenue beyond a sensible limit should not become the norm for, or expectation of, a community radio station. Indeed, some stations find it anathema to entertain commercial sponsorship at all.

ArtSound is content to retain the 5 minute/hr restriction on sponsorship content at present. Its viability would be assured even if we had the resources to be able to manage the sale of 3 of those 5 minutes! An increasing reliance on harder to come by sponsorship revenue puts immense strain on station volunteers who may have insufficient skills to go hustle advertisers. And those stations who can afford to devote sales staff to the task incur even higher costs in doing so, creating further budget pressures. It also adds to programming intrusiveness with the consequent risk of negative audience feedback or turn-offs. Having to generate sponsorship revenue means that stations are diverted from developing and sustaining their community engagement activities.

ArtSound would advocate increased promotion of philanthropic support for community broadcasting stations. Philanthropy is not easily come by, especially in a place like Canberra. If funds from this source were more readily available, community stations would not be required to devote so many volunteer hours towards negotiating, producing and airing sponsorship announcements and some of the regulatory concerns associated with sponsorship might be reduced. The U.S. public radio underwriting model (program support rather than spot-advertising) is a possible model. This needs to be handled carefully though, so that stations do not end up in competition with sector bodies such as the CBF or CBAA.



6. Concluding comment

We note that there are many funding disparities at present in the sector. For example, the specialised pools of large funding allocated to multicultural, First Nations, and print handicapped categories are not available to stations outside these categories (such as ArtSound) that provide a 24/7 commitment to local music and the arts.

Disappointingly, current local government arts funding in the ACT falls short of recognising community radio's role as a legitimate artform or purveyor of the arts. Moreover, the arts frequently do not qualify for grants/philanthropy aimed at supporting disability, social welfare, sport or youth development.

Yet it is worth noting that arts-oriented stations generally aspire to produce the more complex programming such as radio drama, documentaries and features, poetry, literary works, experimental audio, and live recordings or outside broadcasts of concerts and festivals. These programming activities are resource intensive, depend on a consistent skills base and can be difficult to obtain sustainable, ongoing funding to ensure their success.

Consequently, we frequently turn to the CBF as the "go to" funding source for key elements of our station's operations. It is important that these valuable CBF funds are enhanced and made available on a more equitable basis within the sector if sustainability across the board is to have any chance of success.

29 August 2024