

National Ethnic and Multicultural Community Broadcasters' Council (NEMBC) response to the CBF Structure and Governance Review Consultation Paper

The Community Broadcasting Foundation (CBF) released a 'Consultation Paper' on the 11 June 2015. The CBF's Paper presents a new model on how funding will be administered and managed, it is a significant reform. Written responses were requested by the 23 July 2015 and the NEMBC's response is below.

1. The proposed new model of operation is a radical change and complete departure from what we know as the CBF. It changes the CBF from an agency that *administers* funds to one that *determines* what happens to those funds.
2. The NEMBC realises the present system can have improvements but the CBF's proposed new model represents the very opposite of the values of the community broadcasting principles of access, participation and democracy.
3. In 2014 the NEMBC expressed deep concerns - as did many others - to the Nous Report, we were told by the CBF not to be concerned because it was 'a report from an independent organisation, not the views of the CBF'.
4. We are disappointed that the CBF has agreed to the majority of what was contained in last year's Nous Report. Once again, no options are provided; just a single model which we are supposed to make comment on: a model that does away with the present GAC system of representation and puts in place a self-appointing board that can choose the rest of the organisation.
5. Granted there are some differences to the Nous Report such as: CBAA can nominate the president; powers that were proposed for CBF Secretariat are shifted to the Sector Investment GAC, and; the CBF requires more research on 'Social Return on Investment' outcomes.
6. However the CBF's new model is the Nous Report re-tweaked; fundamentally it's the same radical change especially for the ethnic community broadcasting sector.
7. The new model will create a board and organisation that will become self-perpetuating and there are many risks associated with such a system.
8. Alienation is a common problem for a self-perpetuating board, especially when it sits in a highly diverse and political environment. The board and organisation may come to be unrepresentative of the constituency or community the organization serves and continue to select new members who are just like them. Organisations have been known to become complacent without the scrutiny of the broader constituency or "have been too lax in their oversight of their CEOs or even the behaviour of their fellow board members, with disastrous results for the organization¹."
9. The CBF's new model would set itself apart from the community broadcasting sector and it would put itself in a situation where it could be continually at risk. Imagine in the future if a number of peak-bodies and stations were in opposition to the CBF approach, and there was no institutional framework in place for the sector to support the CBF.

¹ *Non-Profit Management Principles and Practise, Michael J Worth, Second Edition 2012, Sage Publications, page 78.*

10. What is further astonishing is the CBF plans to go ahead with such lightning speed, after just six weeks of 'consultation'. The consultation period has been more about the CBF pushing a desired outcome than seeking genuine consultation. The CBF website states that a decision will be made by 21 August and 'the new model will be finalised with a view to implementation from the 2016/17 financial year.'
11. This type of massive change needs to be carefully considered by the community broadcasting sector and cannot be implemented when there is such strong dissent. The only way to do this is through a longer consultation process that includes discussion at sector conferences.
12. For such an important decision the sector should expect a one year consultation process that aims at meaningful dialogue. The CBF have had just under a year to consider the Nous Report. The six weeks provided does not allow enough time for radio stations' boards, nor broadcasters to discuss it and provide informed input. The sector peak bodies meet quarterly and the NEMBC board has not had the opportunity to discuss it at their board meeting.
13. The community broadcasting sector has always been slow and considered in its approach because it values meaningful input in recognition of its community based approach. It is saddening to see the CBF using a process that seeks a quick response rather than genuine consultation. The consultation process has been more akin to a corporate approach seeking a certain outcome.
14. By implementing radical change without adequate consultation, the CBF will risk alienating important groups within the community broadcasting sector. A key strength of the sector is the trust and co-operation that has been built up between stations and broadcasters with diverse needs and interests, represented by their sector peak bodies, and the CBF. The risk that the new model could fracture the community broadcasting sector is a real concern.
15. The NEMBC offered an option for a new model however this was not considered or presented for discussion. We offered a way forward which includes a combination of the new and the old, a composite model as follows in brief:
- A Composite Model: combining the old and the new. The four original GACs would maintain their seats on the Board. Community Television could also have a seat². The CBAA would continue to nominate the CBF President. Two to four Board members would be appointed based on other skills and experience needed on the board, making a total of eight to ten.
16. The CBFs Constitution already allows for flexibility to develop and evolve without betraying the principles on which the CBF was established and remains accountable to the community broadcasting sector.

² Depending on what happens with Community Television, they could also be considered a part of a 'skills matrix' to be appointed to the board.

17. The present community broadcasting structure has stood the test of time and is well respected for being ethical, transparent and representative. This is acknowledged by government, the community broadcasting sector and radio broadcasters.
18. This participatory and bottom-up approach, with elections and AGMs to the national representative peak bodies, all flow into the CBF, and thus provide the CBF a meaningful and representative role within the community broadcasting sector. This structure that has grown from a grassroots volunteer base is exceptional; in fact, it's unique in the world.
19. The CBF seeks to overturn this unique system because it sees the present system as problematic. It states, "there has been too much administration and not enough impact".
20. The impact of community broadcasting in Australia has been extraordinary. The ethnic community broadcasting sector has had a tremendous influence on policies around immigration and cultural diversity, as well as on public perception of migrant communities by providing a visible example of multiculturalism in action.
21. What's remarkable about Australia's community broadcasting sector is its structure as well as its achievements, because the structure both enables and reflects the diversity of the sector. The CBF's role should be to facilitate the impact that community broadcasters make; by administering funds, rather than to direct the sector by deciding its objectives.

The Proposed New Model Lacks Detail

22. The CBF Consultation Paper is lacking in detail and analysis in many areas, including the following:
23. Of most concern to the NEMBC is the consolidation of the ethnic funds into one allocation and the Ethnic Program Grants will no longer be applied. On the 2 August 2015 the CBF attending a meeting with ethnic broadcasters Presidents and Mangers from full-time ethnic stations at the NEMBC office. At this meeting it was clear that guidelines are yet to be developed to show how the funds will be distributed. We consider it essential that these guidelines be developed before any new model can be accepted.
24. At the 2 August meeting the CBF made it clear that radio stations are the key essential ingredient in terms of the new model. Whilst the NEMBC recognises the stations are fundamental to the sector the efforts undertaken by the peak-bodies have been given very little recognition in what they have provided the sector. The new model tends to treat the peak-bodies the same as a radio station and there is scant recognition in the new model of the value that is added by the peak sector bodies. Similarly there is very little in the proposed new model of how the peak body's will be involved and consulted in the reforms.
25. The CBF paper proposes that the composition of the Assessor Pool and Advisory Committees will be determined by a skills matrix and diversity policy but little detail has been given. While the Nour Group suggested a set composition (14 general, 10 ethnic, 10 RPH and 10 Indigenous sector representatives for the assessor pools, and half of those

numbers for the assessor panels), the CBF paper has made no commitment to any representation of ethnic, Indigenous and RPH sectors.

26. An open nomination process with endorsements from stations and peak bodies could result in hundreds of candidates, essentially allowing the CBF board to appoint the assessors and committees without checks and balances.
27. No process is given for how the Sector Investment Advisory Committee (SIAC) will consult with the sector to decide funding priorities. The sole element of 'peer review' is that a majority of Sector Investment Advisory Committee (SIAC) members will be community broadcasters, but they will be appointed by the CBF Board (either directly or via the new GACs) and will not represent the sector or its four core components. This means broad strategies and budgets for each GAC will be set without sector peak bodies having a voice.
28. No reason is given for why the four original GACs need to be changed. The paper identifies democratic processes and the involvement of sector peak bodies as a 'risk' and 'weakness' rather than strength. The value of ensuring the representation of the four core components of community broadcasting, and the principle of arms-length funding, is not recognised.
29. Currently Ethnic Grants for content development are tied to clear, material outcomes (distributed based on each hour of content produced) as well as community priorities (new and emerging communities, regional and rural stations, and supporting new programs). The CBF paper alleges the current model is 'arbitrary' and 'lacks transparency' but state what outcomes a new structure would produce other than the huge burden of administration put on stations if they have to break down the production costs of every ethnic program.

Ethnic Community Broadcasting: Losing its Voice?

30. The NEMBC and the ethnic community broadcasting sector have lobbied hard for funding for at least 30 years, and is a major stakeholder in the government funding provided to the ethnic sector through the CBF. If the ethnic sector's national representative peak-body loses its voice and no longer has involvement, the NEMBC will be forced to seek funds directly from the present government and bypass the CBF.
31. The new model proposed by the CBF gives it the opportunity to become a 'sector shaper' or even a strong 'facilitator' (as was proposed in the Nous Report). If adopted on the 21 August 2015 this new model will fracture the community broadcasting sector and undermine the very unique establishment of the community sector. The NEMBC would see no alternative but to oppose the move and will do so in the strongest possible way. Support for such a move will be sought from the ethnic community broadcasting sector and the larger multicultural sector.

32. As mentioned last year in the response to the Nous Group report:

‘The NEMBC would prefer not to take this approach. The present Federal Government is consolidating its finances and cutting administration, and the CBF is one of those bodies. We do not want to be forced into a campaign, with potential risks that may incur. We would prefer the CBF continue with the job of administering funds and give up the idea that it can manage and create the future for the community broadcasting sector.’

‘The NEMBC recognises there should be some changes to the CBF, but we do not want to use the Nous Group’s recommendations as a basis. Their recommendations are too extreme, and we do not want to work back from this extreme position.’

NEMBC Response to the Key Questions

An overall comment on the key questions: These questions are very subjective and favour the CBF’s proposed model; they are at times misleading.

1) Should the Australian Government funding allocations for the support of community broadcasting be consolidated and simplified as described in order to provide more flexibility in the use of funds?

NEMBC RESPONSE: NO, especially not the ethnic funding. Any more ‘flexibility’ with funding should come from additional funding, sought from government or from the CBF’s attempts through philanthropic funding.

2) Should the CBF continue to develop other funding sources for current and long-term sector benefit?

NEMBC RESPONSE: The CBF have never got funding for the sector so it is not clear how it can ‘continue to develop other funding sources’. Funding for the sector has been achieved from lobbying by the national peak bodies.

The CBF could attempt to get philanthropic funding — once it receives DGR status — but it should do so in consultation with the sector so that there is not a competition on funding that conflict with stations or peak-bodies.

Grant Categories & Funding Distribution

3) Should the CBF consolidate and simplify its grant categories to the two broad categories of Content and Development Grants in order to provide a less prescriptive funding process that allows applicants to seek support for their funding needs and priorities more directly?

NEMBC RESPONSE: NO. Ethnic funding should not be consolidated into a ‘broad categories’. The present funding arrangements for ethnic funding should remain as it is.

This is one of the examples of a misleading question, where it implies that ‘consolidating and simplifying’ will be better and will meet ‘funding needs and priorities more directly’ —

when in fact it will become more complicated and more competitive for ethnic broadcasters.

4) Should the CBF seek to strengthen sector sustainability and resilience through a greater emphasis on station and sector development?

NEMBC RESPONSE: NO. This is not the role of the CBF to be making these sorts of decisions. Sector development is made through an existing process with stations and peak-bodies. The role of the CBF is to administer funds.

The NEMBC met with the CBF on the 2 August and the CBF made it clear that radio stations are the key essential ingredient in terms of the new model. Whilst the NEMBC recognises the stations are fundamental to the sector the efforts undertaken by the peak-bodies have been given very little recognition in what they have provided the sector. The new model tends to treat the peak-bodies the same as a radio station and there is scant recognition in the new model of the value that is added by the peak sector bodies. Similarly there is very little in the proposed new model of how the peak body's will be involved and consulted in the reforms.

5) Should the CBF offer multi-year grant agreements to assist stations and sector organisations to plan and achieve their development more effectively?

NEMBC RESPONSE: The NEMBC believes that this is already in process with the department. There is no objection if this just means having three year contract arrangements. However they should be made under the present arrangements and not with the CBF proposed model.

6) Should the CBF introduce a more transparent approach to funding specialist Indigenous and Ethnic programming based on actual content production and related service support costs rather than the current variable hourly rates derived by dividing the funds available between all eligible program hours?

NEMBC RESPONSE: Definitely NOT. The present system should be maintained as it provides a proven success. This question is subjective and misleading in its approach, implying that there is something wrong with the present system that makes it not 'transparent'.

7) Should the CBF broaden eligibility to include independent, incorporated, not-for-profit organisations producing content for community broadcasters?

NEMBC RESPONSE: The NEMBC is not against seeking funding for these areas. However the present funding should not be cannibalised, the present system for ethnic funding should remain primarily for ethnic community broadcasting. New funding could be sought for these areas.

Grants Advisory Committees (GACs) & Grant Assessment

8) *Should the CBF adopt an open nomination process for appointment of the assessor pool, Grants Advisory Committees and the majority of the Sector Investment Advisory Committee?*

NEMBC RESPONSE: NO. The NEMBC does not agree with the CBF's proposed model, as explained above.

9) *Should a skills matrix and diversity policy form the basis for determining the composition of the peer-based assessor pool and Advisory Committees?*

NEMBC RESPONSE: NO. The NEMBC does not agree with the CBF's proposed model, as explained above.

10) *Should the CBF facilitate more efficient and strategic use of sector coordination and sector project funding allocations by bringing them under a single Sector Investment Advisory Committee rather than separate advisory committees?*

NEMBC RESPONSE: NO. The NEMBC does not agree with the CBF's proposed model, as explained above.

11) *Should the CBF consolidate its funding opportunities into a set bi-annual schedule to allow applicants to better plan and allocate time to prepare their applications?*

NEMBC RESPONSE: No comment.

Board

12) *Should the CBF Board be appointed against a skills matrix and diversity policy?*

NEMBC RESPONSE: NO. The NEMBC does not agree with the CBF's proposed model, as explained above.

13) *Should the composition of the CBF Board ensure that a majority of Board positions remain peer-based through nominations from stations and sector organisations?*

NEMBC RESPONSE: The CBF constitution should not be changed and the 'original GACs' should remain. The NEMBC has offered this model as a way forward.

- A Composite Model: combining the old and the new. The main GACs maintaining their seat on the board and include CTV and have two to four skills based members; that's 7 to 9 members and a President would be 10. Or choose a vice president from the existing members or elect another Vice President.

14) *Should the composition of the CBF Board also allow three independent positions to be appointed from outside the sector to maximise access to the skills and qualities required for optimum governance and enhance funding providers' confidence in the Foundation?*

NEMBC RESPONSE: The NEMBC proposed model would allow for this:

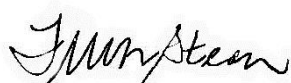
- A Composite Model: combining the old and the new. The four original GACs would maintain their seats on the Board. Community Television could also have a seat³. The CBAA would continue to nominate the CBF President. Two to four Board members would be appointed based on other skills and experience needed on the board, making a total of eight to ten.

There is no need to change the present constitution.

15) *Should the CBF undertake or commission research into the relevance and value of outcomes-based reporting to the CBF, funders and the community broadcasting sector?*

NEMBC RESPONSE: The CBF should hold further discussions with the peak bodies to discuss this before moving ahead, for example at the Roundtable meeting and meaningful discussion with all peak-bodies.

Sincerely,



Dr Tangi Steen
NEMBC President



Nick Dmyterko
NEMBC Vice president

4 August 2015

³ Depending on what happens with Community Television, they could also be considered a part of a 'skills matrix' to be appointed to the board.