

Community access media: civic value

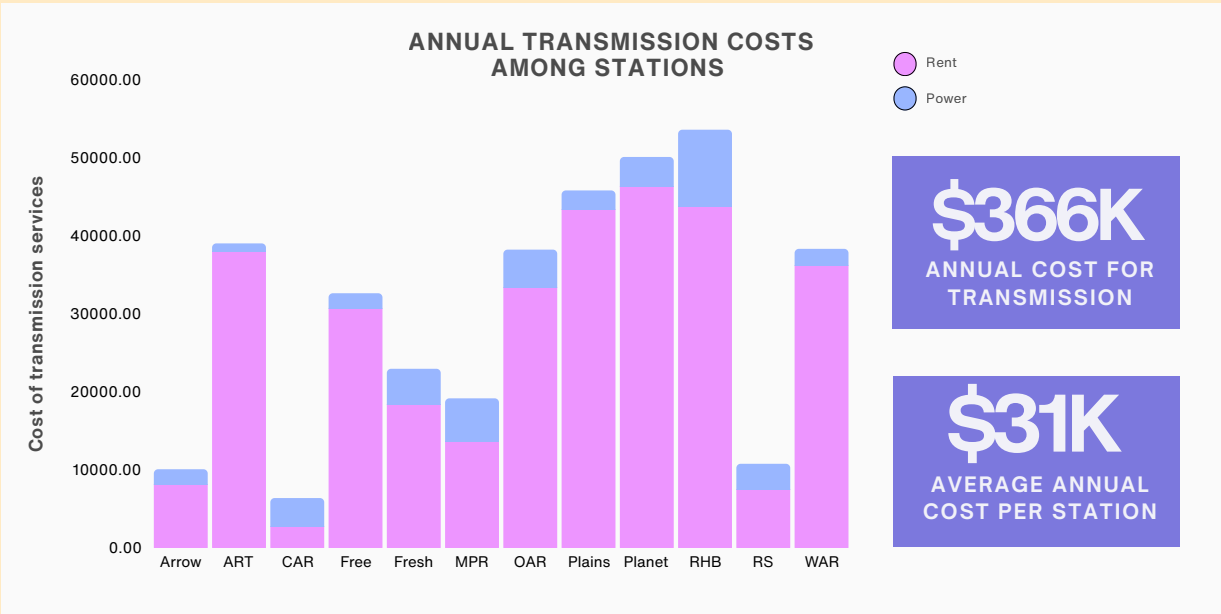
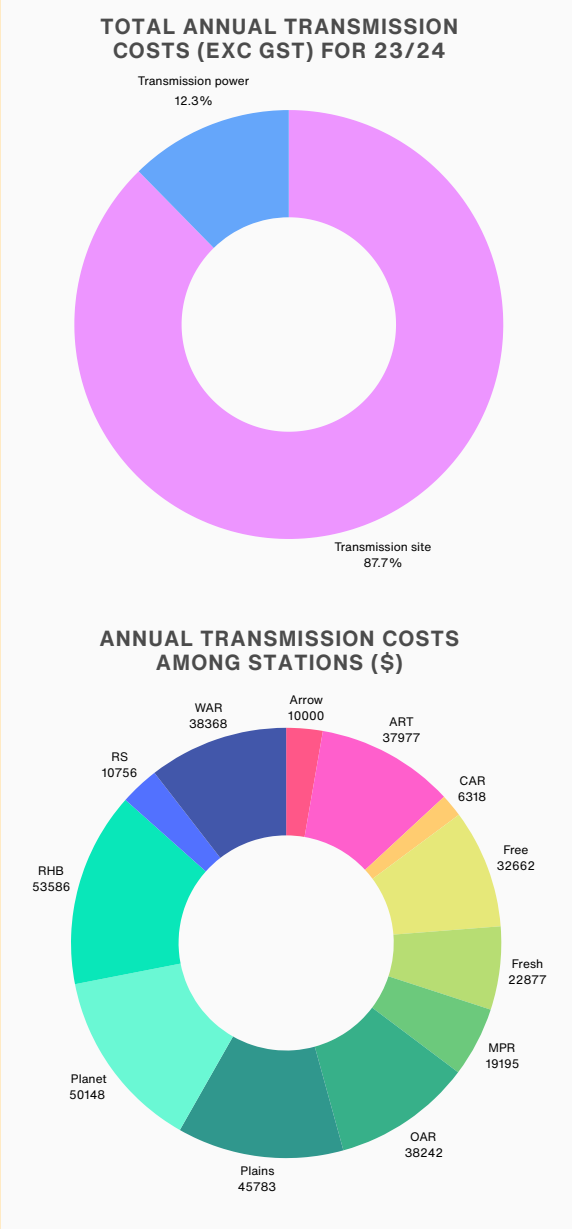
Case study: Costs of critical infrastructure

The latest transmission data suggests stations are paying \$366K per year in transmission costs. On average, this should translate to \$31K per station; however, discrepancies are widespread across the membership.

Service costs can vary depending on the provider, frequency, and geographical reach. For example, OAR FM utilises AM and FM frequencies. Although the cost of powering the two sites is similar (\$2.8K for FM and \$2K for AM), Kordia charges \$31.5K a year for FM services, while NZME charges \$2K a year for AM services.

Questions also arise as to the reliability, reach, and lifespan of these services. Given the need for transmissions during times of emergency—as evidenced during the Hawke’s Bay flooding events in 2023, where communities solely relied on radio for vital civic information, for example—the sustainability of critical infrastructure must be examined in further detail.

The issue also raises the question of whether NZ On Air platform funding, which is distributed according to population reach, is fit for purpose. Furthermore, if AM/FM frequencies are considered a fundamental public service in an emergency context, transmission costs may arguably be better housed under a different government portfolio. At the very least, the membership could explore the possibility of streamlining services or negotiating sector-wide contracts.



Critical infrastructure breakdown

Case study: Breakdown of annual transmission costs among stations

	•Site rental •Power •TOTAL (\$)	AM? FM?	Generator?	Costs associated with upgrades or are there changes needed?	Providers
ARROW	•\$8,000 •\$2,000 •\$10,000	FM	No	Recently installed a new transmitter. No upgrades needed for the foreseeable future. No generator available.	JDA
	<i>"The station has investigated and can provide a remote access to a frequency, but maintaining staff presence in an emergency is unwise in an earthquake prone building. We could have generator for continuous power supply, but internet outage could still render that pointless."</i>				
ART	•\$37,997 •\$1000 •\$37,977	FM	Partial	Estimate to extend transmission around coast to address deadspots using Kordia towers would be at least an additional \$40,000 per year. Small generator available for the van.	Kordia
	<i>Signals travel only in a straight line and don't go through mountains, which means there is a radio dead spot from that site that goes from Oakura, around the coast, to Manaia (roughly). One option is to bounce the signal around the mountain between three smaller, existing Kordia transmission sites: PEI, POU and KHU – 100-200W base power. Kordia estimated this would be \$15k per site.</i>				
CAR	•\$2598 •\$3720 •\$6318	FM	Yes	Generator can give continuous power supply but with no AM frequency, an internet outage would impact transmission	Kordia/Chorus
	<i>"One of our biggest challenges is constantly having to reconnect local Emergency Management staff in Kapiti and Horowhenua - getting them to commit to forming an MOU with us for broadcasting assistance, and offering financial assistance."</i>				
FREE	•\$30,610 •\$2052 •\$32,662	FM	Partial	Generator available for transmission, but the estimated cost for extending the generator to back up studios/premises/STLs is \$35,000 + \$10,000 per year. This would still rely on the TX site being operational.	JDA via Vern Talbot (transmission) & Southern Broadcast (studios).
FRESH	•\$18,321 •\$4556 •\$22,877	FM	No	There is currently no generator. Pye Peak will install a generator for free but would need an engineer to switch to STL feed (day rate cost) and Nelson Studio generator. Eastern Golden Bay and Blenheim have battery backups, but they are unuseable due to draining power.	Pacific.net and Pye Peak Radio Spectrum Park and Nelspecs.
	<i>"We don't have AM, we do have FM, but all FM is reliant on the internet, which we recognise is a weakness, and we don't have generators. We are also on multiple transmitters to cover our region. Our only other option is to build our own transmission sites. We need to see if it's worth investing in generators at the Nelson office due to transport issues during emergencies."</i>				
MPR	•\$13651 •\$5544 •\$19195	AM	Yes	No factoring of preventative and reactive maintenance. Probably another \$4k on a bad year. Generators are included in fees.	Shureview for power and rental, Pro Audio services for maintenance / repairs.
OAR	•\$33,447 •\$4795 •\$38242	FM AM	No	FM transmitter 14 years old. AM transmitter 25+ years old and will need replacing in 1-3 years costing approximately \$28,000. Currently AM transmits the feed from FM so if FM is compromised, AM is lost too. OAR plans to add dedicated AM transmitter, processor, STL and receiver to ensure AM is secure in an emergency.	Kordia FM, NZME AM
PLAINS	•\$43,385 •\$2398 •\$45783	FM	Yes	The cost of the generator, concrete pad, and electrical set-up was \$24,600 in 2012. Quarterly management checks are \$800 per year.	Kordia
PLANET	•\$46,309 •\$3839 •\$50147	FM	Yes	\$5000 per year for generator servicing, and a transmitter replacement would cost \$15,000.	JDA
RHB	•\$43,685 •\$9900 •\$53,586	FM AM	TBC	Received \$25,000 Lotteries grant for new generator post-cyclone, which cost \$21,000 (not including installation costs). AM was the only way Wairoa and rural areas could access radio. A new AM transmitter is needed, as it is 30 years old, and the replacement cost is \$30,000.	Shureview
	<i>"This is AM and FM but they are paid together as owned by the same company. AM transmitter is 25 years old and vital for emergencies. Damage to STL link needs replacing to the value of \$6k to transmit 14,000sqm. Currently seeking \$10k for new generator."</i>				
RS	•\$7420 •\$3336 •\$10,756	FM	Partial	Generator is available for transmission, but not for studios. Only option is solar panelling and Tesla batteries (TBC cost).	JDA, Martin Balch, and Sono Sound
	<i>"Our greatest challenge is one of constant re-education of local Emergency Management staff - getting them to understand who we are, our point of difference, the fact we exist, and can turn over our station to them completely if they wish. That said, we are at the mercy of power and internet supply..."</i>				
WAR	•\$36,240 •\$2128.56 •\$38,368	FM	No	WAR investigated the cost of a generator, which is estimated to cost \$17,019.75 plus GST. Currently there is no generator capability.	Kordia

Rising operational costs

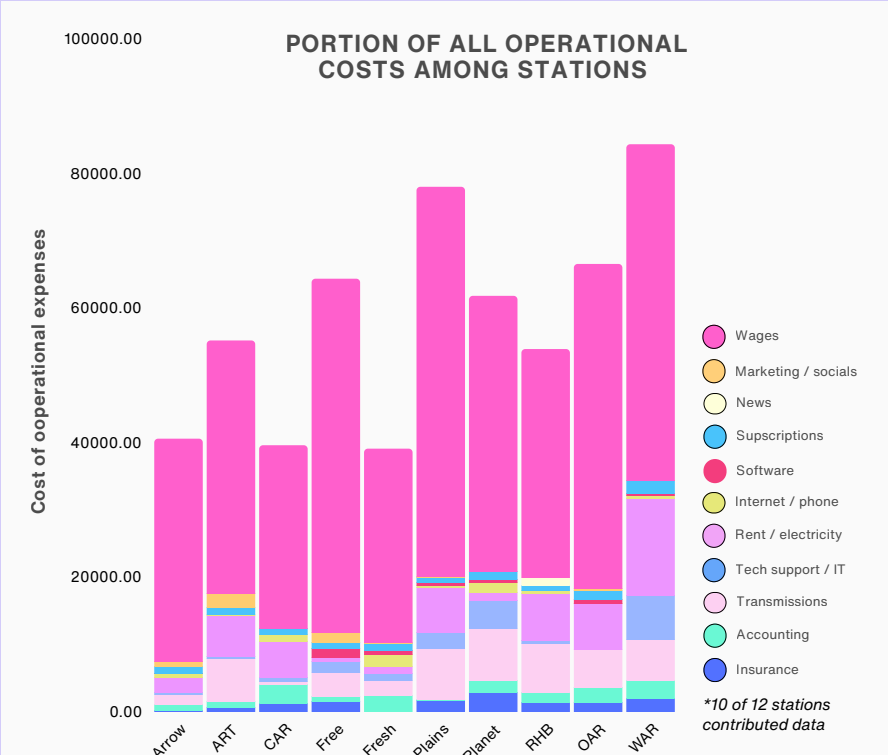
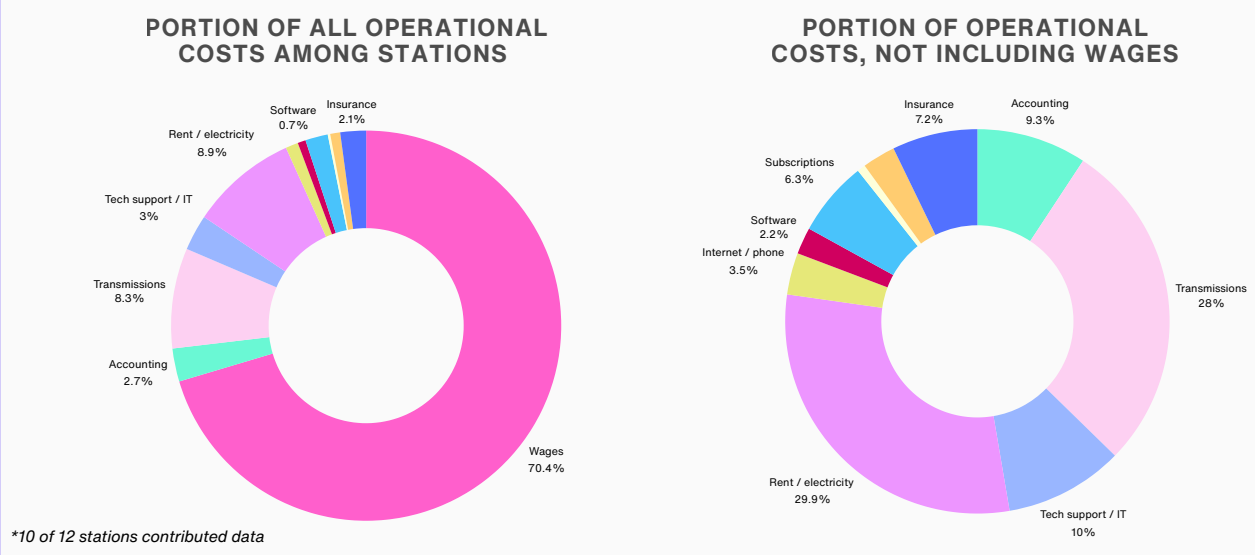
Rising operational costs (combined with limited staff capacity) ultimately thwart the sector’s ability to effectively reach and serve communities.

National snapshot: Operational costs

The survey asked stations for estimated overhead costs for February/March of this year, totalling \$581,926. Compare this to NZ On Air funding allocations: For the 2023/2024 period, NZ On Air allocated \$3.6m across the 12 stations. Relative to the two-month survey period, this amounted to \$501,933 across 10 of the 12 stations, leaving a shortfall of \$80K.

Wages made up 70 % of operational costs at \$410K, followed by rent and electricity (often combined under building lease agreements) at \$52K or 8.9%, transmission costs at \$48K or 8.3%, accounting services (including audits) at \$16k or 2.7%, and insurance at \$12K or 2.1%.

Notably, these figures included one-off expenses, and the nature of the survey questions were limited to specific categories, which means overhead costs were not accounted for. Rather, the survey gives a rough indication of rising operational costs and further data is needed.



Station snapshot: Operational costs
Operational costs significantly vary among stations. A number of stations benefit insofar as rent is mitigated by virtue of owning studios and offices.

Some costs, such as internet, IT, subscriptions, or even transmissions could benefit from nationwide or multi station contract negotiations. National agreements would need to be assessed carefully. Viability depends on whether there is appetite from the stations, national capacity, or practical benefit.

Overhead sample

Overhead sample for Feb/Mar 2024 period

(note: sample doesn't account for all overheads as some categories aren't listed.)

	Arrow	Art	CAR	Free	Fresh	Plains	Planet	RHB	OAR	WAR
Insurance	190	577	1175	1416	0	1566	2882	1350	1275	1983
Provider	State	Lumley - AIG	AIB Group	AIG, Gallagher	AON	Rothbury	Apex	Crombie Lockwood	Rothbury	Thorner
Accounting	875	900 (donated audit)	2896	750	2320	248	1656	1400	2299	2651
Provider	Numb1 Sellar & Sellar	Forever Amber, Silks Audit	Colbert Cooper, Dennis Blank	N/A	Tax and Trust	MYOB	DFKOG, BK Audit	BWR	GS McLauchlan, Xero	Julie Lamb
Transmission	1500	6330	433	3667	2312	7560	7718	7280	5574	6039.98
Provider	JDA	Kordia	Chorus	JDA	Pye Peak (1859), Pacific.net (453)	Kordia	Sky City	Shureview FM/AM	Kordia FM (5241) NZME AM (333)	Kordia
Tech support	200	0	0	1083	969	725	1042	0	0	6534
Provider	Noise Prods	In-house	In-house	Vern Talbot	Jamie Harnett	Paragon Ross Paterson	Think IT	Robert Jeffares	M B Tech	IT Works
Electricity	850	435	620	625	1130 (rent & power)	Included in rent	1235 (rent & power)	1042 (rent AM/FM)	Included in rent	1220
Provider	Contact	Building owner	Electra	Genesis	Building owner	Building owner	Building owner	Contact	Building owner	Genesis
Rent	1500	5623	4745	N/A	Building owner	6666.66	Building owner	5888	6,848 (+ power and internet)	13243.34
Leasor	Masterton Trustlands Trust	Building owner	KCDC	Alchi Properties	Building owner	Building owner	Building owner	N/A	Dunedin Community House (DCH)	Peter Wilkin, Marsden Structures
Internet	400	Donated	999 (+ phone)	N/A	990	Free (incl in rent)	1500 (+ phone)	540 (+ phone)	0 (incl in rent)	434.7
Provider	Spark	Primo	Spark	QCS	Pacific.net	N/A	Spark	Spark	N/A	DTS
Phone	100	109	Spark	N/A	697	\$239.37	Spark	Spark	60	N/A
Provider	One	Primo	Spark	Spark, 2 degrees	Spark	2Degrees	Spark	Spark	DCH, Broadcast Launch	DTS
IT	0	369	495	500	0	1699	3154	510	N/A	Included in Tech costs
Provider	Noise Prods	Janko	Firecrest	N/A	0	Paragon, Firecrest	Think IT	firecrest	Incl in rent	ITWorks
Software	75	0	0	1376	678.17	509.9	354.5	0	558	330
Provider	Noise Prods, Microsoft	Techsoup	Firecrest	Firecrest, Office, Radiojar	Firecrest, Adobe	Firecrest	Adobe - via Techsoup	Firecrest	Siteground, Adobe, Zoom, Admaster, SPL, AVG, GAPPs, Broadcast Launch	ITWorks
Subscriptions	1,000	1057	956	892	985.33	756.2	1301	735	1360	1872.54
Provider	APRA, RMNZ, CAMA, Anydesk	APRA, Spotify, Adobe, Zoom, etc	APRA/RMNZ, Apple, Zoom	wavve.cm, ChatGPT, Adobe	APRA	BlackBlaze, Adobe, Spotify, Youtube, Zoom	APRA, RMNZ, BSA	AnydeskAPRA, RMNZH B today	APRA, RMNZ, BBC, Adobe, Zoom, AdMaster, AVG	APRA, Adobe, TeamViewer, NZ Music, Cleaning
News	0	0	0	0	0	0	0	1150	53	0
Provider	N/A	N/A	N/A	RNZ	N/A	N/A	N/A	NZME (ended)	BBC	Massey
Marketing	750	1863	0	0	\$150	0	0	0	0	0
Provider	Print news	The Creatives	N/A	N/A	Nelson Weekly	0	N/A	N/A	Meta	N/A
Socials	20	310	0	1459	0	43	0	0	190	20
Wages	33,076	37,557	27,242	52,540	28,821	57,956	40,920	33,960	48,286	49965.84
TOTALS	\$40,536	\$55,130	\$39,561	\$64,308	\$39,052	\$77,966	\$61,763	\$52,813	\$66,503	\$84,294.01