



# BUSINESS PLAN 2020- 2025

RoxFM

A plan to improve Roxby Downs' only locally based media outlet

RoxFM Management Board  
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## Introduction

RoxFM is a community radio station based in Roxby Downs, SA 5725.

The station broadcasts a diverse range of programs which include:

- Music shows
- Talk shows
- News programs
- Australian content
- Multicultural Content
- Sponsor information
- Community information

The station is located within the Roxby Link complex on Richardson Place.

### Management of RoxFM

RoxFM is managed by a Board, which currently consists of:

- Board Secretary Junita
- Board Treasurer Milly
- Board Member Sarah Curtis
- Vice Chair Rene Ayala
- Chair Stuart Edwards

The station does not have any paid staff and is run entirely with the support of volunteers and members.

# Overview

RoxFM is based in the Roxbylink complex, adjacent to the Dunes Café on Richardson Place.

RoxFM is a community radio station and had its 5 year licence renewed in 2019. As a community radio we rely on sponsors and members for our

- Mission statement: RoxFM 'Local, live and loving it'
- Markets and services: Sponsors and potential sponsors include:
  1. Businesses – both small and large businesses, government organisations. The Board is actively seeking additional sponsors by directly speaking with business managers and owners.
  2. Individuals – Individuals who become members are also likely to have a show of their own. A recent strategy to increase membership was to trial packaging membership with a RoxFM branded T-shirt. This has proven successful in gaining 10 new members.
  3. Non for profit groups – Other community groups also have a need to attract new members and RoxFM will provide support to those groups, and there is always potential for those groups to also become sponsors.

It is currently operated by volunteers. There are no employed staff, but it is planned to employ a part time/casual person in the near future to alleviate some of the pressure on the volunteers.

However, the financial stability needs to be restored with a sufficient surplus before this occurs.

In the event that this takes some time, efforts are also being made to increase volunteer numbers. We know that there are a relatively small number of volunteers totaling 14 individuals currently. If we can expand on that, then the workload will be reduced.

We are currently recruiting for new presenters which will also become members and volunteers and have a number of strategies under development to help improve the appeal of the station in order to achieve that in the coming years.

## Situation analysis

RoxFM previously employed a full time station manager. However, since 2017 revenues declined to the point where a full time manager could no longer be sustained.

The population has not declined and so is more of a result of revenues falling.

2019 was a challenging year for RoxFM. After a significant decline in sponsorship and members over the previous years, the current Board inherited a precarious balance sheet which was rapidly deteriorating and came too close to insolvency.

The priorities were clear; to increase revenue and reduce overhead costs. That resulted in the difficult decision to not renew the employment contract with the one full time position of the station manager.

Additionally, non-essential assets were sold including the previously donated Transit Van. Consultation was sought with the sponsor, BHP prior to the sale as it had originally been intended that the van would be used and fitted out for outside broadcasts.

Outside broadcasts are still possible without a van and the van was a significant ongoing cost with insurance, registration and operating costs.

Additional services and subscriptions deemed non-essential were also cancelled, and in some instances, such as mobile telephone subscriptions were replaced with more cost effective services.

An emergency meeting was held with members and volunteers, and tasks previously performed by the station manager have been performed by volunteers since mid-2019.

Whilst the combined effect of the reduction in outgoings and improvements to revenue from new members and sponsors has improved the situation compared to 12 months ago, there are still significant challenges to overcome in the long term.

It is acknowledged that RoxFM is still here today thanks to the help and support provided to all of our sponsors.

Significantly, Roxby Council as the major sponsor, Raine and Horne for all the sponsorship and to both Craig and Sandy Sumsion for their own personal time and effort helping out throughout the year.

Thanks also to Autopro, who remain as a valued sponsor which RoxFM is keen to attend at the annual show n' shine event each year.

BHP, Thirsty Camel, MEGT and CEG have also provided valued sponsorship through the year. In return we aim to provide good value for money to our sponsors.

One of the ways we wish to improve that is by expanding the broadcast range of RoxFM and working to increase audience numbers in the future.

RoxFM is lucky to have a dedicated Management Board to help improve the long term viability and success of the station. As the only remaining locally based media outlet, we have a unique platform to speak to the community.

By working to improve the diversity of both presenters and content, we aim to improve the appeal to every corner of the community so that RoxFM has something for everyone who lives in Roxby Downs.

## Operational structure

Whilst RoxFM is currently operated by volunteers, the tasks required to keep the station operating include:

1. Administrative tasks – emails, mail, telephone and in-person meetings, reporting, planning and scheduling
  2. Sales – Sponsorship and membership
  3. Programming tasks – radio station programming
  4. Operational tasks – other tasks relating to operation of the station.
- Financial goals: Financial goals are to restore the balance sheet to surplus and build an asset replacement fund for equipment replacement and upgrade.

## Financial goals

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Broadly, the financial aim is to restore financial stability to RoxFM by building an asset replacement fund for future upgrades and replacement of essential equipment.

The financial forecast is shown in attachment 1.

Projected profit and loss model: The budget estimate was based on the assumption that a part time employee would be already employed. However, due to the current financial situation, this is being held until the current financial situation is improved upon.

Key costs have drastically reduced;

- Cost per broadcast hour reduced by 70 per cent.
- % Broadcast time – less than 3 hours' outage during 2019
- Overhead costs reduced

Membership numbers increased and we obtained additional ad hoc sponsors. The Board will work to continue to secure additional sponsorship opportunities during the year and work to ensure that the financial position is significantly strengthened in the coming months.

## **Performance**

In terms of operating performance, RoxFM has met its obligations as a licensed community radio organisation and was successful in obtaining licence renewal for 5 year period to 2023, in addition to meeting requirements for Australian content.

Financial performance remains one of the key challenges for RoxFM, although with the recent reductions in overhead costs and efforts to secure additional sponsorship and memberships, it is anticipated that financial stability will improve in the short to medium term.

The RoxFM board considers that the best performance improvement opportunity would come from increasing the broadcast range of RoxFM.

## **Broadcasting Range**

Investigation is underway to determine the best most economical method of increasing range to include Andamooka and boost the signal within Roxby Downs.

Grant funding will be sought to cover the cost of this expansion.

## **Competitors**

There are no other locally based community radio stations in Roxby Downs, but there are other radio stations that broadcast in Roxby Downs.



# Business Description

## Opportunity:

There are numerous businesses in Roxby Downs which represent potential sponsors. With 10 sponsors, currently RoxFM has less than 10 per cent of the potential market. Similarly with membership at less than 20, we have 0.5% of the Roxby Downs community as members. This represents a large opportunity to significantly increase revenue and membership numbers.

As a community radio station RoxFM is limited to 5 minutes of sponsorship messaging per hour. Currently this averages 1 minute, although this excludes other sponsor airtime, it also represents a large untapped potential. To demonstrate the potential, if the maximum broadcast time for sponsor messages is:

5 minutes x 24 hours x 7 days per week = 840 minutes per week

Less current sponsor actual time 168 minutes per week – other sponsor messaging 120 minutes = total current sponsor airtime 288 minutes per week

We have the potential to increase sponsorship messaging by almost 10 hours per week. (Consider that the average sponsor message is 30 seconds duration.)

## Product overview:

We have worked to provide flexible options for sponsors, with relatively low cost sponsorship opportunities. The fees structure has been revised to accommodate both regular sponsor messaging and longer promotions.

The broadcast licence permits up to 5 minutes of sponsor messaging per hour. The current average 24 minutes per day could be increased to a maximum of 120 minutes per day. (5 minutes X 24 hours).

## Key participants

Roxby Council is the major sponsor. Autopro Roxby Downs and Raine and Horne have also been long term sponsors. BHP have also provided sponsorship and the RoxFM Board are currently in discussions with them with a view to expanding on this in the near future.

Tim Borgas at SACBA has been an ongoing source of information as someone who has provided support to RoxFM for a number of years and has knowledge that has been invaluable to the Board throughout the year.

The current Board is also considered to be a key participant along with the other organisations and individuals acknowledged as sponsors, members and volunteers.

## Pricing

With overheads reduced, RoxFM has worked to revise the price structure and make it both more attractive to ad hoc sponsors for short term messaging, such as for special, one off events, and provide incentives to retain and attract new sponsors.

The pricing structure is shown separately as an attachment to this document.

## Marketing Strategy

In addition to seeking a partnership with a nationally recognized training provider, the Board will continue to develop marketing strategies to improve revenue generation.

Merchandising is another relatively untapped market and source of increased revenue generation.

- Key messages: More local content, what you need to know if you're in Roxby Downs.
- Marketing activities: Immediate strategies to increase revenue generation:
  - Contact past and existing members – offer discount for t-shirt and membership combination
  - Sponsorship opportunities – sponsor a show, or news, or offer platform for sponsors to get their message into the community.
  - Seek Grant funding opportunities through the CBAA and elsewhere.
  - Increase sponsorship range; for example contact businesses that may rely on Roxby Downs business, such as accommodation places in Port Augusta.
  - Sales strategy: In addition to the written approaches listed above, the Board will also arrange to meet with a number of key sponsors and potential sponsors during 2020 with the aim of securing additional revenue.

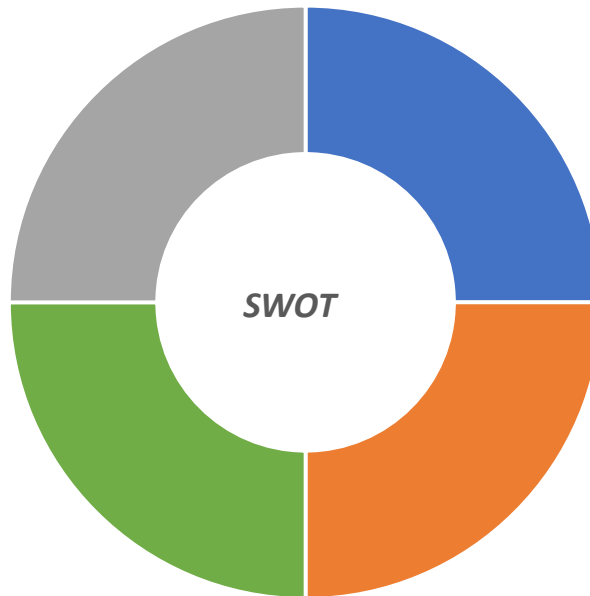
# S.W.O.T Analysis

## STRENGTHS

- Only locally based media outlet
- Experienced and dedicated volunteers
- Board commitment

## OPPORTUNITIES

- Increase sponsorships
- Increase number shows
- Increase broadcast range



## WEAKNESSES

- Poor financial reserves
- Not enough presenters and volunteers
- Too many airtime hours on autoplay
- Poor broadcast range

## THREATS

- Too reliant on few key sponsors

## Development Strategy & Operating Plan

RoxFM has operated on volunteers alone since mid- 2019. This is not considered to be a long term proposition, as it is sufficient to keep the station running in the short term, but does not enable development of the key areas of operation.

Further work is required to secure additional sponsorship, in order to generate sufficient revenue to build an asset replacement fund to replace and upgrade equipment and other assets critical to operation of the station.

In 2019, attempts were made to employ a person on a commission only basis to obtain more sponsorship. This was unsuccessful as no-one applied for the position.

Further attempts will be made during 2020 to appoint a person with the necessary skills to assist with revenue generation.

The Board has considered appointment of a trainee, but following discussion with skills training centres, it became apparent that a trainee would require supervision and would be impractical.

The two remaining options under consideration include:

1: Appoint a person with experience on a part-time basis. In order to minimize long term financial risk this could be on a fixed term basis.

2: Appoint an educational institution with a media studies element, with the intent to provide project work for media studies students to assist with improving operations of the radio. As a partnership, this could be beneficial to both organisations as it would provide assistance with the various administrative tasks that need improvement, in addition to providing a 'real life' platform for students already studying a relevant topics. Port Augusta TAFE for example runs several nationally recognized qualifications which may have relevant elements, including:

- Business and Business Administration
- Digital Media and Technology

<https://www.tafesa.edu.au/locations/far-north/port-augusta/port-augusta-courses>

This is the immediate operational strategy that the Board intends to work on during 2020, noting that any financial commitments would need to be self-funding via increased sponsorship.

Further work to increase member, volunteer and sponsor numbers is the highest priority for the immediate months ahead. Whilst the transient nature of the Roxby Downs population may cause these to also be the priority into the future, there is considerable scope to improve the number of people involved in RoxFM.

- Order fulfillment: The historical records are somewhat convoluted in that there have been multiple changes to processes resulting in different recording mechanisms for tracking critical data such as member and sponsor records, which is as a result of having multiple managers over a relatively short time frame, each with their own variations. It is a priority for us as the Board to be able to document the historical story of RoxFM both in financial and operational terms, more effectively in the future and be able to report to both volunteers and sponsors alike. Tim Borgas from the South Australian Community Broadcasters Association (SACBA) has provided assistance with site visits in 2019 and 2020 to provide assistance.

- Payment: The Treasurer invoices members and sponsors and manages the financial accounts using 'Zero' accounting software.

- Performance Indicators:

Number of members

Number of sponsors

Total revenue generated

Total operating expenditure

Total presenter hours

Total Sponsor messaging (max 5 minutes per hour)

Outside Broadcast/Event hours

# Technology

RoxFM has several platforms available to increase audience numbers.

These include:

- Social Media – Facebook, Youtube
- Website

The Board Secretary has provided increase social media content over the past 12 months and this resulted in a 10% increase in the number of 'likes'.

From 1 July 2018 to 30 June 2019, a total of 192 Facebook posts were published. For 2019-2020 this is on track to increase by at least 50%.

The RoxFM Facebook group now has over 1,000 followers. The potential reach of this forum was demonstrated during the 2020 ANZAC Day livestream by RSL which reached 1,200 viewers.

Youtube videos are another potential source of increasing audience numbers.

In August 2018, RoxFM featured in a radioworld.com article that listed RoxFM as an example of a remote radio station, titled

*'Radio Reaches the World's Most Remote Places'*

- RoxFM also featured in the community television show 'broadcast radio australia' during 2019 and the Board will continue to seek effective ways to build the brand by increasing the audience. The channel 44 series was popular and management there decided to re-run the series in late 2019.
- Key customers: The key customers are the community, sponsors, members, volunteers.
- Key employees and organization: The RoxFM Board cannot operate without the support of the key customers and the Board will aim to improve recognition of the efforts made by all of the individuals and organisations that work together to keep RoxFM going into the future. In order to keep the key customers interested, RoxFM has to remain relevant. In order to improve, greater emphasis will be on recognition of contributions made by all. We will also seek ways to add value to our key customers.
- Management and Administration Improved documentation of processes and development of video demonstration and training videos. These could also be placed on a youtube or similar account.
- Promotion of RoxFM occurs regularly through the RoxFM Facebook page and 'Chronicle' newspaper. Editorial content is regularly supplied by the Board Secretary.
- Facilities: RoxFM is located within the Roxbylink complex.

## Financials – historical performance

	30 June 2015, \$	30 June 2016, \$	30 June 2017, \$	30 June 2018, \$	30 June 2019, \$
Income	\$83,835	\$88,315	\$99,652	\$57,711	\$60,803
Operating Expenses	\$81,657	\$105,083	\$103,106	\$62,056	\$64,800
net	2,178	-16,768	-3,454	-4,345	-3,998

## Projected 2019 – 2020 Profit and Loss

1: Real position of accounts estimated to 30 June 2020

Category	\$
<b>Income</b>	<b>26,373.99</b>
<b>Expenses</b>	<b>10,193.82</b>
<b>Net Profit</b>	<b>16,180.17*</b>

\*During 2019 the Management Board identified a historical underpayment of tax payments to the ATO, and outstanding Superannuation liability of \$10,480 from a previous employee.

Whilst this outstanding debt relates to previous financial years (2017-2019) the repayment has been arranged with the ATO over 3 years.

An audit of financial accounts is planned for August 2020 which will include adjustment of financial accounts to reflect the revised position with the tax obligations attributed to the correct previous financial years.

Until the financial audit is complete and previous years liabilities are attributed to the correct year, the financials appear as below, which include the Superannuation and ATO payments.

Category	\$
<b>Income</b>	<b>26,373.99</b>
<b>Expenses</b>	<b>26,673.82***</b>
<b>Net Profit</b>	<b>-299.83</b>

\*\*\*This includes projected operating expenses of \$10,194, Superannuation expenses of \$10,480 and \$6,000 in ATO payments. These liabilities were incurred between 2017 to 2019.

It is expected that an adjustment to the financial records will be made to appropriately apportion these expenses to prior financial years, following completion of financial audit by an external auditor during 2020.

Once the previous years' expenditures have been re-allocated, the net position for 2019-2020 will show a net surplus of \$16,000.

Forward projections shown below also include the ATO liability.

## 5 year financial estimate

	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Income	\$27,165	\$27,980	\$28,819	\$29,684	\$30,574
Operating Expenses	\$22,499**	\$22,814**	\$17,139**	\$11,473	\$11,817
Net	\$ 4,666	\$ 5,166	\$11,680	\$18,211	\$18,757

Income estimates 3% annual growth. It is known from historical performance that there is potential to generate up to \$100,000 in annual revenue, primarily via sponsorship.

A conservative estimate of 3% growth in income has been estimated due to increased focus on marketing and sponsorship seeking activities.

\*\*Operating expenses shown include repayments to ATO at \$1,000 per month until mid-2022.

## Pricing Structure

A review of existing pricing structure was conducted in 2019.

Sponsorship rates were amended to reflect operating costs and future asset replacement needs.

The revised pricing structure also takes into account whether the sponsor provides their own audio file or not. If RoxFM resources are required to produce and record audio, this additional cost is reflected in pricing, whereas previously it was not.



**Monthly Sponsor Message Cost - Sponsor  
Produced Audio Files**

Message Duration	Monthly Rate
30 seconds fortnightly	\$82
30 seconds x weekly	\$107
30 seconds X once daily	\$232
30 seconds x twice daily	\$267
30 seconds x three times daily	\$320
30 seconds x four times daily	\$407
30 seconds x five time daily	\$495
30 seconds x six times daily	\$582

**Monthly Sponsor Message Cost - Sponsor  
Produced Audio Files**

Message Duration	Monthly Rate
30 seconds fortnightly	\$72
30 seconds x weekly	\$93
30 seconds X once daily	\$202
30 seconds x twice daily	\$233
30 seconds x three times daily	\$278
30 seconds x four times daily	\$354
30 seconds x five time daily	\$430
30 seconds x six times daily	\$506

A fee structure has also been developed for longer sponsorship promotions:

Message Duration	Fortnightly	Weekly	Twice Weekly	3 x Weekly
5minutes	\$300	\$400	\$640	\$720
10minutes	\$400	\$500	\$800	\$900
15minutes	\$500	\$600	\$960	\$1,080
20minutes	\$600	\$650	\$1,040	\$1,170
25minutes	\$650	\$675	\$1,080	\$1,215
30minutes	\$675	\$700	\$1,120	\$1,260

**Monthly Sponsor Message Cost - RoxFM Produced Audio Files**

Message Duration	Fortnightly	Weekly	Twice Weekly	3 x Weekly
5minutes	\$450	\$600	\$975	\$1,075
10minutes	\$600	\$750	\$1,195	\$1,350
15minutes	\$750	\$900	\$1,425	\$1,625
20minutes	\$900	\$975	\$1,550	\$1,755
25minutes	\$975	\$1,015	\$1,600	\$1,825
30minutes	\$1,015	\$1,050	\$1,650	\$1,895

**Rates quoted above are total monthly cost excluding GST.**