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A Balancing Act: Entrepreneurship in Community Media

Saba El-Ghul

Abstract

The community radio sector is experiencing a time of rapid growth in Australia. While community broadcasting participants generally welcome the sector's growth, they have expressed concern over the lack of proportionate funding increase from the Federal government. The key issue is the need to find ways to enhance community radio's sources of funding without imperilling its status as a not-for-profit sector, and as one main option, the deregulation of sponsorship time presently limited to five minutes per hour may enhance income generation for community radio. This paper argues that there is no inherent conflict between entrepreneurial principles and not-for-profit principles.

It is not easy to predict a future for community radio in Australia, yet based on the difficulties the sector is currently experiencing, it is possible to acknowledge the threats that lie ahead for community radio and the need for new strategies to be adopted in order for community radio stations to survive and perhaps flourish.

The community radio sector as a whole is an important cultural resource for the Australian community. It fulfils a broad but largely unacknowledged role in the Australian mediascape, particularly as a source of local content. In recent years independent research by Roy Morgan Pty. Ltd. showed that the national community radio listener base had grown to almost eight percent of the population over the age of 14 (CB Online). More recent research reinforces these tentative findings (see Spurgeon and McCarthy; and Meadows et. al. in this issue). This is suggestive of a growing appreciation of the value of the diverse and specialised programming the sector provides.

However, the main issue affecting the sector is the decrease of government financial support through the Community Broadcasting Foundation (CBF) for existing community radio stations. Core funding levels per station have declined by 36 percent in recent years as a direct result of increase in the number of licensed stations (Forde et al 2002). During the 2001/2002 financial year, the CBF made 479 grants to 193 stations, which added up to just over five million AUD. Funding is not difficult to obtain, but most CBF grants are relatively small and are devoted to specific purposes. According to the CBF's estimates, government funding currently represents less than eight percent of the total revenue of the community broadcasting sector (Martin 2002). This small percentage of government funding is often distributed as seed funding, where grants are directed to newly licensed stations to assist them in the foundation stage. As more stations are licensed the amount of funding per station decreases. The current expansion rate for the sector is around ten percent per year and it is estimated that there will be 300 licensed community stations by 2005 (Price-Davies and Tacchi 2001) from a current 276 permanently licensed radio stations (Our Stations).

While community broadcasting participants generally welcome the sector's growth and the availability of new licences, they have expressed concern over the lack of proportionate funding increase from the Federal government. The increase in newly licensed community radio stations has resulted in a decrease of government funding per station. The issue, therefore, is the absence of financial security for community radio.

This issue may be addressed through increased government funding to the sector, although this is not a likely scenario as the full cost of government support for the sector is yet to be costed. According to the Productivity Commission *Broadcasting Inquiry Report*, released in April 2000, there is a need for a detailed study into costs of the community sector in the future, in addition to the necessity of focusing on the social and economic effects. The Commission states that ‘the major cost to the general community of community broadcasting is the opportunity cost of the spectrum they use. Community broadcasters receive “free” access to scarce radiofrequency spectrum and thus exclude other potential broadcasters’ (Productivity Commission 2000). Consequently, recommendation 6.7 of the report stipulates that ‘the value of broadcasting services bands spectrum reserved for non-commercial broadcasting services should be estimated and reported publicly’ (Productivity Commission 2000).

In light of this recommendation, the sector is compelled to develop or explore alternative sources of funding as uncertain times lie ahead for community radio. Some stations are already showing a tendency towards operating in a more entrepreneurial manner in order to obtain the necessary funds. This trend is causing some division within the sector. The future path of community radio is divided between those who support the move in the direction of commercialism and others who are firmly against it on the grounds that ‘stations cannot be seen to be *too* successful – to attract large levels of sponsorship would challenge that station’s “not for profit” status, and negatively impact on commercial radio’s market share’ (Forde et al 2002: 96). This division was echoed in the cases outlined in this research, where most respondents admit that there is a strong and contested, but necessary, push within the sector towards commercialisation.

Mark Lyons states distinctive characteristics of third sector organisations to include: centrality of values, reliance on volunteers, difficulty in judging performance and complexity of revenue generation (Lyons 2001). These characteristics are especially evident in community radio in Australia. It is necessary to highlight that with non-profit organisations, revenue is reinvested back into the organisation whereas with for-profits, revenue is distributed to shareholders and this is what makes the operation commercial. Therefore this research suggests that as long as all revenue earned is invested back into the station, then there should be no government-imposed limits on income generation for community radio. This lifting of restrictions does not mean that community radio stations are operating in a commercial manner, but rather in an entrepreneurial manner. There is a fine distinction between the two categories of non-profit organisations: ‘welfare’ not-for-profit which are charity based organisations such as World Vision, and entrepreneurial not-for-profit such as community radio.

This study suggests that the deregulation of sponsorship time presently limited to five minutes per hour for radio may enhance income generation for community radio. Community broadcasters are permitted to broadcast sponsorship announcements that run in total of not more than five minutes in any hour of broadcasting. The five-minute time limit applies to any hour of broadcasting and includes all sound elements of the sponsorship, including the music bed. Deregulation of sponsorship time is not a violation of the ethos of community radio nor does it contradict the mission of community radio. While this may

conflict with current licensing regulations, I argue that regulations should be changed to ensure a secure future for community radio without jeopardising its ethos.

Many international examples show that the elimination of restrictions on sponsorship is common and is being successfully applied. Many of these models suggest that the framework within which community radio now operates in Australia is unnecessarily restrictive. Canada has acknowledged the importance of community radio since the early 1970s and consequently has a well-developed model for community radio. There are currently around 65 licensed community radio stations in Canada. Community stations are operated by non-profit organisations and rely heavily on volunteers for programming and other station operations. In the early years of community radio in Canada only restricted advertising was allowed. The Canadian Radio-television and Telecommunications Commission (CRTC) has since eliminated all restrictions on the amount of advertising broadcast by community stations, which are categorised as Type B stations. According to the CRTC (Community Radio Policy 2002) the Commission:

continues to believe that if Type B community stations are to fulfil their intended role and mandate, they must have adequate, more secure and consistent revenue streams to enable better planning. The Commission also believes that placing limits on advertising is not the most effective way to guarantee that community stations offer programming that differs in style and substance from that provided by other types of stations. The Commission considers that simple and effective programming requirements will achieve this objective.

This paper works towards the conclusion that extra private funding and the non-profit community radio station ethos can exist side by side. The scope of the research does not suggest that unlimited sponsorship arrangements will not result in more commercially-oriented stations. It only makes the argument that the non-profit community ethos and mission mitigate against this by extra sponsorship that can enhance community broadcasting and this is deserving of serious consideration.

The particular cases used in this study were selected because of their capacity to clearly illustrate specific financial issues that are less distinctive but nevertheless common to many other stations in the sector. The exclusion of other possible examples was a necessary limit to this study, for resource research reasons. Australian community radio stations discussed are situated in Melbourne and the Gold Coast, this is due to ensuring the geographic diversity of stations and the demographic diversity of their audiences is represented. The stations analysed are Radio Metro on the Gold Coast and PBS in Melbourne.

The case studies are based on a range of information sources, such as government reports, academic analysis, including interviews with key personnel. The questions asked during interviews were related to general information about the stations, sources of funding, financial issues facing the stations and ideal solutions to these issues according to management. These aimed to gain a realistic and practical understanding of financial issues in the field, and were accordingly used in the study to reflect the problems, solutions and desires in the sector on a workable level. Organisations such as the CBF, the Community Broadcasting Association of Australia (CBAA) and the National Ethnic and Multicultural

Broadcasters' Council (NEMBC) were also interviewed for this research for the purpose of including the views of policy makers in the area, thus providing multiperspectival insights.

Community radio in Australia has three main sources of income: government funding, sponsorship and subscription. The CBAA estimates that government funding makes up between seven to ten percent of the sector's total operating revenue, sponsorship makes up 46 percent of the sector's income, whereas subscriptions make up around 20 percent (CBAA Handbook). Each source will be addressed separately in this paper.

Government Funding

Although government funding makes up the lowest of the three main sources of overall income for community radio, the sector is highly reliant on this source for seed funding. Additionally there are some stations for which the main source of recurrent income is government funding.

Government grants are distributed to community radio stations in Australia through the CBF. The Community Broadcasting Foundation Ltd was established in 1984 as an independent and non-profit funding body following widespread consultation with community broadcasters and the government. The primary aim of the organisation is to act as a funding agency for the development of community broadcasting in Australia.

The CBF receives an annual grant from the Department of Communications, Information Technology and the Arts (DCITA), and a smaller grant from the Aboriginal and Torres Strait Islander Commission. It is independent from the government and from the community broadcasting organisations that it funds.

The CBF, however, also faces many challenges in its role within the community broadcasting sector. The CBF constantly faces tension in deciding whether to spend allocated money on securing additional funds or to distribute to the sector, as every dollar spent and operated in the foundation is a dollar that is not made available for distribution to the sector. The foundation also tries to balance all interest groups and ensure that all funding received reaches the appropriate levels of support, as the sector is not monolithic. The CBF tries to balance a common sense of funding priorities and consequently achieve a common course of action (Stanistreet 2003).

President (1999-2003) of the CBAA, David Melzer, says that 'it is important to note that community broadcasting is not government broadcasting, even though it provides valuable services. While community broadcasting cannot expect ongoing funding - only 10% of national annual revenue for the sector comes from the government and [it] is an important source of seeding funds' (Melzer 2002). The CBF makes sure that when a community radio station is licensed, seed funding is made available immediately to get it started. 'This would mean that as more and more stations are being established, some of the ongoing support has had to be decreased as more of the financing goes to seed funding' (Martin 2002). Yet most newly licensed community stations complain of the lack of government financial assistance.

President of the CBF, John Martin, points out that government financial support for the sector has always been a small part of community radio's income. He believes that due to the thin spread of financial support for community radio, there is pressure on the community

broadcasting sector to find revenue elsewhere. Martin states that 'the CBF believes that the sector is at a crossroads in its development. The contribution the sector currently makes, and the potential it has to broaden its value to Australian society, is threatened by a lack of adequate resources to meet the challenges of rapid expansion and balanced development' (CBF Annual Report 2000: 2).

The level of government funding provided to the CBF in 2000/2001 for disbursement to the community broadcasting sector amounted to \$5.462 million. In addition to \$3.313 million for ongoing funding, \$0.973 million was provided for the funding of special projects (CBF Annual Report 2000). Funding to permanently licensed stations from DCITA for the 2002/2003 financial year is around \$5.28 million (Forde et al 2002). Core funding levels per station have declined by 36 percent over the past years as a direct result of increase in the number of licensed stations by 60 percent (Forde et al 2002).

Current funding arrangements for community radio in Australia are therefore barely sustainable. The key issue addressed in this research is the need to find alternative ways to enhance community radio's sources of income without imperilling its status as a not-for-profit sector.

Sponsorship

Sponsorship is a paid announcement that broadcasts a business name and service. The *Broadcasting Services Act* stipulates that a community radio station shall not broadcast advertisements. Therefore, the modifications that distinguish a sponsorship announcement from an advertisement are crucial to the differences between community and commercial broadcasting. The *Broadcasting Services Act*, 1992, defines a sponsorship as 'a sponsorship announcement that acknowledges financial support by a person of the licensee or of a program broadcast on the service provided under the licence, whether or not the announcement: (i) specifies the name and address of, and a description of the general nature of any business or undertaking carried on by the person; or (ii) promotes activities, events, products, services or programs of the person' (Part 1 Schedule 2).

Community service announcements are defined in The *Act* as an announcement for which no payment is made, either in cash or in kind. Many stations offer free broadcast of community service announcements because the station wants to support the cause or initiative. If a station receives payment, in cash or in kind, from a non-profit or community-based organisation, the announcement must be handled as a sponsorship announcement. It should also be noted that a 'community notice board' segment, where individuals or organisations are required to pay for the broadcast of a message, is treated as a sponsorship announcement.

In January 2000, sponsorship time limit was amended from four minutes to five minutes following representations to the Productivity Commission's Broadcasting Inquiry. In May 1999, the CBAA issued a report entitled *Review of Broadcasting Legislation* to the Productivity Commission where it stated that '[i]n line with the decline in government funding across many community activities, rather than increase grant funds other than for specific tied projects the Government chose to signal its preference for the future by promising to raise the statutory limit for on-air sponsorship from four minutes in the hour to five' (Community

Broadcasting Association of Australia 1999: 10). This recommendation was followed up with legislative amendments in the next year.

Radio Metro is an example of a community radio station that would like to see an increase of sponsorship time. It focuses on the selling of sponsorship announcements, as it does not receive government funding. The station has adopted an open door policy towards sponsors, and as a result has been faced with complaints from commercial stations.

Radio Metro is situated on the Gold Coast and broadcasts from the heart of Surfers Paradise. It has been operating under a full-time licence since 2001. Prior to that, Radio Metro held a temporary licence for five years. Radio Metro is a youth community radio station that targets listeners ranging from 12 to 29 years old. This age bracket had not been previously targeted by radio services in the Gold Coast.

Radio Metro started broadcasting from a shed in Nerang as Hott FM. Hott FM first appeared on the airwaves in July 1995. Its Temporary Community Broadcast Licence (TCBL) only allowed the station to operate for three months over one year, therefore for the first three years of activity the broadcasts went to air on weekends with a mono signal thereby spreading its licensed time. September 1997 brought a change in management and a move to Bundall, a suburb on the Gold Coast. Another breakthrough occurred at the end of 1997 when the Australian Broadcasting Authority (ABA) granted Hott FM a full-time temporary broadcast permit for a period of six months. The station was monitored for that period and their licence was accordingly subject to renewal.

Sponsorship from local businesses provided the funds for the expansion Radio Metro was undergoing. The local business community was rallying around Hott FM as it was an opportunity for them to also be exposed. For example record companies contacted the station, offering a foot in the door with the latest music. This is a fine example of how '[i]n line with the sector's commitment to local businesses, more than 80 percent of sponsorship across the sector comes from organisations in the licensed or local area... This is a fair indication of the productive reciprocal relationship that exists between local businesses, organisations and local radio' (Forde et al 2002: 100).

Hott FM later moved to Cavill Mall in Surfers Paradise, and was granted a full-time permanent licence at this time and also became Radio Metro. This name change was necessary as Hott FM was already being used by another station in Australia at the time. The station has recently moved to new premises on a five-year lease. Radio Metro considers itself a stepping-stone for anyone who has aspirations in media, in particular those who would want to work in commercial radio. The station trains the volunteers and ultimately assists them in applying for jobs in the commercial sector. This, in itself, has been a growing phenomenon.

Radio Metro is in need of capital expenditure to fulfil needed projects in the future. The next project is a technical requirement that is a licence condition: the station needs to address is the issue of its six-year-old transmitter which has had no maintenance or rest and is starting to deteriorate. The station is currently in the process of raising funds for a new transmitter, which costs in excess of \$100,000. As a condition of its permanent licence, Radio Metro is required by the ABA to increase its signal to a certain level after a year. The management is

currently requesting an extension from the ABA to give the station more time to raise funds for maintenance work on the station's transmitter which is necessary in order to meet this licence condition.

The station makes sure it uses up the full five-minute sponsorship time per hour. This is achieved by filling up the five minutes with 'bonus spots', which is sponsorship airtime that has not been sold and that is, as a result, given to the best sponsorship customers. This keeps the clients satisfied and is a good way of ensuring business. Ideally, the station would want to sell the whole five minutes of sponsorship time.

Sponsorship is sold in \$69 packages. For this sponsors get two sponsorship announcements per day for a week as well as bonus spots depending on the bookings. The only condition that accompanies this package is that the sponsor must sign up for a minimum of three months. This deal is mainly aimed at smaller local businesses that do not have the commercial budget needed for advertising.

According to station management, the five-minute sponsorship time bracket is a matter of familiarisation for the listener, as the listener is acquainted with only hearing five minutes of sponsorship an hour. Management believes that if the listener were given more sponsorship time to listen to per hour, then the listener would become used to it. On the other hand, for the station, the five-minute sponsorship limit attracts sponsors because the sponsor has less competition with others. In spite of all this, if Radio Metro had the option of increasing sponsorship time it would adopt it because of expenses it continuously faces.

Radio Metro's management believes that advertising agencies are another good channel for improving the station's financial situation by selling time through agencies. However, advertisement agencies tend to avoid radio stations that do not appear on surveys indicating high ratings. This is a common issue across the sector as many community radio stations have been unable to be declared in AC Nielsen audience surveys because they cannot afford the annual survey fee of \$70,000 (Forde et al 2002). It is common for commercial stations, on the other hand, to participate in independent ratings.

Radio Metro had previously had audience research done by Griffith University marketing students. The results were highly favourable to Radio Metro and, upon a request by Radio Metro, the marketing lecturers involved (and by default Griffith University) agreed to endorse the survey results. The Griffith University students' sample of 2,000 people found that 33 percent of Radio Metro listeners were from the 18 – 25 year old age bracket. However, when Radio Metro attempted to use the survey as a sales tool, it claims that pressure was applied by a commercial radio station on the two Griffith University marketing lecturers, according to Radio Metro, and as a result the lecturers withdrew their endorsement of the survey. Radio Metro was left with the numbers but without a credible source. The following year Radio Metro approached Bond University, and while the lecturers there were happy to oversee a survey, they were not willing to endorse findings due to their knowledge of Griffith University's earlier experience with Radio Metro (Gardner 2002).

Radio Metro's experience with surveys suggests a number of things: first, the problems of getting endorsed, independent audience research done for the sector; second, the hostility of the commercial sector to community stations that are popular and effectively competing for

audiences; and finally, that without authoritative independent audience research, sponsors have little choice but to rely upon a station's own claims about audiences.

Because the majority of Radio Metro's listeners are young, the station does not ask them to be paying subscribers but rather to be identified as supporters. This allows the station to maintain a database which is mainly used as a tool to reach listeners and promote the station. Only a minority of supporters are paying members. Radio Metro claims to have 7,000 supporters on its database. During the period Radio Metro was lobbying for its full-time licence, thousands of supporters sent in letters of support. This ultimately assisted the station in achieving its licence. There are three types of membership at Radio Metro: Free Subscribers, mainly comprised of young listeners, who when they fill a form of consent allows the station to send them information thus giving exposure to the station; Full Members who pay \$50 annually; and the third category is for Business Members who pay \$250.

Based on the fact that the majority of subscribers fall under the Free Subscriber category, the station does not generate significant revenue from subscription. Radio Metro's station manager also believes that subscribers do not gain a lot of benefit in return for their money; therefore the station does not focus on subscription as a main source of funding. The subscription database is maintained principally for promotional purposes.

It is worth noting other forms of income generation that have proven successful for Radio Metro. The station conducts live broadcasts from nightclubs at the Gold Coast, which it considers a lucrative market. The station has been able to tap the under-eighteens market by organising dance parties called *Freevolicious* twice a year in school holidays, and channelling a share of the door takings back into the station. This has also proven to be a successful method of marketing for the station, especially at a time when school students undertake their end of year pilgrimage to the Gold Coast – schoolies week.

The station has a good relationship with specific record companies who send Radio Metro music within its repertoire. Radio Metro's music manager researches what is played on other stations, what is in the charts and what is played in the United States and Europe. He then talks to the record companies and makes his recommendations. The record companies often provide promotional copies usually around three months ahead of commercial release. For Radio Metro this is a guarantee that they play the latest hits before any other station does, and in return the record company expands the promotion of its new music.

Radio Metro is starting to investigate new sources of funding. However, its preoccupation with licensing, sorting out the premises and setting up the station, has not allowed for this. Radio Metro would ultimately like to attain a philanthropic association with a corporation; as such a relationship would give the station the security it needs. There have been cases where other community radio stations on the Gold Coast have successfully formed an alliance with a corporation which has resulted in the purchase of new studios and equipment. This was achieved during Radio Hope Island's association with the Commonwealth Bank of Australia (Gardner 2002). Radio Hope Island is a community radio station on the Gold Coast which targets retirees.

A couple of magazines have approached Radio Metro to do 'contra' deals where magazines promote the station in their edition and in turn the station offers the magazine a sponsorship spot. This process does not involve actual cash exchange, and the only cost to the station is airtime. Another successful deal that has been achieved is the exhibition of station promotions on taxi tops around the Gold Coast.

Radio Metro is a typical example of a community radio station trying to adopt innovative sources of funding such as relationships with other businesses, establishing information for sponsors and prospective relationships with corporations. While Radio Metro consistently forecasts its needs and its costs, there is never any guarantee that its goals will be achieved due to the difficulty of generating a secure income in a competitive marketplace.

Subscription

For community radio stations with a loyal listenership base of a significant size, subscription can be a substantial source of funding. Through annual subscription or membership fees, listeners can support a station that provides them with their preferred programming. This leads not only to the station ensuring the continuity of its broadcasting through listener support, but also to the station regularly receiving a mandate for its programming that is arguably stronger than a radio ratings survey because it indicates active listening.

Roughly half of community radio stations in Australia have the support of 400 subscribers or less, while the rest have around 400-4,000 subscribers. A small number of stations have more than 4,000 subscribers, on the other hand 15 percent of the stations do not run a subscription system at all (Forde et al 2002). Only a small percentage of listeners in Australia are aware of community radio. There is, therefore, a need to expand the listenership base for community radio stations in Australia, as in the case of PBS. PBS FM is one of the community stations that relies on a strong subscription base as a main source of funding.

PBS FM is the Progressive Broadcasting Service that was set up in Melbourne in 1979 as Victoria's only radio station licensed by the Government specifically to broadcast specialist music. This comprises all music other than classical music. PBS's licence is held by the Progressive Broadcasting Service Co-operative Ltd. The station has an independently surveyed cumulative weekly audience of more than 330,000 people. The annual turnover for PBS is around half a million dollars a year, with \$200,000 raised from sponsorship. Although PBS is eligible for government funding through the CBF, the station receives no government aid. PBS finds it difficult to obtain government money because according to station management the applications are complicated to complete.

PBS started operating from a garden shed in Carlton. In August 1978, PBS was successful in its application for a full-time permanent broadcasting licence, after which it set up in the Prince of Wales Hotel in Fitzroy Street in St Kilda. After a couple of years the station relocated to the Ritz Mansions for 15 years until it once again relocated to Collingwood where it is now situated. By late 1987, PBS was broadcasting 24 hours a day across greater Melbourne.

PBS differentiates itself by adopting a programming cycle that depends on seeking out new forms of music that do not have a wide appeal, such as new forms of electronic music or industrial music. The music is then played on shows that start out as experimental and later

become well established with large followings. When these new forms of music evolve and become mainstream, PBS moves on to other forms of music. This gives PBS an original sound with something new to offer all the time.

However, in the early 1980s PBS was in serious financial trouble and was a week away from declaring bankruptcy and closing down. Emergency board meetings were held to decide whether they should wind up the organisation. Broadcasters went on air and told their listeners that the station was in financial trouble, and likely to close down. As a result, PBS raised \$40,000 in three days. PBS would not have been able to achieve this had the station not had a large listening audience, and has systematically relied upon its audience as its principle source of financial support ever since.

Due to the fact that PBS receives no federal or state support, funding must be solicited from the public. The two main sources are subscriptions and sponsorship. PBS has around 4,500 subscribers. The subscription fee is \$66 per year and \$33 as concession. Around 60 percent of PBS's income comes from subscribers, which in turn covers salaries for full-time staff. However, management believes that if government subsidies could cover the salaries, it would give the station more financial flexibility.

PBS has loyal subscribers who are also active listeners. In its surveys of people who attend band performances PBS found that 50 percent of the respondents were subscribers and the rest were listeners. This reveals a high turn up of subscribers. The marketing of a performance associated with a certain form of music is channelled through the relevant music show in order to reach a specific audience.

According to the station manager, Roger Jones, community stations do a lot of guesswork related to subscriber preferences and needs. Unlike commercial stations where the advertiser is the key driver, for community stations, it is largely the subscriber who matters. PBS could certainly pursue larger sums of money by taking on bigger companies for sponsorship, but the station's management believes this would seriously affect the number of listeners and subscribers, as they would deem the station as selling itself and losing its independence. For example, PBS had an opportunity to cooperate with a beer company, Tooheys, as a sponsor. Yet Tooheys owns 40 percent of the music venues in Melbourne and what the station manager liked about this particular sponsor was that Tooheys deliberately ban pokies at all venues they own. The station manager's view was that a Tooheys sponsorship announcement did not involve talking up its product or encouraging alcohol consumption. The announcement would merely state its support. However, listeners and board members were uncomfortable with this opportunity, as it was perceived that the station would be making potential compromises so PBS decided not to go ahead with the deal.

In terms of sponsorship, there are ongoing tensions between PBS management and the Board about what is acceptable to the Board and what is not, and continuous management efforts to try to push the boundaries. This tension is not just about station viability. It is also about listener control of the station, which means ensuring that the bulk of income comes from subscription rather than sponsorship.

There are other self-imposed rules regarding sponsorship announcements, which aim to protect the sound of the station. According to Roger Jones, PBS is not prepared to sell itself

to any sponsor despite its financial needs. As an example, when PBS was looking for a gospel show to include in its programming, an announcer who represented a single gospel label made what was deemed to be a very good submission. This proposal was rejected in spite of the station's expressed need for a gospel music presenter at the time. PBS could not take the risk of being accused of promoting one music label ahead of others through any implication that only one source of music was being used, and that only the music from the presenter's label was to be played.

The primary task of PBS is to broadcast what it deems to be avant-garde music, yet according to PBS there are many people in Melbourne who have not heard of PBS and who, if given the opportunity, could become regular listeners and in turn subscribers. So a main focus for the next couple of years for PBS could be to adopt a marketing approach to attract a larger listener base. Reliable revenue streams are fundamental to the emergence of quality broadcasting, which would ultimately appeal to greater numbers of listeners which in turn increases subscription, sponsorship and other marketing opportunities.

If community radio was to benefit from the easing of restrictions on sponsorship limitations, its mission and not-for-profit status is unlikely to be harmed and the sector is more likely to enjoy financial success as a consequence. The differences between community and commercial radio are not limited to the differences in funding sources and profit objectives. A key difference is that commercial radio focuses on larger aggregate audiences and listener groups. The difference can manifest in varied programming formats, music selection and talk content. The role of community radio addresses community needs in ways that commercial radio does not intend to cater for, as each community radio station targets a specific segment of the population. Failing to do so can lead to the decline of this community service for no obvious gain.

The station management of Life FM (Seymour 2002), which is Christian-based station broadcasting from the Gold Coast, would ideally like to see the five-minute sponsorship time limit waived or at least increased to eight minutes:

If the government would allow us to do what we do in a more commercial sense we could survive very well. For example, we are technically a community; we do not have to announce that we are community. Commercials do not announce that they are commercial. There is no dilemma between sponsorship as opposed to advertising. The restriction on the amount of sponsorship should be waived. There should be an element of protection for community stations or at least the government should state the parameters community groups are entitled to operate in. Commercial [radio] would object saying that we paid a lot of money for our licence and community got it for nothing, however they are entitled to deliver profits, community [radio] isn't. Their focus is a money-generated focus. There are maybe a lot of very capable and sincere people operating within those organisations who want to deliver something of quality back to the community, however the reason [commercial radio] exists is to generate dollars, we exist to pay our bill but not to generate dollars. We are not-for-profit, and our focus is to give back into the community as much as we can for their benefit. That is where our dividends go, so it is a completely

different focus. Once the two focuses are established, both should be able to get on with life and do what they have to do, and if this means that they have to compete with each other for that market, so be it! Commercial operators chose to get into their commercial environment and they should realise that commercial parameters change daily, and we have to live with that.

The station manager believes that if faced with an increase in sponsorship time, he would enter into a commercial decision regarding the limit listeners would accept, just like commercial radio does. Hence a comfortable balance would be sought.

However, as stated at the start of the paper, there is a split in the sector regarding the commercialisation of community radio. The President of the CBAA (Melzer 2002) voices strong opposition to Jim Seymour's opinion:

Commercialisation - or at least, the potential influence of commercial interests - is a threat to the sector. I do not want to see commercial restrictions waived. But I would like to see bi-partisan support to the sector in its objective of developing whole-of-community support and operating in a business-like way.

What is meant here by 'business-like', Melzer explains, is management practices that are fundamental to any service that deals with the public. He states that in broad terms, the business fundamentals include:

- A focus on the quality of the service, by ensuring that training and programming allow the best possible schedule to be broadcast
- Adequate and appropriate marketing; there are many low and no cost marketing activities that are crucial and are ignored by many stations providing relevant training for volunteers and staff; again, people need the skills to be able to do an adequate job
- Diversifying revenue sources; many stations expect their community to value them simply because they have a licence. All a licence does is provide them with the means to provide (a range of) services that are valued
- Developing a co-operative work environment; this takes work and if successful is reflected on-air and in the community
- Ensuring volunteer and employee rights are respected; this also takes effort to achieve but reduces staff turnover, improves on-air sound developing productive and strategic partnerships.

Despite this split, there is a dire need for more entrepreneurial approaches to be adopted. There are gaps in the community broadcasting research literature that experienced business consultants could fill by conducting studies on business development to outline these entrepreneurial approaches.

This study suggests that there is no inherent conflict between entrepreneurial principles and not-for-profit principles. However there are some obvious disruptive tensions within the sector that can be seen in some case studies handled in this paper. These tensions arise from differing interpretations of the mission and ethos of community radio. This tension could be

treated by taking an entrepreneurial open-minded approach to community radio operation that would ensure a positive direction towards financial success rather than operating within restrictions that would result in the station's struggle to survive. Profit-making that is rendered towards the development of the station itself does not mean that community radio stations are becoming commercial. The ethos of community broadcasting lies in the heart of its mission which is to cater for its community by providing a service that goes back to the community.

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