

Lofty 88.9
Radio with altitude

Financial Reports

B32 Appendix 14
November 2019

Lofty Community Media Incorporated Profit & Loss Summary

Created: 17 Oct 19, Accounting: Cash, Compared to: 01 Jul 17 - 30 Jun 18, Tag: -- All Tags --, Percentage performance vs total income: No, Zero balances: No

01 Jul 18 - 30 Jun 19

Income	01 Jul 17 to 30 Jun 18	01 Jul 18 to 30 Jun 19	% Change
Fundraising - Donations	████	████	████
Grants & Subsidies	████	████	████
Membership	████	████	████
Fundraising - Goods for sale	████	██	████
Income Total	████	████	████
Cost of Sales			
Cost Of Sales Total	██	██	████
Gross Profit	████	████	████
Expense			
Accounting Fees	████	████	████
Bank Fees	██	██	████
Cleaning	██	██	████
Computer Expenses	██	████	████
Electricity	██	████	████
Insurance	████	████	████
Internet	██	████	████
Licences	████	████	████
Rent	████	████	████
Repairs & Maintenance	██	████	████
Subscriptions	██	████	████
Venue Hire	██	██	████
Expense Total	████	████	████
Operating Profit	████	████	████
Other Income			
Interest Income	██	██	████
Other Income Total	██	██	████
Other Expense			
Interest Expense	██	████	████
Other Expense Total	██	████	████
Net Profit	████	████	████

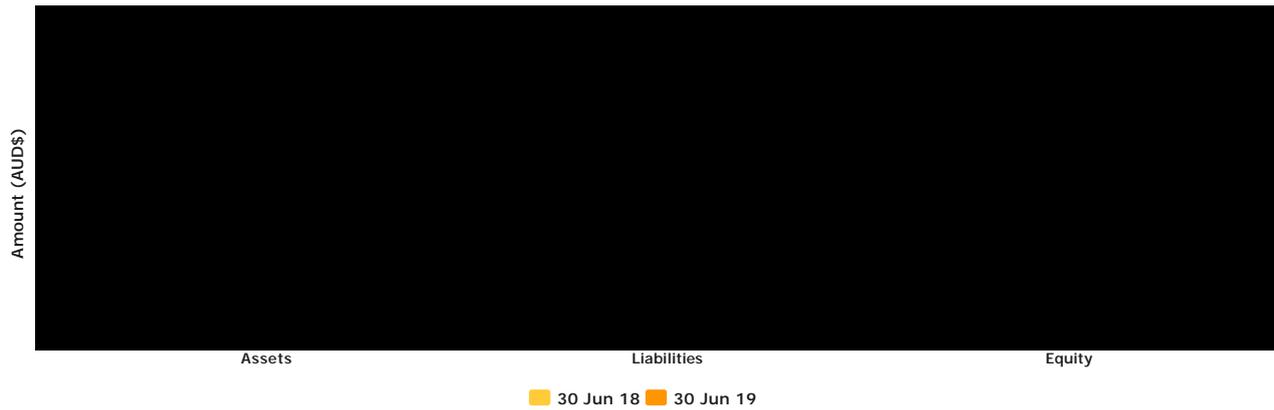
Gross Profit = Income - Cost of Sales

Operating Profit = Gross Profit - Expenses

Net Profit = Operating Profit + Other Income - Other Expenses

Please note that this report shows amounts excluding tax.

Lofty Community Media Incorporated Balance Sheet



As at date: 30 Jun 19, Created: 17 Oct 19 05:57 PM , Tags: -- All Tags --

Assets	30 Jun 18	30 Jun 19	Change	% Change
BankSA Cheque Account				
Formation Costs				
Petty Cash				
Plant & Equipment				
Prepaid Expenses				
Security Deposit - 20 Stephen Street				
Tax Paid on Purchases				
Total Assets				
Liabilities	30 Jun 18	30 Jun 19	Change	% Change
Loan -				
Tax Collected from Sales				
Total Liabilities				
Net Assets				
Equity	30 Jun 18	30 Jun 19	Change	% Change
Current Earnings				
Historical Balancing				
Member Equity				
Total Equity				



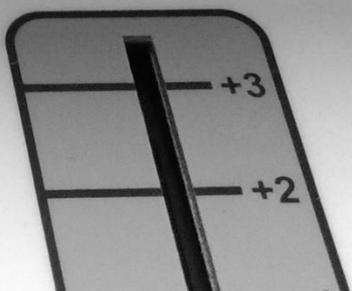
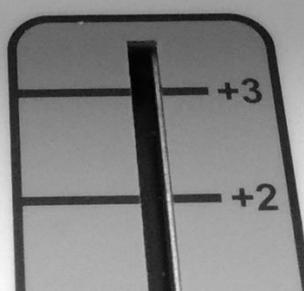
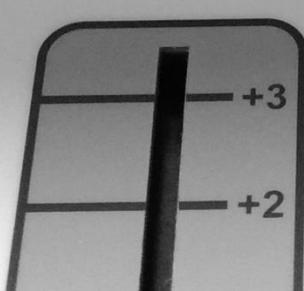
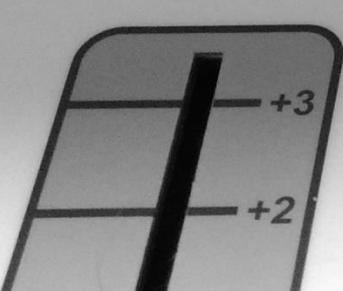
LEFT

OVER
LOAD

PHASE
FAULT



RIGHT



Lofty 88.9
Radio with altitude

Business Plan

B32 Appendix 14
November 2019

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Business Plan Summary

The Enterprise

Name: Lofty Community Media Incorporated

Structure: Incorporated Association

ABN: 73 798 304 687

Business location: 20 Stephen Street MOUNT BARKER SA 5251

Date established: 5 June 2017

Business owner(s): Not applicable

Relevant owner experience: Please refer to B32 Appendix B12

Products/services: Community radio broadcasting and other community media services

The Market

Target market:

Listeners in Mount Barker RA1 whose radio listening needs are not services by other broadcasters.

Marketing strategy:

Lofty has a Marketing and Community Engagement Subcommittee that researches, creates and implements marketing strategy with assistance from members of the Mount Barker RA1 community.

The Future

Vision statement:

To build a valuable and sustainable cultural and community asset for the Adelaide Hills.

Goals/objectives:

Lofty's current goal is to secure the long-term general interest community broadcasting licence currently on offer in Mount Barker RA1.

The Finances

Lofty expects to generate net surplus revenue of 15% per year by FY23. Our long-term goal is to maintain a net surplus revenue of 15% per year thereafter.

The Enterprise

Enterprise details

Products/services: Lofty is a community media organisation with a key purpose of providing community radio broadcasting services to Mount Barker RA1.

Registration details

Business name: Lofty Community Media Incorporated

Trading name(s): Lofty 88.9 (on-air identification)

Date registered: 5 June 2017

Location(s) registered: South Australia

Business structure: Incorporated Association

ABN: 73 798 304 687

GST: Registered from 1 July 2017

Domain names: lofty.org.au, radiolofty.com, lofty889.com

Licences & permits: Temporary Community Broadcasting Licence (B44)

Apparatus Licence (B12)

Community Broadcasting Licence (pending)

Our premises

Locations:

1. STUDIO: 20 Stephen Street MOUNT BARKER SA 5152. Located in Mount Barker CBD, situated approximately 50 metres away from Mount Barker’s main street (Gawler Street). Floor space c. 40m2. Contains one main studio, one secondary studio/production space, front office/admin area, kitchen, store/corridor and toilet. Street frontage with disabled access. On-street parking in front of studio (time limited during business hours), 2H/3H parking available in car parks situated between 50m and 200m from studio premises. Direct line of sight to Lofty’s current transmitter (TX) site.
1. TRANSMITTER (TX) SITE: Cleggett Farm, Cleggett Road LITTLEHAMPTON SA 5250. Located circa 3km from Lofty’s studio by road (circa 2.4km direct LOS). Collocated with LPON operated by Dalebank Pty Ltd (87.6MHz).

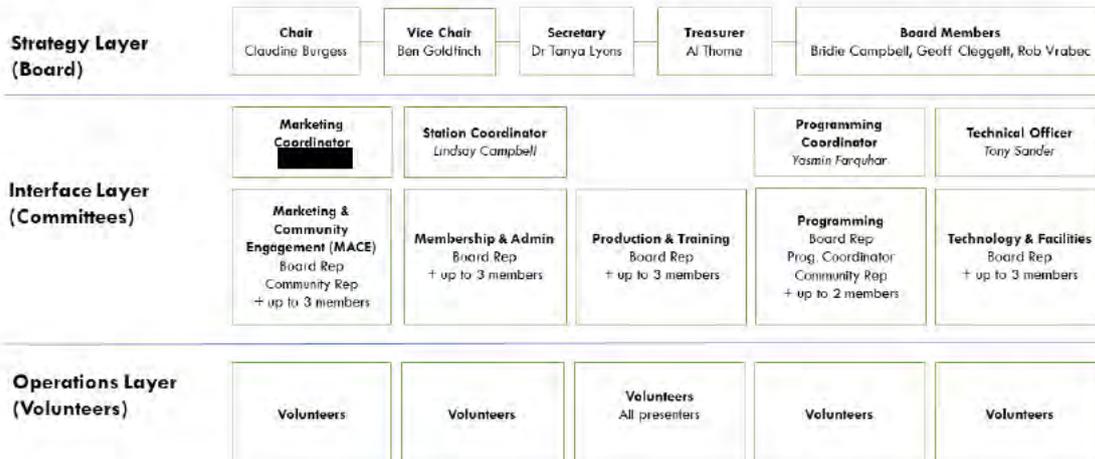
Buy/lease:

1. [REDACTED]
2. [REDACTED]

Organisation chart



Lofty's Management and Operations Structure Board, Committees and Volunteers – November 2019



Management & governance

Details of management & ownership:

Lofty is a not-for-profit incorporated association. We shall act as custodians of the general interest community radio broadcasting licence allocated to Mount Barker RA1 for and on behalf of the local community. We have an open membership structure, and we empower our members to feel a sense of ownership.

More details can be found in B32 Appendix 12.

Key personnel

Current personnel

Lofty does not have paid employees. All operations are undertaken by volunteers.

Our operations are currently overseen by a volunteer Station Manager. We expect this role to transition into a job share arrangement involving several volunteers.

Required personnel

Lofty has ongoing volunteering vacancies across a wide range of roles including presenters, producers, administration officers, technical officers, marketing specialists, IT specialists and music librarians.

Recruitment options

As documented in Policy Family 3 (Participation). Refer B32 Appendix 17.

Training programs

At the time of writing, we currently offer entry-level training in on-air broadcasting operations.

Additional training programs are currently under development. Lofty appreciates the assistance of the South Australian Community Broadcasting Association (SACBA) and the Community Media Training Organisation (CMTO) for their assistance in the development of these programs.

Skill retention strategies

As part of the membership process, Lofty asks potential members to provide information on areas of strength, as well as areas they choose to develop.

Due to the nature of our enterprise, procedures tend to evolve over time. As such, we consider our procedural documentation to be living documents.

Skills and training needs are subject to regular review. Lofty's Production and Training (P&T) Subcommittee plays a key role in developing and reviewing skills and training, in conjunction with other Subcommittees as appropriate.

Our members and volunteers are subject to regular (annual) refresher training pertaining to fundamental compliance issues. Training is also offered to members and volunteers that wish to develop new skills relating to broadcasting and media, such as copywriting and audio production.

Products/services

Product/Service	Description	Price
Sponsorship	Provides local business owners an opportunity to publicise their product(s) and/or service(s) in a targeted manner. Provides local business owners with an opportunity to offer financial support to a local community organisation in exchange for a service.	By negotiation
Access	Allows interested community groups and/or organisations to purchase airtime to broadcast their programming of interest.	By negotiation
Membership	Allows community members the opportunity to become actively involved in Lofty's operations. Provides training and development opportunities. Confers status as a custodian of a valuable cultural and community asset for the benefit of their fellow community members.	Standard membership fee \$60 per year including GST Concessional membership fee \$30 per year including GST (students, seniors and low-income earners)
Fundraising	Various goods, services and events sold, created or organised by Lofty throughout the year.	Variable
Subscriptions and/or patronage	Provides listeners with an opportunity to pledge financial support for Lofty via traditional community radio subscription model and/or patronage model e.g. Patreon.	To be confirmed

Market position: Lofty's key product, radio broadcasting, is positioned as a grass-roots alternative to commercial and national broadcasters that are licenced to service Mount Barker RA1.

Unique selling position: Lofty is the only broadcaster in Mount Barker RA1 that allows local community members to actively participate in the broadcasting process. We also offer a wide range of programming that is not available elsewhere; our listeners tend to consume radio on an a-la-carte basis, rather than as just background noise.

Anticipated demand:

Sponsorship: Increased community awareness of Lofty is expected to generate more sponsor interest.

Access: We expect to attract at least two (2) groups to seek access programming arrangements within the next 12 months.

Membership: A steady increase in demand is expected over the next five (5) years,

Subscriptions/patronage: Unknown, however we expect demand to be very modest.

Pricing strategy: Sponsorship and access are both subject to negotiation.

Sponsorship pricing is aligned with anticipated audiences for specific programming. For example, local live football broadcasts are expected to attract a higher premium than other programming.

Membership pricing is designed to help offset of the costs of providing studio space, equipment and broadcasting spectrum for interested individuals. In order to encourage a cross-section of our community spanning all ages and socioeconomic levels, Lofty offers concessional pricing to eligible members (minors, full-time students, Commonwealth Health Care Card holders, seniors).

Value to customer:

Sponsorship: Provides a connection with listeners that seek out Lofty's specific programming. Sponsorship pricing is also considerably lower than advertising sold by many other media outlets (print and electronic).

Access: Provides access to broadcast spectrum to provide a targeted service to local community members.

Members: Provides an opportunity to build existing skills and learn new skills, as well as the opportunity to take an active role in delivering and maintaining a valuable service for the Adelaide Hills.

Growth potential: Increased community awareness of Lofty's activities and services should help drive growth. Please refer to our 5-year income and expenses projections for further information.

Innovation

Research & development (R&D)/innovation activities

Lofty encourages its members and volunteers to experiment in content creation, with an emphasis on creating material that has currency across multiple platforms e.g. radio, podcast, on-demand video.

Intellectual property strategy

We are building a marketing and branding strategy. Specifications relating to branding i.e. use of logos, official fonts, consistent on-air identification (imaging) have been developed, and we expect this to evolve over coming years.

Insurance

Workers compensation: Lofty is 100% volunteer operated, therefore provides volunteer worker personal accident insurance.

Death & Capital Benefits [REDACTED]

Weekly Benefit [REDACTED]

Aggregate Limits of Liability [REDACTED]

Public liability insurance:

General liability \$10,000,000

Molestation \$5,000,000

Professional indemnity:

Section 1 Professional Liability [REDACTED] any one claim and [REDACTED] in the aggregate

Section 2 Management Liability [REDACTED] any one claim and [REDACTED] in the aggregate

Section 3 Association Liability [REDACTED] any one claim and [REDACTED] in the aggregate

Section 4 Employment Practices Liability [REDACTED] any one claim and [REDACTED] in the aggregate

Section 5 Employee (Officeholder) Fraud or Dishonesty [REDACTED]

Motor non-owned:

Loss of no claim bonus **below** the excess up to a maximum of [REDACTED] any one claim

Hire car cost maximum of [REDACTED] per week up to [REDACTED] any one claim

Personal property of the insured [REDACTED]

Legal considerations

Lofty's operations are subject to a number of Acts, Codes and other instruments, including but not limited to the following:

Acts

Associations Incorporation Act (SA) 1985
Broadcasting Services Act 1992 (Cth)
Defamation Act (SA) 2005
Equal Opportunity Act (SA) 1984
Privacy Act 1988 (Cth)
Volunteers Protection Act (SA) 2001

Codes

Community Radio Broadcasting Codes of Practice 2008

Other instruments

ACMA Broadcast Services (Technical Planning) Guidelines 2017
ACMA Community Broadcasting Participation Guidelines 2010
ACMA Community Broadcasting Sponsorship Guidelines 2008
ACMA Not for Profit Guidelines 2011
ACMA Broadcast Services (Technical Planning) Guidelines 2017
Lofty Community Media Incorporated Constitution (latest version)

Please note that this list is not exhaustive. Further Acts, Codes and instruments may be introduced in the future.

Operations

Production process

Our programming is our key product. Policy Family 4 (Programming) provides details as to this process and its various components.

Suppliers

SACBA: Use of equipment, support services, assistance with development and implantation of training.

CBAA: Resources including AMRAP and CRN.

Mount Barker RA1 community: Voluntary labour, program material and other support.



Plant & equipment

Our current asset register is contained in B32 Appendix 16.

Lofty gratefully acknowledges the assistance of SACBA for the use of their broadcasting equipment. We expect to commence replacing borrowed equipment with our own equipment once we qualify for grant funding from the Community Broadcasting Foundation (CBF) in September 2022.

Technology (Software): Our technology consists of free, open-source and/or subsidised commercial software purchased via ConnectingUp, a technology provider servicing the NFP sector.

Trading hours: Currently broadcasting Sunday 00:00-Tuesday 23:59. We anticipate 24/7 operation to commence upon the cessation of Hills Radio's service.

Communication channels: Phone, email, social media direct messaging, online enquiry form. Shopfront currently open by appointment, however we expect to commence opening our shopfront subject to regular opening hours at some stage during 2020.

Payment types accepted: Direct deposit.

Credit policy: Currently in development.

Warranties & refunds: Not applicable.

Quality control: Regular airchecks are undertaken to ensure the quality of our programming, as well as to confirm that sponsorship announcements are being broadcast as per sponsorship agreements.

Memberships & affiliations: South Australian Community Broadcasting Association (SACBA), Community Broadcasting Association of Australia (CBAA).

Sustainability plan

Environmental/resource impacts

Energy consumption as a result of operating a broadcasting transmitter.

Community impact & engagement

Impact is limited to Lofty viz. energy costs of running the transmitter.

Risks/constraints

Financial costs, opportunity cost.

Strategies

Reduction of energy consumption at the transmitter (TX) site. Our target is for our TX to operate on 100% renewable energy by 2024.

Action plan

Sustainability milestone	Target	Target date
Transition TX site to renewable energy	100% renewable	June 2024

The Market

Market Research

Our research is based on the CBAA/McNair yellowSquares National Listener Survey Wave #1 2019 (South Australia) and 2016 Census data based on statistical areas located within Mount Barker RA1.

This data is contained within Appendix 10 of the B32, as it also formed a significant part of Lofty's research into community needs and local significance in terms of the Community Broadcasting Participation Guidelines 2010.

Market Targets

By 2024, Lofty expects to generate ongoing revenue [REDACTED], with sources of said revenue forecast as thus:

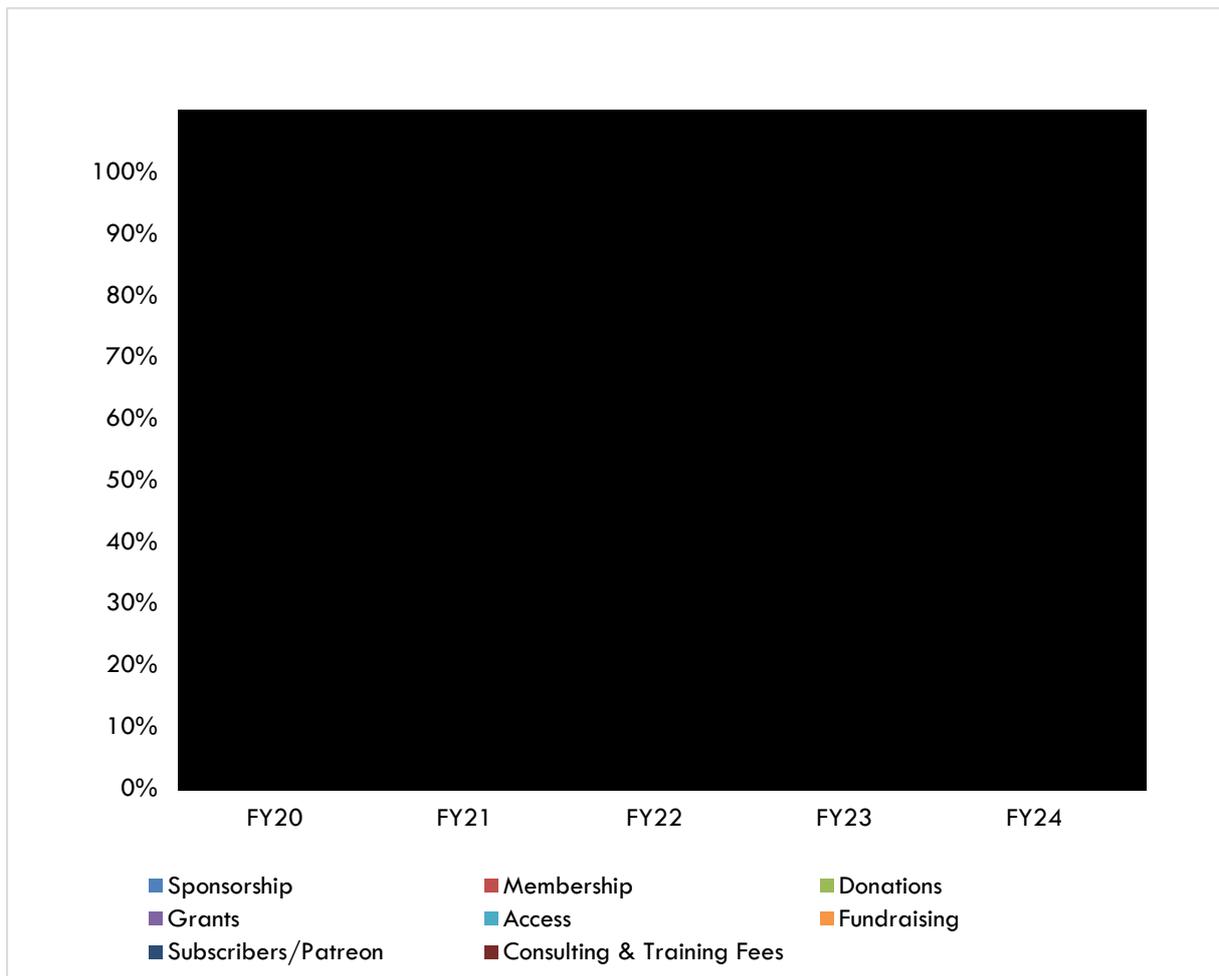
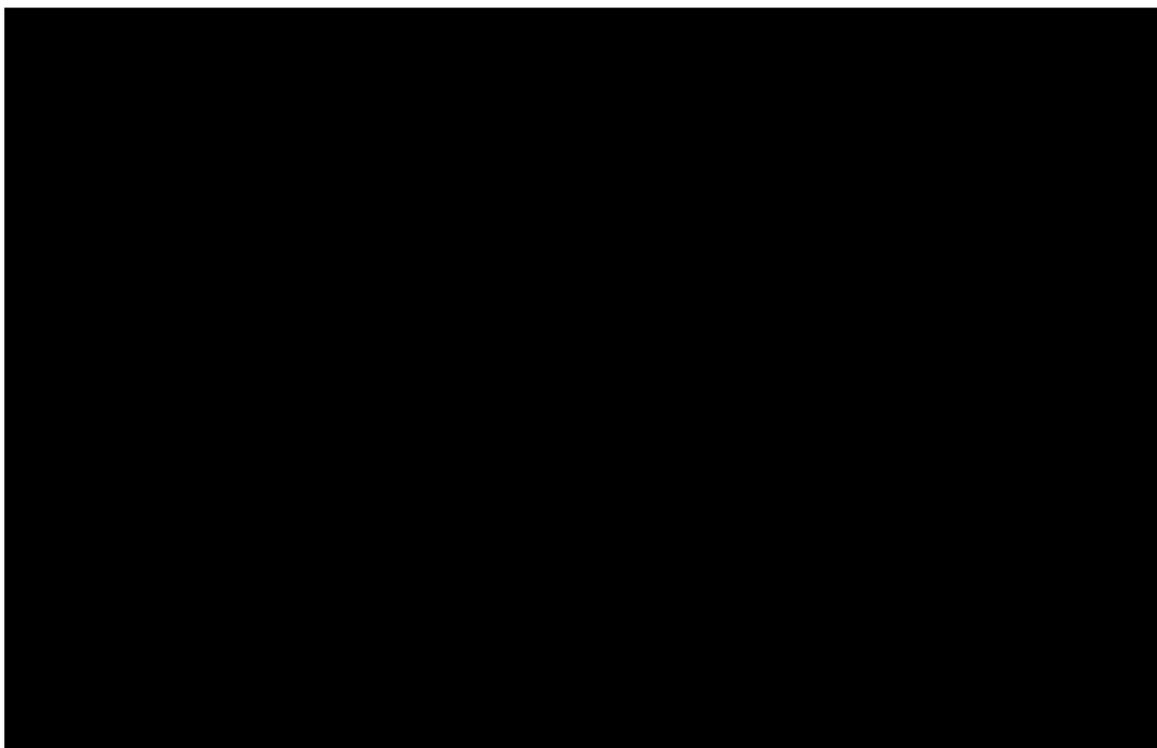


Fig.1 – Lofty's forecast revenue from 1 June 2019-30 June 2024 by source

Lofty's Forecast Long-Term Funding Mix



- Sponsorship
- Grants
- Access
- Members & Supporters
- Fundraising
- All other sources

Fig.2 – Lofty's forecast revenue from 1 June 2019-30 June 2014 by group

Environmental/industry analysis

In early 2011, approximately 1,300ha of rural land on the outskirts of Mount Barker was rezoned for residential use¹. This was as a result of South Australian Government's Mount Barker Urban Development Plan being approved in late 2010.

Some 7,000 residential allotments are expected to be created, with Mount Barker's population forecast to grow by 20,000 as a result².

¹ <https://www.abc.net.au/news/2011-02-04/mt-barker-housing-plan-clears-final-hurdle/1930994>

² <https://www.adelaidenow.com.au/news/uphill-battle/news-story/9e039e4488df477ed548489ea1e48355>

Your customers

Customer demographics

Members of Mount Barker RA1 community.

Key customers

Sponsors: Local business owners seeking to promote their goods or services via Lofty.

Access: Local organisations seeking access to broadcast airtime in exchange for money.

Members: Local individuals seeking to join Lofty in order to participate in radio broadcasting and similar media activities.

Customer management

[Redacted text block containing multiple lines of blacked-out content, including a bulleted list with four items.]

S.W.O.T. analysis

Strengths	Weaknesses
<p>[Redacted]</p>	<p>[Redacted]</p>
Opportunities	Threats
<p>[Redacted]</p>	<p>[Redacted]</p>

The Finances

Key objectives & financial review

Financial objectives

Lofty's key financial objective is to build and maintain long-term financial sustainability for its enterprise, whilst delivering a high quality and inclusive array of community media services.

There are **three key drivers** to achieve the overall objective:

1. An operating surplus target of [REDACTED] per year.
2. A revenue mix where no one single source of income exceeds [REDACTED] of Lofty's overall income.
3. Regular benchmarking of income and expenses against a selection of community broadcasting peers across South Australia and Australia.

Why these drivers?

[REDACTED]

[REDACTED]

[REDACTED]

Benchmarking is a useful tool that allows Lofty to identify potential areas of revenue growth. Benchmarking is also valuable to identify potential cost savings, or to confirm if a cost blowout is systemic across the community broadcasting sector rather than just a Lofty-only issue.

Details of Lofty's benchmarking metrics are contained later in this section, with results of Lofty's most recent benchmarking activities contained within supporting documentation.

Assumptions

The financial tables on the subsequent pages are based on the assumptions listed below:

- *5-year Income & Expenses Forecast from 1 July 2019 to 30 June 2024 includes notes on each line item subject to assumptions.*
- *Assumed that FY24 (viz. 1 July 2023 to 30 June 2024) is a realistic and sustainable year-in year-out (YIYO) projection; question 15 of Lofty's B32 is based on said FY24 (YIYO) projections.*

Benchmarking

In the process of compiling and developing our 5 Year Business Plan, Lofty benchmarked its projections against 9 other community radio stations: 5 South Australian based (including Hills Radio) and 4 based interstate.

The benchmarks are divided into two sections, being income and expenses, with each of these sections further divided based a selection of local (South Australian) peers, interstate peers and an aggregation of both local and interstate peers.

For the purposes of this B32 application, we also benchmarked against the other B32 applicant, Hills Radio.

Lofty used FY18 financials for most benchmarks except for one, being one of our local peers (Tribe FM) who have not yet publicly released their FY18 financials.

All benchmarks are expressed as percentages across all benchmarked stations. As not all stations share the same income sources and/or costs, some benchmarks may be slightly skewed (although the most obvious outliers have been eliminated from the benchmarking).

These benchmarks are highlighted as per the key below.

Benchmarking key

	Outlier
	Limited peer data

Income Benchmarks

Income	Lofty	Hills Radio	Local	Interstate	Aggregate
Sponsorship	■	96%	45%	51%	44%
Membership	■	2%	6%	5%	5%
Donations	■	1%	9%	4%	7%
Grants	■	0%	8%	23%	16%
Access	■	0%	1%	3%	2%
Fundraising	■	1%	19%	9%	15%
Subscriptions	■	0%	9%	3%	8%
Other revenue	■	0%	2%	2%	2%
TOTAL	100%	100%	100%	100%	100%

Expenses Benchmarks

A selection of operating expense benchmarks that one could expect to be broadly similar across peer stations. The benchmarks exclude employment expenses.

It should be noted that Hills Radio's operating expenses make up around 60% of its overall expenses; the remaining 40% being employment expenses.

Expense	Lofty	Hills Radio	Local	Interstate	Aggregate
<i>Electricity</i>	█	3%	6%	4%	5%
<i>Insurance</i>	█	5%	8%	7%	8%
<i>Misc. office</i>	█	6%	4%	3%	3%
<i>Misc. volunteer</i>	█	2%	1%	3%	2%
<i>Outgoings (rates)</i>	█	0%	1%	0%	1%
<i>Rent</i>	█	19%	15%	14%	12%
<i>Repairs & maintenance</i>	█	2%	7%	9%	9%
<i>Telephone/internet</i>	█	3%	3%	6%	6%
<i>TX site costs</i>	█	0%	11%	4%	8%

This benchmarking has helped Lofty to identify weaknesses in its current model, █

█

█

█

Income and expenses forecast (1 July 2019 – 30 June 2024)

	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	Note
Income						
Sponsorship						
Membership						1
Donations						
Grants						2
Access						3
Fundraising						
Subscribers/Patreon						4
Consulting & Training Fees						5
Interest Income						
<i>Income Total</i>						
Expenses						
Accounting & Bookkeeping						6
Advertising & Promotion						
Association Costs - CBAA						
Association Costs SACBA						
Bank Charges						
Commissions						7
Computer Expenses						
Conference/Travel						8
Depreciation						9
Electricity (Studio)						10
Events/Fundraising						11
Insurance						12
Interest Expense						13
Internet (NBN & 4G)						
Legal/Professional Costs						
Music Licencing						14
Misc Office Expenses						15
Misc Volunteer Expenses						16
Outgoings (Rates & Strata)						17
Postage/PO Box Rental						
Programming Expenses						
Rent						18
Repairs & Maintenance						19
Telephone						20
TX Site Costs (Electricity)						21
<i>Expenses Total</i>						
Operating Surplus (Deficit)						
Operating Surplus percentage						

- [Redacted]

Supporting Information

Relevant supporting information.

- *CBAA Community Radio Station Health Check, completed 17 November 2019.* [REDACTED]
[REDACTED]
[REDACTED]
- *Comprehensive benchmarking calculations* [REDACTED]
[REDACTED].
- *Letter of support from South Australian Community Broadcasting Association (SACBA).*
- *FY19 financials (balance sheet, income and expenses) – actual figures for the financial year ending 30 June 2019.*

Further background/working information in relation to financial assumptions and/or benchmarking is available upon request.



COMMUNITY
BROADCASTING
ASSOCIATION OF
AUSTRALIA

**Community Radio Station
Health Check**

Summary of Results

Report Disclaimer

Please note that this Community Radio Station Health Check report, provided as a result of the use of the online assessment, is for information purposes only. It is intended to provide an indication of the capability of your station, on the date of the assessment. The scores achieved are based on the answers provided during the assessment.

The Community Broadcasting Association of Australia (CBA) cannot guarantee the accuracy of respondent's answers, or that they are fully representative of your station. Therefore, the CBA does not warrant or guarantee any particular outcome in respect to your station's self-assessment, the Community Radio Station Health Check report or scoring.

This report, and any information contained within, has been prepared based on the information provided in your station's self-assessment. It is intended as guidance only for your station and should not be relied on for any legal or financial considerations, or by any third party. Links to external websites are inserted for convenience and do not constitute endorsement of material at those sites, or any associated organisation, product or service. This information does not constitute professional legal or financial advice, and the CBA recommends that you seek your own independent advice.

The CBA does not:

- a) Assume any legal liability for the accuracy, completeness, or usefulness of any information from this report or any links provided; or
- b) Accept responsibility for any loss associated directly or indirectly from the use of this report.

Income and Expense Benchmarks - Lofty vs Hills Radio vs local peers

	HR		Tribe		WowFM		RivLife		Three D	
	FY18		FY17		FY18		FY18		FY18	
	\$	%	\$	%	\$	%	\$	%	\$	%
Income										
Sponsorship	171,950	96%	6,310	30%	9,497	50%	28,775	32%	17,400	16%
Membership	3,837	2%	2,018	9%	2,174	11%	2,325	3%	5,000	4%
Donations	1,225	1%	60	0%	0	0%	36,790	41%	2,827	3%
Grants	0	0%	1,700	8%	626	3%	20,042	22%	10,000	9%
Access	0	0%	0	0%	0	0%	0	0%	6,120	5%
Fundraising	2,416	1%	10,998	52%	6,342	33%	1,982	2%	8,566	8%
Subscriptions	0	0%	0	0%	0	0%	0	0%	51,852	46%
Other	82	0%	234	1%	359	2%	157	0%	9,887	9%
TOTAL	179,510	100%	21,320	100%	18,998	100%	90,071	100%	111,652	100%
Operating expenses										
Accounting/Audit	1,500	1%	0	0%	300	2%	1,750	3%	800	1%
Advertising	1,176	1%	195	1%	309	2%	0	0%	0	0%
Associations	554	0%	470	2%	1,880	14%	2,470	4%	0	0%
Bank fees	68	0%	0	0%	24	0%	120	0%	1,636	2%
Commissions	27,082	22%	0	0%	0	0%	0	0%	0	0%
Computer Exp	0	0%	0	0%	0	0%	117	0%	0	0%
Conference/Travel Exp	0	0%	0	0%	0	0%	200	0%	2,766	3%
Depreciation	23,238	19%	0	0%	4,132	30%	4,372	8%	0	0%
Donations	0	0%	0	0%	0	0%	0	0%	2,790	3%
Electricity & Gas	3,874	3%	3,754	17%	0	0%	1,905	3%	7,060	7%
Entertainment/Gifts/Hosp	0	0%	0	0%	0	0%	27	0%	0	0%
Events/Fundraising	220	0%	2,481	11%	0	0%	0	0%	0	0%
Insurance	6,669	5%	2,214	10%	1,922	14%	2,594	5%	6,439	6%
Interest Expense	0	0%	41	0%	0	0%	0	0%	2,343	2%
Internet	0	0%	0	0%	0	0%	558	1%	0	0%
Legal/Professional Services	0	0%	0	0%	0	0%	2,100	4%	0	0%
Motor Vehicle Expenses	6,834	6%	0	0%	0	0%	0	0%	0	0%
Music Licence	3,621	3%	2,385	11%	0	0%	0	0%	11,351	11%
Misc Office	6,898	6%	31	0%	329	2%	1,059	2%	10,809	11%
Misc Volunteer/Staff	2,189	2%	243	1%	323	2%	331	1%	0	0%
Outgoings (Rates)	0	0%	461	2%	413	3%	0	0%	509	1%
PO Box/Post	0	0%	362	2%	0	0%	859	2%	0	0%
Prog rights (news)	0	0%	0	0%	0	0%	4,174	8%	0	0%
Promotional & Merch	0	0%	0	0%	0	0%	0	0%	12,169	12%
Rent	23,137	19%	4,921	22%	0	0%	9,991	18%	15,365	15%
Repairs/Maint	1,862	2%	3,847	17%	1,817	13%	426	1%	64	0%
Sponsor costs	9,119	7%	0	0%	0	0%	35	0%	0	0%
Telephone	4,178	3%	1,308	6%	1,292	9%	1,727	3%	3,166	3%
TX Site costs	0	0%	0	0%	0	0%	20,175	37%	19,723	19%
Other expenses nec	0	0%	0	0%	885	6%	261	0%	4,729	5%
Op. expenses subtotal	122,219	60%	22,713	100%	13,626	100%	55,251	67%	101,719	100%
Employment expenses										
Wages	74,158						24,308			
Superannuation	7,734						2,280			
Workcover	0						205			
Misc Employment	0						0			
Emp. expense subtotal	81,892	40%	0	0%	0	0%	26,793	33%	0	0%
Total expenses	204,111		22,713		13,626		82,044		101,719	
NET SURPLUS (DEFICIT)	-24,601	-14%	-1,393	-7%	5,372	28%	8,027	9%	9,933	9%

Benchmarked Stations

- HR Hills Radio Inc, Mount Barker SA**
 Servicing Mount Barker RA1
 Claims to have > 70 volunteers
 Lofty's competitor for Mount Barker RA1 purposes
 FY18 financials show loss
 96% of revenue comes from sponsorship (FY18)
- Tribe Tribe FM Inc, Willunga SA**
 Servicing Southern Vales area
 Circa 40 volunteers
 Originally licenced as a TCBL in 2011
 Entered timeshare arrangement with 5 Triple Z in 2014
 Troubled history, however has turned itself around
- WowFM Way Out West Broadcasters, Semaphore SA**
 Servicing Port Adelaide/LeFevre Peninsula
 Circa 48 volunteers
 Very low cost base; efficient well-run operation
 Lofty sees Wow FM as an excellent role model
- RivLife Riverland Life FM Inc, Loxton SA**
 Servicing Christian interest in Riverland LAP
 Circa 40 volunteers
 Recent acquired long term licence
 Strong local support via donations
- Three D Three D Radio, St Peters SA**
 Established in 1979 as PMBA/5MMM
 Circa 110 volunteers
 Massive subscriber base
 Operates on 100% volunteer labour
 Lofty cites Three D as a programming influence

Income and Expense Benchmarks - Lofty vs Hills Radio vs interstate peers

	HR		2HHH		3MDR		3ECB		TYGA	
	FY18		FY18		FY18		FY18		FY18	
	\$	%	\$	%	\$	%	\$	%	\$	%
Income										
Sponsorship	171,950	96%	21,283	31%	29,613	25%	77,870	64%	22,163	41%
Membership	3,837	2%	5,346	8%	5,412	5%	8,328	7%	886	2%
Donations	1,225	1%	3,023	4%	4,017	3%	784	1%	5,324	10%
Grants	0	0%	19,869	29%	54,933	46%	0	0%	22,011	41%
Access	0	0%	2,500	4%	0	0%	13,280	11%	0	0%
Fundraising	2,416	1%	10,936	16%	5,565	5%	19,508	16%	2,641	5%
Subscriptions	0	0%	0	0%	15,560	13%	0	0%	664	1%
Other	82	0%	5,445	8%	3,442	3%	1,336	1%	-2	0%
TOTAL	179,510	100%	68,402	100%	118,542	100%	121,106	100%	53,687	100%
Operating expenses										
Accounting/Audit	1,500	1%	491	1%	3,454	5%	1,810	2%	0	0%
Advertising/Marketing	1,176	1%	159	0%	309	0%	2,142	2%	0	0%
Associations	554	0%	1,749	4%	2,307	3%	0	0%	0	0%
Bank fees	68	0%	889	2%	534	1%	308	0%	20	0%
Commissions	27,082	22%	0	0%	0	0%	15,381	17%	0	0%
Computer Exp	0	0%	327	1%	30	0%	0	0%	1,249	4%
Conference/Travel Exp	0	0%	0	0%	1,706	3%	0	0%	1,769	6%
Depreciation	23,238	19%	3,531	8%	4,132	6%	23,535	26%	0	0%
Donations	0	0%	0	0%	0	0%	0	0%	250	1%
Electricity & Gas	3,874	3%	3,758	8%	3,011	4%	3,775	4%	338	1%
Entertainment/Gifts/Hosp	0	0%	0	0%	0	0%	0	0%	0	0%
Events/Fundraising	220	0%	2,178	5%	583	1%	0	0%	87	0%
Insurance	6,669	5%	3,811	8%	2,571	4%	5,282	6%	3,357	10%
Interest Expense	0	0%	41	0%	0	0%	112	0%	0	0%
Internet	0	0%	0	0%	2,775	4%	564	1%	0	0%
Legal/Professional Services	0	0%	318	1%	2,376	4%	0	0%	0	0%
Motor Vehicle Expenses	6,834	6%	0	0%	0	0%	0	0%	0	0%
Music Licence	3,621	3%	1,575	3%	3,489	5%	5,009	6%	4,123	13%
Misc Office	6,898	6%	919	2%	1,800	3%	1,387	2%	401	1%
Misc Volunteer/Staff	2,189	2%	1,004	2%	851	1%	728	1%	2,517	8%
Outgoings (Rates)	0	0%	461	1%	413	1%	0	0%	0	0%
PO Box/Post	0	0%	331	1%	0	0%	1,040	1%	0	0%
Programming	0	0%	15,629	34%	1,190	2%	7,478	8%	4,161	13%
Promotional & Merch	0	0%	0	0%	0	0%	0	0%	0	0%
Rent	23,137	19%	11,636	26%	10,081	15%	8,945	10%	0	0%
Repairs/Maint	1,862	2%	3,884	9%	20,459	30%	4,860	5%	450	1%
Sponsor costs	9,119	7%	0	0%	0	0%	0	0%	0	0%
Telephone	4,178	3%	3,880	9%	2,218	3%	4,104	5%	1,877	6%
TX Site costs	0	0%	4,351	10%	3,104	5%	3,774	4%	0	0%
Other expenses nec	0	0%	-15,512	-34%	8	0%	4	0%	11,540	36%
Op. expenses subtotal	122,219	60%	45,410	67%	67,401	49%	90,238	100%	32,139	100%
Employment expenses										
Wages	74,158		22,750		62,454					
Superannuation	7,734				5,851					
Workcover	0				208					
Misc Employment	0				3,036					
Emp. expense subtotal	81,892	40%	22,750	33%	71,549	51%	0	0%	0	0%
Total expenses	204,111		68,160		138,950		90,238		32,139	
NET SURPLUS (DEFICIT)	-24,601	-14%	242	0%	-20,408	-17%	30,868	25%	21,548	40%

Benchmarked Stations

- 2HHH** *Triple H 100.1 FM, Waitara NSW*
 Servicing Hornsby/Ku-ring-gai area
 Circa 100 volunteers
 Slightly higher SES mix than Mount Barker RA1
 Similar station income level
- 3MDR** *Mountain District Radio Inc, Upwey Vic*
 Servicing Yarra Valley area
 Circa 110 volunteers
 Similar SES mix to Mount Barker RA1
 Similar location to Mount Barker RA1
- 3ECB** *Eastern Community Broadcasters, Croydon Vic*
 Servicing Melbourne's Outer Eastern suburbs
 Circa 65 volunteers
 Similar SES mix to Mount Barker RA1
 Similar location to Mount Barker RA1
- TYGA** *Derwent Valley Community Radio, New Norfolk Tas*
 Servicing Derwent Valley, circa 50km W of Hobart
 Circa 60 volunteers
 Slightly lower SES mix than Mount Barker RA1
 Similar station income level
 Currently operating under TCBL

* SES = socioeconomic status

Income and Expense Benchmarks - Lofty vs Hills Radio vs local + interstate peers (aggregated)

	HR FY18		Tribe FY17		WowFM FY18		RivLife FY18		Three D FY18		2HHH FY18		3MDR FY18		3ECB FY18		TYGA FY18		
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	
Income																			
Sponsorship	171,950	96%	6,310	30%	9,497	50%	28,775	32%	17,400	16%	21,283	27%	29,613	25%	77,870	64%	22,163	41%	
Membership	3,837	2%	2,018	9%	2,174	11%	2,325	3%	5,000	4%	5,346	7%	5,412	5%	8,328	7%	886	2%	
Donations	1,225	1%	60	0%	0	0%	36,790	41%	2,827	3%	3,023	4%	4,017	3%	784	1%	5,324	10%	
Grants	0	0%	1,700	8%	626	3%	20,042	22%	10,000	9%	19,869	25%	54,933	46%	0	0%	22,011	41%	
Access	0	0%	0	0%	0	0%	0	0%	6,120	5%	13,083	17%	1,125	1%	13,280	11%	0	0%	
Fundraising	2,416	1%	10,998	52%	6,342	33%	1,982	2%	8,566	8%	10,936	14%	5,565	5%	19,508	16%	2,641	5%	
Subscriptions	0	0%	0	0%	0	0%	0	0%	51,852	46%	0	0%	15,560	13%	0	0%	664	1%	
Other	82	0%	234	1%	359	2%	157	0%	9,887	9%	5,445	7%	3,442	3%	1,336	1%	-2	0%	
TOTAL	179,510	100%	21,320	100%	18,998	100%	90,071	100%	111,652	100%	78,985	100%	119,667	100%	121,106	100%	53,687	100%	
Operating expenses																			
Accounting/Audit	1,500	1%	0	0%	300	2%	1,750	3%	800	1%	491	1%	3,454	5%	1,810	2%	0	0%	
Advertising	1,176	1%	195	1%	309	2%	0	0%	0	0%	159	0%	309	0%	2,142	2%	0	0%	
Associations	554	0%	470	2%	1,880	14%	2,470	4%	0	0%	1,749	4%	2,307	3%	0	0%	0	0%	
Bank fees	68	0%	0	0%	24	0%	120	0%	1,636	2%	889	2%	534	1%	308	0%	20	0%	
Commissions	27,082	22%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	15,381	17%	0	0%	
Computer Exp	0	0%	0	0%	0	0%	117	0%	0	0%	327	1%	30	0%	0	0%	1,249	4%	
Conference/Travel Exp	0	0%	0	0%	0	0%	200	0%	2,766	3%	0	0%	1,706	3%	0	0%	1,769	6%	
Depreciation	23,238	19%	0	0%	4,132	30%	4,372	8%	0	0%	3,531	8%	4,132	6%	23,535	26%	0	0%	
Donations	0	0%	0	0%	0	0%	0	0%	2,790	3%	0	0%	0	0%	0	0%	250	1%	
Electricity & Gas	3,874	3%	3,754	17%	0	0%	1,905	3%	7,060	7%	3,758	8%	3,011	4%	3,775	4%	338	1%	
Entertainment/Gifts/Hosp	0	0%	0	0%	0	0%	27	0%	0	0%	0	0%	0	0%	0	0%	0	0%	
Events/Fundraising	220	0%	2,481	11%	0	0%	0	0%	0	0%	2,178	5%	583	1%	0	0%	87	0%	
Insurance	6,669	5%	2,214	10%	1,922	14%	2,594	5%	6,439	6%	3,811	8%	2,571	4%	5,282	6%	3,357	10%	
Interest Expense	0	0%	41	0%	0	0%	0	0%	2,343	2%	41	0%	0	0%	112	0%	0	0%	
Internet	0	0%	0	0%	0	0%	558	1%	0	0%	0	0%	2,775	4%	564	1%	0	0%	
Legal/Professional Service	0	0%	0	0%	0	0%	2,100	4%	0	0%	318	1%	2,376	4%	0	0%	0	0%	
Motor Vehicle Expenses	6,834	6%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	
Music Licence	3,621	3%	2,385	11%	0	0%	0	0%	11,351	11%	1,575	3%	3,489	5%	5,009	6%	4,123	13%	
Misc Office	6,898	6%	31	0%	329	2%	1,059	2%	10,809	11%	919	2%	1,800	3%	1,387	2%	401	1%	
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Outgoings (Rates)	0	0%	461	2%	413	3%	0	0%	509	1%	461	1%	413	1%	0	0%	0	0%	
PO Box/Post	0	0%	362	2%	0	0%	859	2%	0	0%	331	1%	0	0%	1,040	1%	0	0%	
Prog rights (news)	0	0%	0	0%	0	0%	4,174	8%	0	0%	15,629	34%	1,190	2%	7,478	8%	4,161	13%	
Promotional & Merch	0	0%	0	0%	0	0%	0	0%	12,169	12%	0	0%	0	0%	0	0%	0	0%	
Rent	23,137	19%	4,921	22%	0	0%	9,991	18%	15,365	15%	11,636	26%	10,081	15%	8,945	10%	0	0%	
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Sponsor costs	9,119	7%	0	0%	0	0%	35	0%	0	0%	0	0%	0	0%	0	0%	0	0%	
Telephone	4,178	3%	1,308	6%	1,292	9%	1,727	3%	3,166	3%	3,880	9%	2,218	3%	4,104	5%	1,877	6%	
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Other expenses nec	0	0%	0	0%	885	6%	261	0%	4,729	5%	-15,512	-34%	8	0%	4	0%	11,540	36%	
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Employment expenses																			
Wages	74,158						24,308				22,750		62,454						
Superannuation	7,734						2,280						5,851						
Workcover	0						205						208						
Misc Employment	0						0						3,036						
Emp. expense subtotal	81,892	40%	0	0%	0	0%	26,793	33%	0	0%	22,750	33%	71,549	51%	0	0%	0	0%	
Total expenses	204,111		22,713		13,626		82,044		101,719		68,160		138,950		90,238		32,139		
NET SURPLUS (DEFICIT)	-24,601	-14%	-1,393	-7%	5,372	28%	8,027	9%	9,933	9%	10,825	14%	-19,283	-16%	30,868	25%	21,548	40%	

Legend outlier i.e. significantly higher/lower percentage than average
 limited comparison data, thus averages may be skewed



Dear Tony,

This letter is to confirm SACBA's comprehensive ongoing support for Lofty Community Media Incorporated (Lofty) as a TCBL and as a permanent community broadcaster, should it eventually be awarded the permanent license for Mount Barker.

This support consists of ongoing:

1. technical advice, including RF, audio, IT, HVAC and energy efficiency
2. access to equipment from the SACBA Equipment Bank for long term use
3. board induction and governance training opportunities
4. training opportunities to make announcers aware of their obligations under the BSA, the Codes of Practice and broadcast law
5. assistance at AGMs to act as returning officer if requested
6. assistance with conflict resolution if required

In return we expect that Lofty will:

1. be open and honest in their dealings with SACBA
2. comply with the Equipment Bank Terms And Conditions below
3. apply for CBF equipment grants as soon as it becomes eligible
4. hold a temporary or permanent community broadcasting license
5. comply with the Broadcasting Services Act
6. comply with the Codes Of Practice
7. operate Lofty in an independent, open, inclusive and democratic manner
8. make information about Lofty available to SACBA when requested
9. remain a member of SACBA

For the avoidance of doubt and to fully explain why SACBA has provided so much assistance and equipment to Lofty we emphasise that we have no desire to control Lofty, but we do expect Lofty to be an excellent community broadcaster that complies with all its obligations.

SACBA is doing these things in order to put a stop the egregious behavior that has plagued most TCBLs in South Australia over the past decade. The dishonesty, self-interest and inappropriate behavior by some people within these TCBLs has significantly damaged the brand of community radio and has literally torn some communities apart. It has resulted in police involvement, arrests, civil and criminal court proceedings and it has to stop. Therefore SACBA developed the Intensive Assistance Plan in order to thwart these inappropriate behaviors.

The Intensive Assistance Plan recognises that TCBL startups are in a “Catch 22” situation - they require at least twenty thousand dollars worth of equipment to get on the air, yet they are rarely in a position to raise these funds easily and are ineligible for CBF financial support until they have been broadcasting for the equivalent of two years full time. This places huge financial pressure on TCBLs when they can least afford it.

It also leaves them open to abuse by carpetbaggers who hope to benefit personally by offering to assist the station with equipment or a loan, which is often repaid by that person selling the sponsorship on commission, sometimes at a very high rate. This has the effect of addicting the station to a high cost business model that requires large sponsorship sales that inevitably impact on the selection of programs and adversely affects community participation. This normally leads to disaffected ex-members of that TCBL forming their own TCBL and dividing the community further.

It also makes it much harder for SACBA to assist these TCBLs, due to them using non-standard, overly complex and expensive equipment, rather than simple, effective equipment that can be duplicated by the SACBA Equipment Bank in the event of any breakdowns.

By providing, free of charge, all of the basic equipment Lofty needs to get through its formative years, SACBA hopes to avoid those problems experienced by other TCBLs over the past decade. By the time Lofty is eligible for CBF grants it will appreciate that running a low cost station provides the maximum chance of community participation and the least risk of abuse, in all its forms.

Be assured that whilst SACBA has made a significant investment in the future of Lofty, we will not hesitate to remove all support should Lofty not meet the expectations outlined above. SACBA wants community broadcasters who excel at being good community broadcasters and who encourage full community participation.

We should also point out that should Hills Radio eventually decide to take up our offer of SACBA membership, we will support them just as we would support any SACBA member station. Whilst it is without question that Hills Radio’s previous behavior and constitution make them ineligible for SACBA membership and an unsuitable entity to eventually hold a permanent community broadcasting license, should they make significant changes and become compliant, we would gladly welcome them into membership of SACBA. We had a similar experience with the Willunga Basin TCBLs of Tribe FM and Triple Z. In that instance, having both bitterly opposed TCBLs engaged in open individual discussion with SACBA as an independent advisor has brought them closer together and made them better community broadcasters.

We wish Lofty all the best and our continued support for excellent community broadcasting in Mount Barker.

Regards,



Tim Borgas
Station Assistance Program
SA Community Broadcasters Association Inc.

1 November 2019