The re-structuring of Australian radio, 1975-2000: public sphere infrastructure in two capital cities

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Abstract
The radical depletion of radio’s public sphere capacity which accompanied media deregulation in the 1990s has most often been examined in small town settings. There, local news, information and discussion were typically replaced by cheap networked programmes, especially partisan talk. City radio, on the other hand, is almost ignored, encouraging the assumption that it is rich and diverse. Taking talkback as a case study, this paper examines the changing public sphere capacity of radio in Australia’s two largest markets, Sydney and Melbourne, over the last quarter of the 20th Century. In the context of large structural changes to the industry, and in spite of the social/cultural enrichment provided by the many newly licensed community radio stations, the paper argues that de-regulation of the (dominant) commercial sector seriously weakened radio’s public sphere capacity. However, local ethical traditions and practices mediated these effects differently.

Introduction
The literature on media deregulation in the 1990s contains many examples of the decimation of radio’s public sphere capacity, especially in small town locations. There, local news, information and discussion were typically replaced by cheap networked programmes, especially partisan talk. Radio in the big cities, on the other hand, is usually assumed to be rich and diverse, though there has been little pertinent academic discussion. Focusing on the emergence of an entertainment paradigm in the ‘new news’, this paper examines the changing public sphere capacity of radio in Australia’s two largest radio markets, Sydney and Melbourne, over the last quarter of the 20th century, in order to test whether there were also significant negative effects in the major cities. Important contextual factors, such as structural change and deregulation in 1992, inform this assessment.
Media deregulation is approached from an ethical-political perspective, framed by Habermas’s theory of the public sphere (1989, 1996), in which the distance between the ideal and actual public spheres is used as “a benchmark for identifying and critiquing … democratic deficits” (Fraser, 2007, p.47). Radio institutions and practices are examined using the normative concepts of the public sphere and its infrastructure.

Public sphere infrastructure identifies institutions of particular communicative significance in modern bourgeois democracy. It includes journalists’ professional codes of ethics, crucial ‘pre-conditions’ of the public sphere on the production side, and in the political-administrative domain, ‘formal organisation of a free press\(^1\) by laws governing mass communication’, which provide legal protections to public sphere speech (Habermas, 1996, p.378). Some journalistic genres such as news and current affairs have developed institutional rights and practices guarding their truthfulness, independence, balance and objectivity, and these can also be considered as infrastructure. Graham Murdock (1992) provided an influential list of normative expectations of the media, equally fundamental to the media’s role in democracy:

First, in order for people to exercise their full rights as citizens, they must have access to the information, advice and analysis that will enable them to know what their personal rights are and allow them to pursue them effectively. Second, they must have access to the broadest possible range of information, interpretation and debate on areas that involve public political choices, and they must be able to recognise themselves and their aspirations on offer within the central communications sectors and be able to contribute to developing and extending these representations. (p.23)

Discourse ethics values, rules and practices which promote openness, access and mutual respect among participants, are essential infrastructure of the public sphere itself. Habermas (1987, 1996) stressed their performative character, as in an ideal public sphere, speakers/actors strive for understanding and consensus, with ethical-political principles – dispassionate discussion, compromise in the public interest, inclusion of all interested citizens, and their protection from coercion – as practices.

\(^1\) Under which we can include radio and TV modes of journalism, especially news and current affairs.
informing performance. Habermas’s updating and refinement of public sphere theory constructed a more universal version based in linguistics, where the central space is defined by the positions actors take through their speech-acts. Thus, institutional “media of the public sphere” such as newspapers, magazines, radio and television (Habermas, 1974 quoted in Eley, 1992, p.289), plus the classic institutions (Habermas, 1989) – the library, the museum, the coffee shop – are all potentially significant as public sphere infrastructure. None of these can be a public sphere, though any might host it. Any actual ‘public sphere’ must be instantiated as a kind of speech, ethically regulated by forms and rules of engagement such as two-way communication channels and the practice of discourse ethics (Habermas, 1987). Because of its fully-elaborated social, political and ethical notions, Habermas’s public sphere theory is appropriate to this research: the spatial and socio-political effects of deregulating key institutions.

This theory provides dual-level evaluative concepts which are distinct and separate, but closely related. ‘Public sphere infrastructure’ is a useful concept for the task at hand – evaluating the contribution of capital city radio to the public sphere – because, though limited to assessing conditions necessary to the constitution of a public sphere, it allows concrete and accessible measures of infrastructural deficits. For the task of evaluating actual practice – in, for example, the assessment of a specific talkback programme’s claims to be enhancing the public sphere – then the second-level concept of the constitution of the public sphere itself is employed, specifically, the discourse ethics concepts elaborated systematically in Habermas, 1987.

**Literature review**

After 60 years of state regulation aimed at containing networks and limiting control by powerful press interests, commercial radio in Australia was formally deregulated in 1992. Regulatory power in the commercial domain moved from state to market-based processes (for example, the auction of licences replaced merit-based allocation) and regulatory scrutiny of licensees’ programming ended. Investor interests were

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2 In *Between Facts and Norms* (1996), Habermas argues the importance of both concrete and normative infrastructure. Communicative rights in the public sphere include social groups’ media access, which is essential to publicise their views.
favoured by removing constraints on networks, especially on the sale of stations³ (Collingwood, 1997; Miller & Turner, 2002). The local ownership cap rose from one to two stations in a market, and commercial radio’s restructuring was institutionalised as networked formatted services⁴, which calculated audiences primarily as commodities. The substitution of free-market for social regulation underpinned the abolition of licensees’ public service obligations, and confirmed their freedom to operate stations with profit as their chief consideration. This resulting loss of commercial radio’s public service programming saw extension and consolidation of its networking, centralisation of production and distribution, and ultimately, increased advertisers’ control of programme content.

The two decades before 1992 saw incremental policy changes which inexorably advanced network interests, and steady erosion of anti-networking policy supported the growth of smallish de facto networks. After 1992, however, networks grew in scale rapidly and consolidated into four national chains (Collingwood, 1999). UK and US studies linked deregulation with the radical growth of networking, closures of local newsrooms and public affairs services, and the loss of public sphere infrastructure (Hendy, 2000; Fairchild, 1999; Huntemann, 1999, 2003). By contrast, deregulation in New Zealand, severe in many ways, also saw expansion of its indigenous radio sector (Wilson, 1994), enhancing and pluralising its public sphere.

One critical structural context was that television had radically changed broadcasting’s social function from information to entertainment. For Postman (1986), this was a paradigm change which naturalised entertainment as the format of popular experience. Others saw it as commercialisation (Herman and McChesney, 1997), marketisation (Croteau and Hoynes, 2000, 2001; Fairclough, 1995), privatisation and deregulation (Keane, 1991), and de-territorialisation (Fairchild, 1999). A related critique of the commercialisation of television can be found persuasively and elegantly expressed in Bourdieu’s powerfully anti-commercial

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³ This happened in the USA in 1982 with the abolition of the FCC’s “anti-trafficking” rule, which required a station be held by its owner for three years. The FCC saw permitting the transfer to "higher valued use" as ultimately in the public interest.

⁴ In summary, music or talk formats which target narrowly defined “demographics”, a process described by Bourdieu (1998) as central to media commercialisation in a general sense, and as the key process of cultural exclusion in modern media.
A concrete manifestation of this change was the adoption of a ‘new news’ model, in which ‘phone-ins’ (UK), ‘talk radio’(USA), ‘talkback’ (Australia) and partisan political comment replaced news and current affairs as the primary component of talk formats. The substance and debates on it were usefully summarised in the UK by Hendy (2000) and by Croteau and Hoynes (2000, 2001) in the US. Both noted ubiquitous cutbacks to local news and to current affairs generally, and their replacement by perfunctory ‘capsule’ news and/or talkback relays from the national networks. Frequently, talkback was substituted for current affairs programmes and even for news. Although little has been written in Australia about ‘format’ radio, one aspect of it – talkback – is the object of a growing historical literature (Turner, 2006, 2001, 2000; Griffen-Foley, 2006; Gould, 2006; Tebbutt, 2006, 2007) and there is some agreement that it provided a cheap, sometimes lively source of talk programming in some volume. At the same time, journalism, a more expensive program source, began to contract as profits were pursued in the market-driven environment after 1980, and ‘independent’ journalism became a particular target of management efficiencies (Cryle, 1998; Bacon, 1998). Meanwhile, US regional radio saw all local program production (Fairchild, 1999; Huntemann, 1999) cut ruthlessly.

Some of this research assumes the main effects were in small towns, where the paucity of media choices necessarily raises the stakes. However, several studies of Australian radio have also raised questions about the big cities. Turner’s (1996) study of Brisbane radio’s news and current affairs showed poor provision by commercial radio, with only one commercial public affairs service (of marginal quality) and Sydney talkback beamed in. Collingwood (1997, 1999) noted strong consolidation of commercial networks in capital cities, with severe losses of journalists’ jobs. This indicates a substantial lacuna in the literature, so this paper aims to flesh out the big city aspect, and to explore the object as a problem of the depoliticisation of the media through its loss of public sphere socio-political functions.

Method
I examine the relationship between networks and public sphere infrastructure through a case study of talkback, re-interrogating the public record in the contexts of structural
change, regulatory change and local habitus. Public sphere theory provides discourse ethics tools, deployed as a template to analyse performance on communicative action principles of truth, truthfulness, appropriateness; and secondly, practises enhancing accessibility, inclusiveness, diversity, representativeness, and commitment to dialogical forms of communication.

The related concept of public sphere infrastructure is employed to analyse institutional objects such as the employment of journalists, access to ‘pre-conditions’ such as supportive government regulation and professional codes of ethics, the availability of local news, information and discussion fora. Negation of this might include increased networking, and ethical breaches by talkback hosts.

Reflection on major contextual influences determined talkback for case study. As the locus of economic, regulatory, structural and pragmatic changes at a key moment, talkback controversies at the end of the century gave a unique view of forces, people and structures otherwise well hidden. In examining them, I have used notions of infrastructure and of discourse ethics. A geo-political focus on its different instantiations in two capital cities is prompted by a few clues in the literature (discussed above), but mainly by its critical neglect.

**Key contexts**

**Industry re-structuring and local cultures**

In 1932, when the ABC’s networks began to augment a vital and creative commercial sector, Australia’s capital city audiences enjoyed numerous and diverse radio stations. But following the introduction of television in 1956, their services were poor and directionless. The original licensees, which included labour movement, religious, music and theatre industries and even philosophical bodies, had, by the time of the re-structuring forced by television, stopped programming for their diverse constituencies, and moved to mass market targets. The re-structuring itself produced a new industry structure bifurcated as music and talk formats, replacing the discontinuous blocks of ‘comprehensive’ stations with a seamless flow of music or talk, a soundtrack to everyday life as Berland (1993, p.105) has described it.
The new talk stations of the 1960s were strongly influenced by the different cultures of Sydney and Melbourne. Sydney had traditions of larrikin and exploitative talk. It was blatantly commercial, concerned with the bottom line rather than the public interest. In Melbourne, local production supported an effective public sphere, and talkback was articulated with journalism and traditions of cabaret, alternative music and satire, with strong ethical commitments. Sydney talkback, by contrast, had been closely connected since the 1960s with management-led format strategies, with few connections to ethical journalism, its humour closer to mainstream comedy - games, jokes, pranks and scams. Sydney’s talkshow hosts began their careers during radio’s post-TV restructuring, inheriting American Top 40 and ‘personality’ performance traditions. John Laws, a Top 40 DJ, began his talk career fronting a light, apolitical talk programme on 2UE in 1967 (Mac, 2005, p.76). And other DJs and music presenters, such as Bob Rogers and Mike Walsh, made similar moves. As early talkback staff on 2SM, John Pearce (with a news commentary background) and Ron Casey (sports) made reputations for “rudeness and abruptness” (Mac, 2005, p.75), evidence of the ‘killer instinct’ seen as essential to success in the genre. This ‘rude’ Sydney quality was also noticed by its cultural historians: Coombs was impressed by Sydney Libertarians’ habit of requesting sex very directly (1996), Alomes saw the “lurid shock-horror world of the Sydney tabloids” (1986, p.238) as a special characteristic, and for Spearritt, Sydney was the “headquarters of Australia’s advertising, market-research and PR industry as well as most of the TV and print media” (1986, p.276), industries which fuelled its crass but earthy energy.

The development of FM services in the 1980s was equally significant, a moment when the commercial radio industry was structurally transformed by their institutionalisation as music format radio, with many AM music stations bankrupted. The seven new capital city FM stations reached young markets, aggregating a national advertising vehicle for them, and dramatically changing the financial and cultural structures of the commercial sector. As Table 1 shows, commercial FM had, in less than 20 years, come to dominate radio’s revenue stream.
Table 1: Commercial Radio profits in capital cities\(^5\), by band type, Australia, 1997-8
(figures in brackets represent the percentage of total profits)

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of stations</th>
<th>Profit ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital city AM</td>
<td>18</td>
<td>3.8 (4.0%)</td>
</tr>
<tr>
<td>Capital city FM</td>
<td>21</td>
<td>67.8 (71.5%)</td>
</tr>
<tr>
<td>All services and sectors</td>
<td>215</td>
<td>94.8</td>
</tr>
</tbody>
</table>

Source: ABA Financial Statistics 1997-98

The centralisation of this profit-making is dramatic: at the end of the century, over 70 percent of commercial radio’s profits came from 21 FM stations (10 percent of all services) in five cities. Meanwhile, capital city AM services accounted for less than four percent, an interesting figure given that there was at least one high-rating talk station in each capital city.

**Structural re-regulation: the diversification of capital city radio**

Sydney had 29 radio stations in 2000 plus a further 10 Local Area Plan (LAP) reservations emanating from the Planning Process of 1993 about to be licensed, compared with 12 in 1975. There had been a major expansion between 1975 and 1987, but little change after, until the LAP reservations were finalised in 2000. Melbourne had 27 radio stations in 2000, plus another 11 LAP reservations, compared with a mere 12 in 1975. Growth was fairly even over time. In both cities, new services were established in all sectors (public, multicultural, commercial and community). Diversity of radio programming was the strategic target of the licence release programme built into the *Broadcasting Services Act, 1992* (BSA) and there were many successes. A broader range of new music was made widely accessible through the national expansion of the ABC’s JJJ youth network, and a welcome depth of programming was provided by its dedicated news service (PNN) and classical music network (Classic FM). The hundreds of new community radio stations were also very significant additions. Melbourne’s community sector in particular began services directed to under-represented publics: Gay and Lesbian, Koori and Youth communities, whereas Sydney’s community radio was organised in broader coalitions, using block programming strategies.

\(^5\) The “capital cities” referred to here were Sydney, Melbourne, Brisbane, Perth and Adelaide.
The major ownership chains were, by 2000, equally represented in Melbourne and Sydney, with Southern Cross dominating talk formats and the older demographic segment. ARN targeted the family demographic with Gold formats. Austereo rated strongly among younger audiences with its music formats, even with a late challenge by DMG’s stations Nova and Vega. This pattern, of networks’ dual holdings in each capital city, was repeated nationally, tapering in the smaller cities.

**Job losses among journalists in Sydney and Melbourne radio**

It is important to look beyond the mere numbers of stations however, and I now turn to the negative side of the BSA’s reforms, which saw news and current affairs programming diminished on commercial radio, with huge implications for public sphere infrastructure. Employment of journalists in the capital city stations halved in the ten years from 1986 to 1996, the losses accelerating over that period (Collingwood, 1997). With the end of controls on networking and programme content in 1992, capital city newsrooms began closing down in numbers. Licensees cut costs by taking syndicated news services from ARN or Skyradio, ending most stations’ local news. Skyradio and ARN combined their Press Gallery staff to form an ironically-titled ‘superbureau’ and other Canberra journalists were sacked or withdrawn by 1996, decimating the radio presence there (Collingwood, 1997, p.26). By 1997, four more Sydney stations had closed their newsrooms and outsourced news to ARN. The following year, 2WS’s newsroom closed, ending its Western Sydney local news (Collingwood, 1999, p.17), with a similar closure in the newsroom of ARN’s third Sydney service, ONE-FM, following soon after. To Sydney’s north, the Gosford services also took the ARN news, and closed their own newsrooms. Following Austereo’s purchase of the Hoyts stations, the network expanded to two in each capital and their newsrooms amalgamated, halving their staff. In Melbourne, 3AW provided news to 3XY and 3MP, whose newsrooms closed. The two ARN stations also amalgamated, and one newsroom closed. Austereo’s Melbourne stations amalgamated newsrooms as in Sydney, halving their staff. 3AK and 3UZ also closed their newsrooms and outsourced news. Exactly that same pattern occurred in Brisbane, Adelaide and Perth, with the networks each doubling their holdings, then amalgamated newsrooms, closing one and reduced journalism staff. Further closures and staff reductions have been reported regularly in the capitals since that time.
The ‘two to a market’ rule of 1992 was central to these losses, allowing the ownership chains to double their capital city holdings, and then rationalise news/current affairs, production and on-air staff. The pattern was similar in all the major chains, and by 1996, the consolidation of the major chains meant that only three of the six news networks of 1990 remained – ARN, Skyradio and Austereo – and of these, Austereo’s was a lightweight service for its music stations and subscribers. All were based in Sydney, and all used satellite distribution. As newsrooms amalgamated and closed, and new regional networks developed as virtual slaves of the Sydney network centres, and state news and current affairs faded in importance.

**A case study: talkback**

As a result of the structural economic and regulatory restructuring already outlined, talkback emerged after 1992 as centrally important programme content, nationally distributed through new networks and unfettered by programme controls. Its design as interactive talk makes it a potentially useful addition to the public sphere, but to assess its local implications, I now review a well-known controversy in terms of its relationship to networking and of its local articulations. Extensively discussed in academic commentaries and histories (Turner, 2000, 2001; Johnson, 2000; Gould, 2006; Griffen-Foley, 2006), and the subject of several follow-on inquiries, the “cash for comment” inquiry was a major turning point in correcting the deregulatory excess of the BSA 1992. Given the substantial academic literature and press coverage, I will focus on the relationship between talkback and the networks.

“Cash for comment” began in the media-sphere. On 12 July 1999, the ABC’s *Media Watch* programme alleged that 2UE talkback host, John Laws, had made a secret deal with the Australian Bankers’ Association to change his critical stance towards the banks, and present their views as his own. This appeared to be a kind of blackmail, and the media pursued the story vigorously. The *Sydney Morning Herald* raised a similar deal between Alan Jones and Optus. The Communications Law Centre began its own investigation of the ethical and legal issues. On 15 July, the Australian Broadcasting Authority announced it was beginning a formal Inquiry into breaches of the relevant industry codes. As more information emerged about widespread ‘payola’, the Authority widened the terms to include Laws and Jones at 2UE, Steve Price and Bruce Mansfield at 3AW Melbourne, Jeremy Cordeaux at 5DN Adelaide, and
Howard Sattler at 6PR Perth. All these stations were owned by the Lamb Family or Southern Cross, Skyradio network partners (acquired entirely by Southern Cross in 2001, and in 2007 by Fairfax). These were network issues and practices. “Cash for comment” financial arrangements had, it seemed, become corporate culture in the “co-regulated” radio industry. In spite of intense critical discussion in the media, Laws and Jones responded aggressively and defensively, refusing to acknowledge ethical or moral problems with their financial agreements. The media’s discussion was careful, comprehensive and highly critical of them. This public sphere acted to raise the issues, document them extensively and pressure the ABA to investigate.

But the ABA did not regulate networks, so the question of networks lay outside its powers. It could only investigate the role of individual licensees. Nor could it impose sanctions on individual broadcasters – only on the licensees who employed them. However, that this was essentially a network problem is demonstrated by the size of the payments. Laws’ sponsorship deals totalled around $3m and Alan Jones’ around $1m (ABA, 2000a: transcripts). Payments to talkback hosts outside Sydney were small, related to the scale of their stations. By contrast, Sydney was the hub of commercial radio networking, so its talkback hosts accessed national audiences, and were its major income earners. 3AW Melbourne staff involved in the Inquiry (Steve Price and Bruce Mansfield) were suspended, despite relatively minor offences, a severe fate compared with that of 2UE staff.

The list of clients is revealing in this regard. Laws’ established clients included Valvoline, Rosemount Wines and Toyota, and although the ‘live reads’ and apparently off-the-cuff references to Laws’ personal uses of their products may have technically crossed the boundary between commentary and paid advertising, the second group of more ‘political’ clients, was much more interesting. They included the Australian Bankers Association contract, which ended Laws’ long-term criticism of the banks’ profits, and regular presentation as his own words, of 150 bank-supplied scripts of “The Whole Story” (ABA, 2000, p.67). Walsh Bay Finance (then involved in controversial Sydney Harbour property developments) sought to avoid negative publicity in the hot environment of development politics. A third major client, Qantas, wanted to prevent entry of overseas airlines to the Australian market; Star City Casino, Sydney and the Registered Clubs Association of NSW wanted to avert
more stringent anti-gambling regulation, a hot political issue in the NSW parliament. Optus retained both Laws and Jones to pursue its political interests of weakening Telstra’s competitive advantages at a sensitive time\textsuperscript{6} and the Australian Trucking Association used Laws to lobby on ‘key political events’, ‘key political and environmental messages’ and ‘crisis management’ in major campaigns such as their Road Transport Forum project (ABA, 2000, p.28). By comparison with Laws and Jones’ combined client income of several million dollars each year, the cash involved in other cities was small\textsuperscript{7}, an on-loan Volvo in the case of Steve Price. Nevertheless, public sphere issues of truth, truthfulness and appropriateness were salient in each.

There is a qualitative difference between political/policy issues, and the endorsements of the older product-based clients. The different scale of the payments is explained by their status and influence as nationally networked stars, and this was a key finding. The ultimate threat, however, was that Laws’ and Jones’ retention to provide corporate ‘spin’ might transfer as a model to other capital cities. The ‘political’ clients, after all, included a mix of national and local (Sydney/NSW) political interests and issues such as gambling, transport, insurance and property development, all lucrative state jurisdictions. Consequently, all capital cities could be targets.

The Inquiry found substantial and systemic abuse of the general principle that paid advertising should be transparent and openly acknowledged in current affairs broadcasting (including talkback). What should have been clearly represented as advertisements were instead presented as the host’s own opinions. The ABA found many breaches of the Code: 95 by 2UE Sydney, 12 by 5DN Adelaide, 17 by 6PR Perth, and inadequate compliance arrangements at 3AW Melbourne. This represented a failure to comply with the code, leading the Authority to conclude that this failure was “systemic” and failed to “provide appropriate community safeguards” (ABA, 2000, p.15). In that this indicated the co-regulatory codes of practice had failed the test of effective operation, the Authority announced its intention to suspend the ‘co-

\textsuperscript{6} The Howard Government was then having difficulties passing legislation on the sale of Telstra in the Senate.
\textsuperscript{7} Examples are given in the ABA’s Final Report (2000, pp. 67-69), which contrast the value of the Sydney hosts’ contracts. Laws’ endorsement agreement with the Australian Bankers’ Association alone was worth $500,000 pa and Jones’ agreement with Optus was also for $500,000. Smaller amounts were paid in other cities: Jeremy Cordeaux at 5DN received between $30,000 and $50,000 pa from Optus, Howard Sattler at 6PR received between $20,000 and $40,000 pa, also from Optus.
regulationary’ regime of commercial radio and to re-introduce ‘black letter law’ programme standards.

There were important relationships between unions and the academy underpinning the “cash for comment” controversy. The journalists’ Code of Ethics informed the practice of Melbourne talkback hosts who were mostly journalists and union members. This was not the case in Sydney. Sydney journalists were, however, very active in critical discussion of public issues related to talkback through the ABC Media Watch programme and similar columns in the Sydney Morning Herald, as were their Melbourne counterparts. The journalists’ union was also involved in critical policy analysis through important public institutions such as the Communications Law Centre’s (CLC) offices at Universities in Sydney and Melbourne. Sydney’s CLC, based at the University of NSW, lost its state grants in 2005, and was closed down; Melbourne’s CLC remains at Victoria University. As public research and advocacy services, the CLCs acted as significant redistributive mechanisms, providing important institutional support to public sphere activity. Support for such programmes is one small but important strategy for improving public sphere infrastructure.

In November 2000, the ABA approved three Programme Standards for commercial radio: the Broadcasting Services (Commercial Radio Current Affairs Disclosure) Standard 2000, which required current affairs programme presenters to disclose on-air any relevant financial agreements; the Broadcasting Services (Commercial Radio Advertising) Standard 2000, which required advertisements to be clearly distinguished from other programmes; and the Broadcasting Services (Commercial Radio Compliance Programme) Standard 2000, which required licensees to establish programmes to ensure the proper compliance of their staff and presenters with the standards and codes. Compliance with the standards was now a common condition on all commercial radio licences, meaning that failure to comply could mean the revocation of a licence. This threat was, however, generally regarded as hollow, in that the regulator had always had this reserve power, but that it was impossible to impose. Nevertheless, the spectre of a repeat interrogation in the public sphere of licensees’ business arrangements was a very strong incentive to comply. Not everyone treated these new Standards with respect, however. Griffen-Foley (2006,
p.143) noted Laws’ contempt for the conditions, expressed through sound effects of cowbells to accompany his disclosures of paid advertising. Two years later, a new ABA Inquiry found that Laws failed to disclose an agreement with NRMA Insurance (Griffen-Foley, 2006, p.144). Alan Jones reorganised his financial business after his move to 2GB gave him an interest in the station’s ownership. As an owner, he benefited directly from the station’s profitability, and sponsorship deals like Telstra’s $1.2m sponsorship in 2002, were negotiated direct with management.

Independent of the “cash for comment” inquiry, the ABA quietly reintroduced monitoring of local news and information, and of Australian music content, because of the industry’s failure to inform itself (and the public) about these matters, and because of the substantial affirmation of community standards demonstrated by public interest in this inquiry. The wheel had turned. In 1992, the ABA had interpreted its new Act as meaning that, as the least influential of media, radio should receive ‘light touch’ regulation. This interpretation was supported by the Act’s deregulation of foreign ownership and radio networking. In 2000, the Act’s provisions on ‘influence’ were reinterpreted to justify reinstitution of formal ‘black letter law’ standards. According to the ABA’s Final Report (ABA, 2000, p.30), the regulatory policy of the Act warranted that:

- different levels of regulatory control be applied across the range of broadcasting services according to the degree of influence that different types of broadcasting services are able to exert in shaping community views in Australia (subsection 4(1)); and
- broadcasting services be regulated in a manner that, in the opinion of the Authority, enables public interest considerations to be addressed in a way that does not impose unnecessary financial and administrative burdens on broadcasters (subsection 4(2)).

Having demonstrated talkback hosts’ influence, and the failure of licensees to comply with their co-regulationary codes, a higher level of state regulation (a formal Radio Standard) was justified. The reinstitution stopped short of many countries’ sanctions on sponsorship deals, and canvassing of this option in public sphere discussion may
have been one reason why 2UE’s counsel to the inquiry suggested that a return to ‘black letter law’ regulations was appropriate. Davies noted in the *Sydney Morning Herald* (1999, p.10) that the FCC (the US regulator) prohibited ‘payola’ by requiring public disclosure of gifts and payments, and had the power to fine presenters and other staff up to $10,000 plus criminal penalties of up to a year in jail. The Australian regulator, the ABA, had very limited powers: they could impose a condition on a licence, in effect ordering them to take clear steps to improve their performance, or they could revoke the licence. The extremity of these options – to do almost nothing or to take extreme action – made the regulator effectively powerless.

**Conclusions**

Structural reregulation had mixed effects on the Australian radio system, developing new socio-cultural resources across all sectors, and firmly establishing community radio, with particularly strong results in the capital cities, though infrastructure patterns varied. Among serious losses accompanying these changes were huge losses of journalists’ jobs and concomitant replacement of news, information and debate, the ‘payola’ values of the worst talkback surprisingly common.

Analysis of the “cash for comment” inquiry’s local implications and its exposure of the darker possibilities of unregulated networking demonstrated a continuing need for state regulation. Deregulation had been precipitate, and the ‘co-regulation’ regime inadequate to deal with problems and abuses, or even to recognise them. However, the inquiry also showed that the ABA possessed inadequate and unrealistically limited powers to discipline broadcasters compared with, say, the US FCC, after deregulation there. Nevertheless, it is important that journalists demonstrated in this case a strong regard for and disinterested concern for pursuing the issues they had raised, a commitment to values which affirmed professional ethics as the key value-system in a healthy public sphere.

The different cultural traditions of Sydney and Melbourne were important. Sydney’s larrikin, blatantly commercial values can be seen in its talkback (which is projected at the national level because of its role as the national network hub). They contrast with Melbourne’s more critical practice and ethical commitments, which also protected its
programming and jobs from network influences. This ethical commitment was manifested during “cash for comment” by 3AW’s unprompted staff suspensions.

This was primarily a capital city problem, as radio talk, current affairs and local news have been since the mid 1990s reserved for the major population centres. Losses of journalists’ jobs and the dubious ethics of talkback hosts in the capital cities certainly diminished radio’s public sphere infrastructure, but new ABC, community sector and multicultural stations enhanced it.

An important relationship between deregulation and networking can be seen in capital city radio. The four major chains came to dominate commercial radio completely, with the remainder only marginally profitable: by 2000, the chains and their networks were commercial radio. Thus, in radio history, the last quarter of the 20th Century is appropriately named the re-networking period.

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