



CANBERRA CHRISTIAN RADIO LTD
CHAIRMAN'S REPORT
2016

CANBERRA CHRISTIAN RADIO LTD
CELEBRATING

SINCE 1991

25 YEARS

CANBERRA CHRISTIAN RADIO LIMITED

2016 ANNUAL GENERAL MEETING – SATURDAY 5 NOVEMBER 2016

CHAIRMAN'S REPORT – BRETT ANDERSON

INTRODUCTION

1. It is my pleasure to present this report on the activities of Canberra Christian Radio Ltd (CCRL) over the 2016 calendar year and an analysis of the company's financial health for the 2015/16 financial year.
2. At the AGM of 2015, six members were elected as directors in accordance with the CCRL Articles of Association. All directors remained current through the term of this Board.
3. This has been my eighth consecutive term on the Board of Directors, also my eighth term as Chairman of CCRL.
4. I would like to thank John Timermanis too, for his support again through this year in the role of Vice Chair. Also, much thanks to our Company Secretary, Janice Webb, who has ensured that we continue to meet our obligations as a company through her diligence to corporate governance.
5. I feel most privileged to have been involved in the leadership of the company during this 25th milestone year of the formation of Canberra Christian Radio Ltd. I pay special tribute to those who have preceded me; to the late Warren Rout and his wife Suzanne, our company's founders and inspiration; and to the many men and women who have served faithfully through the years to foster 1WAY FM as a work of God, discerning His path for the Station and acting with courage and, in many cases, great sacrifice to make 1WAY FM the success it is today. More on this a bit later in this report.
6. Our directors have executed their duty well through this year, working together and with the 1WAY FM General Manager, Colin Webster, to address the immediate challenges facing the Station, as well as looking to the future to review the emerging landscape for community radio in our region and to identify where CCRL can benefit from opportunities on the horizon. On behalf of all the members of CCRL I extend thanks and appreciation to my colleagues for the way they have exercised their responsibility as directors over this past year.

UPDATE ON OUR OPERATIONAL RESTRUCTURE – RESPONDING TO OUR CHALLENGES

7. At last year's AGM I reported that the Board had worked with Colin in restructuring the operations of the Station to cater more effectively for the changing needs of the organisation. Two key initiatives in the Restructure program were the establishment of an operational Leadership Team to support Colin in his management duties and the introduction of two new coordinator positions in the Station, focussed on *communication* and *engagement*. I am very pleased to report that these initiatives have been tremendously successful, both in the way they have harnessed the efforts of our wonderful team of volunteers to deliver more consistency in our operations and in the improved interaction we have been able to achieve through our dedicated communications, engagement and sponsorship focus.

8. Communication is a busy and constant activity and this year the team has matured their approach to communication across the whole organisation. It all started with formalising a communication plan and establishing easy-to-follow policy for administration of our online, on-air, written and in-person communication. The work done by our team throughout this year has manifest in so many areas, most easily recognisable in:
 - a fresh new graphical visual identity that runs across our website, newsletter, marketing materials, banners and other visual media;
 - a brand new modern and easily maintainable website, linking the Station's activities to our online presence. Since the website went live in May this year we have had around 2000 unique visits each month and almost 200 interactions through our web contact form. Our community noticeboard too, continues to be a drawcard for our local community to promote their events, with an average of around five new events created every week;
 - rich and engaging content in our newsletter, showcasing the wonderful work being done in the Station; and
 - deliberate focus, through our Facebook channel, on engaging with our listening audience.
9. On the engagement front, the team has been overwhelmed with the positive response to dedicated focus in this area. Among the many highlights throughout the year we have seen:
 - a marked increase in the number of on-air interviews, bringing in leaders from across the broad spectrum of our community of interest to share with our listeners the passion of Christ working in our region;
 - ever increasing connections with Churches, Christian schools and community mission projects, helping us to build our profile in the Christian community while benefiting our Christian partners in achieving their objectives;
 - a huge uplift in our outside broadcast (OB) service, bringing 1WAY FM to Christian community events across our region. In this Spring period alone we have four OB commitments booked in; and
 - improved partnering with other organisations working for Christ in our community. For example, this year our 1WAY FM team again partnered with CBM in their Miracles Day campaign. After setting a target of 175 miracles (an increase on last year's total) the team harnessed the generosity of our listener community to deliver an amazing 400 miracles at the close of that campaign!
10. Sponsorship too, has seen an uptick this year due to the dedication of our team in addressing this vitally important element for ensuring sustainability of the Station. You may recall from last year's Chairman's report that the Directors were concerned about a significant drop in sponsorship revenue over the previous year. Our Board has paid close attention throughout this year to the progress of initiatives to reverse this trend. Further information on sponsorship is provided in the Brief Financial Analysis later in this report.
11. Our on-air sound continues to develop and improve, with new programs, engaging presenters, interviews and fresh music all featuring heavily over the course of the year. Our team listened to our members at last year's AGM asking for more balance in our programming, and have initiated an ongoing improvement process to build up the variety of programming content, with a focus on listeners for each hour of the day. This work is continuous and, while it is still a relatively new initiative, the response from our listeners to date has been very positive.

12. Technically, the team has been enabled this year with the introduction of our own Microsoft Office 365 environment (through the generosity of Microsoft's non-profit donation program). Our Office 365 environment replaces outdated technology and disparate business systems with a single, state-of-the-art, enterprise-grade, cloud-based collaboration platform that fosters sharing, communication and teamwork. The rollout of the platform to our volunteer team continues, after a pilot of the system conducted with our Leadership Team showed almost instantaneous improvement in the way the team was able to engage.
13. The introduction of project planning software and Agile-based approaches to delivering projects has markedly changed the way the team organises the many events and activities they undertake each year. This has shown great fruit too, including reduced stress leading up to and during major events such as our Annual Appeal, fewer 'last minute' priorities or issues adding pressure to already overloaded schedules and contingency planning being built into project execution for business continuity. "Lessons learned" from each activity are now fed back into reusable project plans providing a continuous improvement loop in our project execution capability.
14. A coordinated volunteer induction program and regular team meetings have contributed to greater connection with our volunteers, allowing them to be more involved in the day-to-day operation of the Station other than just in their own chosen area of involvement. There are many benefits to having an engaged team, improved morale and greater collaboration are just two that we have seen since this program has been in running.
15. 2016 was hailed as a year of "**Responding**":
 - Responding to God's will for the Station as we collectively discern it;
 - Responding to our members, listeners, supporters and sponsors by engaging more closely with them to understand their needs;
 - Responding to our 1WAY FM team of dedicated and committed people who need support to deliver the very best for the Station and for God; and
 - Responding to the challenges that lie before us with conviction of heart and boldness, knowing that Jesus our protector and guide is always with us and will not leave us stranded.

The initiatives I have highlighted in this report are only a snapshot of the many changes already made in maturing our organisation to align more fully with the vision of the Station to "*Promote a Christian perspective across our community*". There is so much more that has been done, and I am sure Colin will tell you, so much more already planned to be done over the coming year. I am sure you would agree though, that our 1WAY FM team (our coordinator leaders together with our talented and committed volunteers) has responded well to the challenges laid before them. I offer congratulations and immense appreciation to Colin, our Leadership Team and our many dedicated volunteers, on behalf of the members of CCRL and listeners of 1WAY FM, for your remarkable achievements this year.

BRIEF FINANCIAL ANALYSIS

(please refer to the graphs at the end of this report. Detail is included in the 2015/16 Financial Statements).

16. After taking into account asset depreciation of around \$12,000, and despite an increase in expenses this year, CCRL recorded a small financial surplus of \$7,338 for the 2015/16 Financial Year (FY). This is fantastic news for CCRL, ending a run of revenue deficits that have dipped into our financial reserves and turning around particularly concerning financial results from last year.

Revenue Analysis:

17. Total revenue this FY was up by \$83,000 on last year, attributable most significantly to an increase in donations, sponsorship revenue and operating grants received, the three revenue streams that make up the bulk of our financial receipts. Also contributing to our revenue result, is a payment of \$25,000 in respect of workers compensation insurance paid to CCRL. A little over \$347,000 was raised in the 2015/16 financial year to support the Station.
18. It was most satisfying to see that sponsorship revenue has returned to the same level of previous years, after the strong downward result we had last year. Consistent and diligent focus on our sponsorship revenue throughout the year by both the Board and the Leadership Team has certainly contributed to this, and the new processes and systems for sponsorship engagement established through this past year show promising signs of supporting further growth in sponsorship revenue through this coming year.
19. Operating grants also, were bolstered this year by a \$30,000 grant to support the establishment of our Communication and Engagement capability. As I noted earlier in this report, the benefits of this investment are clearly visible in the organisational uplift we have recorded. Grants provide significant opportunity for our continued growth and so continued focus on responding to suitable grant opportunities needs to be maintained.
20. Donations this year account for just more than half of our annual revenue to support the operation of 1WAY FM. The continued generosity of our supporters through donations, raised just over \$184,000 in the last financial year, a little more than \$5,000 increase on last year. We are deeply grateful to those who contribute financially to ensure that 1WAY FM has the necessary finances to support its work.
21. Membership subscriptions have remained consistent through 2015/16 FY.

Expenses Analysis:

22. Administration costs and, most significantly, salaries, account for much of our outgoings, with rental expenses the next largest expense.
23. As forecast in the Chairman's Report last year, expenses have increased, due in part to the increased rental and electricity charges to run our transmitter on Poppet Hill. It cost around \$950 per day to run the Station this year.
24. Most other expenses remained relatively consistent with previous years.
25. Over this coming year we expect our expenses will increase again, as CCRL shoulders the cost of the additional paid personnel in our Leadership Team. Over the 2015/16 FY this cost was largely covered by the operational grant we received.
26. With the increased costs expected over the coming year it is not inconceivable that the cost per day could rise to around \$1,200 in this coming year.

Some additional notes:

27. Owing to the sharp drop in our revenue in the 2014/15 FY and the need to dip into our financial reserves more often to support the running costs of the Station, our interest earned has halved for this financial year.
28. Cash at Bank was reported at \$164,161 at the end of the Financial Year, a little over \$22,000 improvement on last year.
29. The 2015/16 Financial Statements have been audited by our external auditor, RSM Australia Partners, and a full report is available on the 1WAY FM website.

OTHER HIGHLIGHTS OF 2016

30. Our annual fundraising appeal was held again this year in the first week of August. Preparation for this year's event was noteworthy in the fact that, despite one of our key volunteers, Kieren Webb, becoming gravely ill just a week out from the Appeal, the organisation for the event continued almost seamlessly to be one of the best organised Annual Appeals in the Station's history. It is a credit to Colin and his team that the organisation for this most important fundraising event was so thorough and that preparations had commenced well in advance. A heartfelt thank you too to our volunteers who stepped in to fill in the gaps to make this year's Annual Appeal the success it was. This year, the team decided to concentrate their efforts over three days, rather than spreading out the call for support over an entire week as in previous years. The result was more energy from our presenters across the Annual Appeal weekend, reduced stress and a financial result comparable with previous years and in line with our targeted needs. Well done 1WAY FM team!!
31. Thank you too, to all who continue to support the Station financially as members, donors and sponsors. These finances are critical to keeping the station on air and your support ensures the ongoing viability of Christian community radio in the Canberra region.
32. In mid-October, our ailing transmitter on Isaacs Ridge, that broadcasts on our 94.3MHz frequency, was replaced. Earlier in the year an equipment grant was sought for this replacement and we were successful. Much thanks is owed to Shane Perkins for his continued support of the technical broadcast needs of the Station. Shane arranged quotes, sourced and installed our new transmitter and continues to provide advice and expertise to support our technical team in maintaining our broadcast equipment.
33. This year, the Board devoted a good portion of our October Board meeting to reviewing the organisational Restructure commenced just one year ago. The Board and the General Manager assessed together:
 - the demonstrable success evident in the restructured organisation;
 - areas where the restructure may not have met expectations, with a view to understanding why and what changes need to be applied to our original strategic model to achieve a more effective result; and
 - gaps in our original model: elements of the Restructure not currently included in the model but which should be incorporated to bring about a successful transition to a sustainable future operating model.

Several key initiatives were brokered through this analysis that will continue to develop as the implementation continues. Colin will address some of these initiatives in his Operational Report. It should offer some comfort to our members that 1WAY FM has embraced transformation, to become forward looking, innovative and systematic and purposeful in its approach to change. Of course, the journey is only just commencing and I commend Colin and his team to your prayers over this coming year.

IN THE COMING YEAR

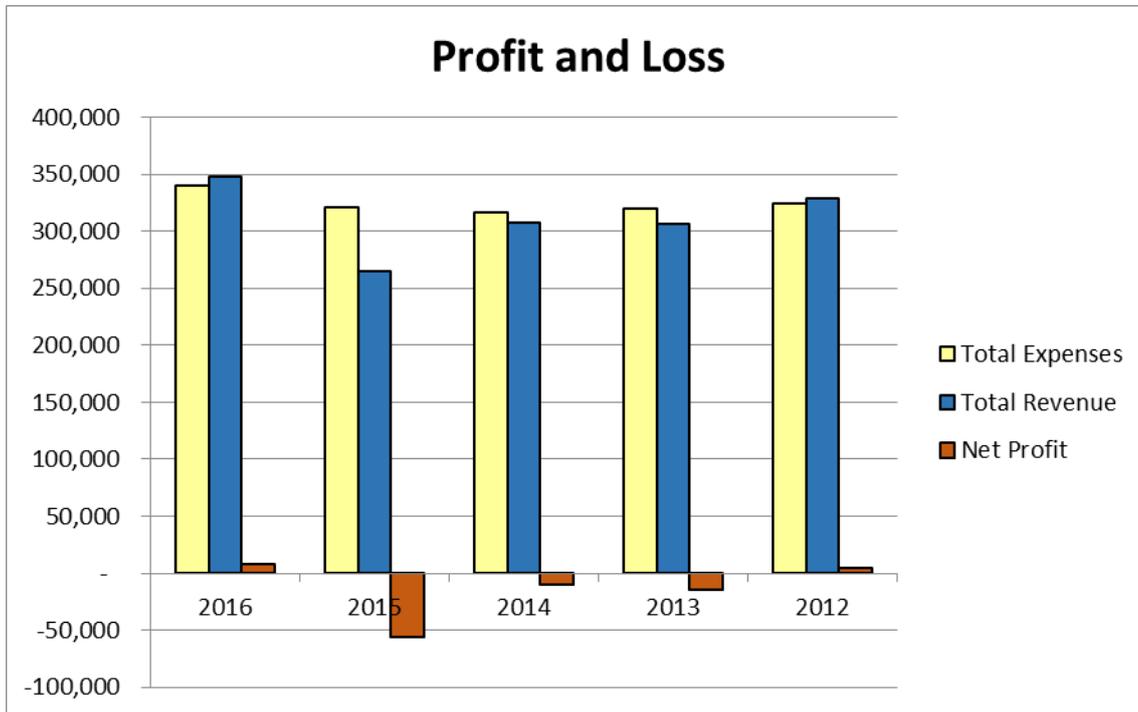
34. As I mentioned earlier in this report, 2016 marked the 25th anniversary of CCRL. This coming year marks the 25th year of our on-air broadcasting. The Board decided that, rather than having separate functions celebrating each of these milestones, they should be joined in a great celebration together. Our annual Picnic in the Park has grown in popularity over the last two years and so we have decided that this coming year's Picnic in the Park on Canberra Day (Monday 13 March 2017) will mark our anniversary milestone. Our team has already commenced planning for an upscaled event. We are assured of another fantastic Canberra summer's day with lots of fun and activities being planned for the whole family. Please mark the date in your diary and watch out for further information so you can come along and celebrate with us on the day.
35. After a protracted trial of digital radio among commercial stations in Canberra and other regions the Australian Government Department of Communications and the Arts has announced the rollout of digital radio services in several regional areas, including Canberra, to be undertaken over this coming year. Legislation around this new service channel mandates the involvement of community broadcasters, and a small portion of the digital bandwidth is reserved too, for the delivery of community radio services. The incoming Board will need to address these new requirements and has the opportunity to shape 1WAY FM's involvement in this new technology space.
36. Each year I offer a word of action for our team to focus on. This coming year, I suggest, will be a year of **"Growing"**:
- Growing together as a team, called by God for this time, understanding our strengths and harnessing the passion, talents and God-given gifts of each one for the benefit of the Station and of our community;
 - Growing in number, as we use the foundation of the last year to build out our capability to reach further into our community with the saving message of Christ;
 - Growing in boldness as we step out in the sure knowledge of our Lord and Saviour's blessing of our work; and above all,
 - Growing in love as we go about the mission entrusted to 1WAY FM to *"Make Christ relevant in the world today by presenting real stories by real people in real time"*.
37. On behalf of the CCRL Board, thank you to our 1WAY FM team, our members, sponsors, listeners and supporters for a fantastic 25th year of CCRL. We are encouraged, strengthened and supported by your prayers, commitment and contribution and we look forward to another 25 years of Growth in the watchful care of Jesus, our Hope.
38. I am pleased to report that four of our outgoing board members have nominated to continue on the CCRL Board for another year.
39. We thank John Timermanis who has served seven terms on our Board and Darren Laudenbach who has served two terms, for their dedicated service to CCRL. We wish them well in their new pursuits and look forward to their continued involvement in the station as the opportunity arises.

Brett Anderson BIT CISA
Chairman
Canberra Christian Radio Ltd
Canberra's 1WAY FM

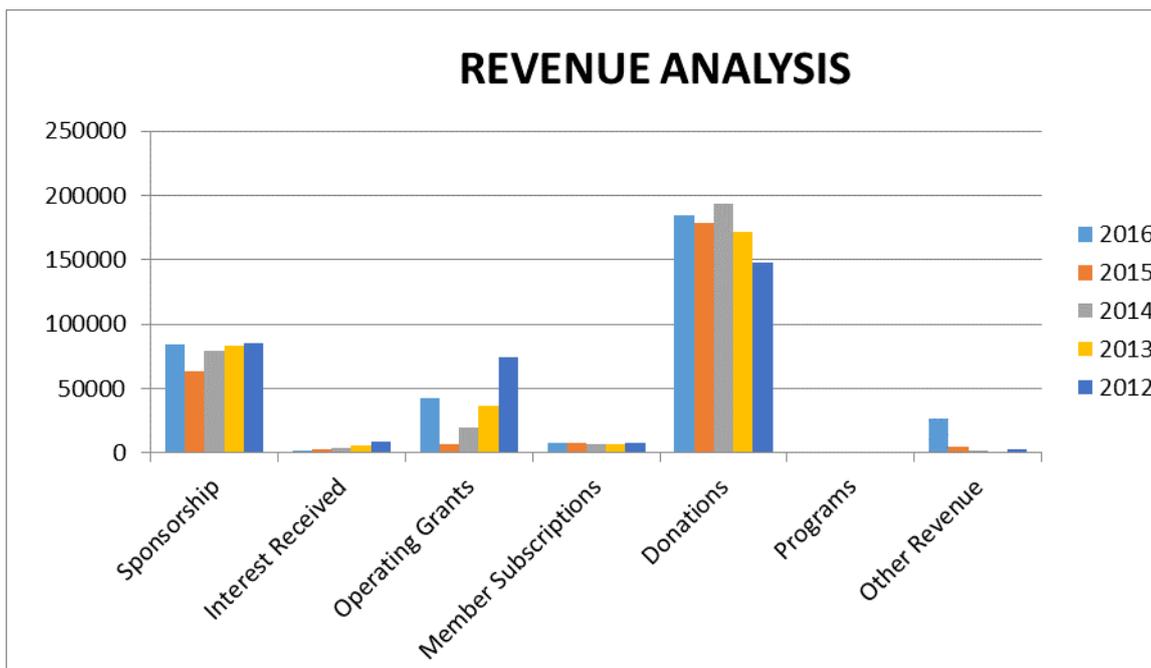
5 November 2016

FINANCIAL ANALYSIS

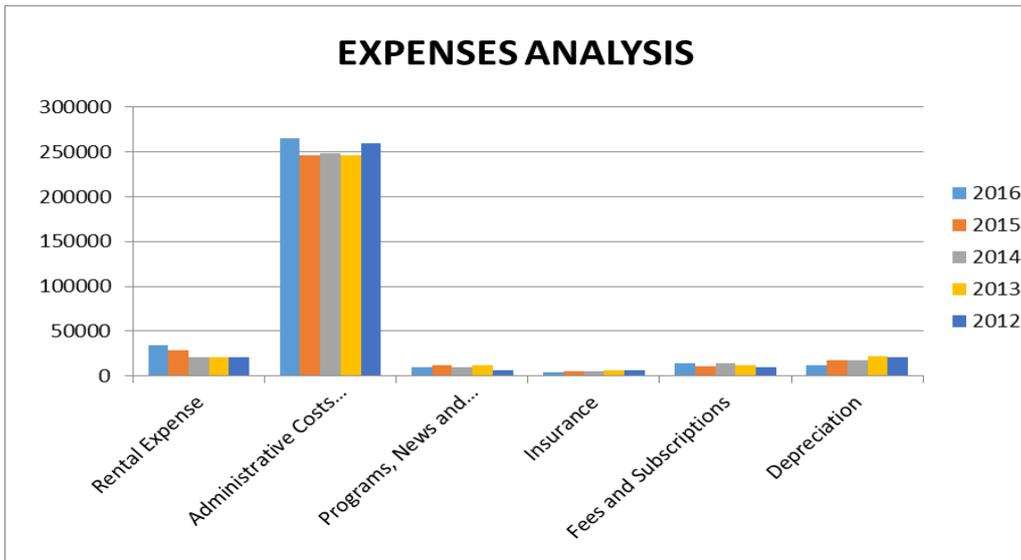
The following charts provide a précis of the financial position of CCRL over the last 5 years.



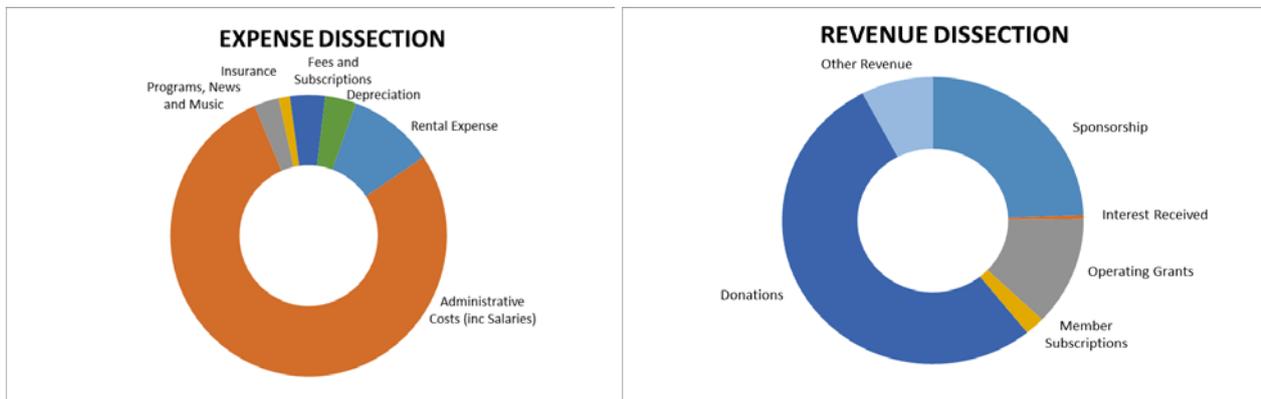
Looking at the revenue breakup, donations are still our major source of revenue.



The expenses breakdown shows expenses are relatively comparable to previous years albeit slightly higher on Rental Expenses and Administrative Costs.



The following charts show a proportional breakdown of expenses and revenue for 2015/16 FY:



The following chart shows a modest recovery in our cash reserves in the 2015/16 financial year:

