

# Australian media inquiry: the millionaire talkback radio hosts from "Struggle Street"

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Further details have emerged of lucrative contracts and perks worth millions of dollars paid by banks and corporations to two well-known talkback radio commentators, John Laws and Alan Jones, and to the Sydney radio station 2UE, in return for favourable comment. Evidence given to an inquiry by the Australian Broadcasting Authority (ABA) into the "cash-for-comment" scandal revealed that Laws and Jones not only received large cash payments but free food, air flights and hotel accommodation.

The inquiry, which began last week, follows revelations in July that Laws was paid \$500,000 by the Australian Bankers Association, as part of a secret \$1.2 million deal with 2UE to lift the public image of the banks through a regular segment known as "The Whole Story". Laws, who built his reputation, and a sizeable personal fortune, on his right-wing demagogic views—including criticisms of the banks—overnight became one of their most public supporters.

Some of Australia's biggest corporations and industry groups are the subject of the ABA's investigations, including Cable and Wireless Optus, Qantas, Foxtel, Sony Music, Warner Music, Colonial State Bank, the Australian Trucking Association, and Star City, Sydney's casino owned by Australia's richest man, the billionaire media magnate Kerry Packer.

The inquiry turned down a request from the lawyers for Laws and Jones to keep details of their grubby deals off the public record. These included:

\* Qantas paid Laws \$200,000 a year, plus six free first-class air tickets to anywhere in the world for favourable commentary on the airline. Jones received a more modest \$100,000 in cash, \$50,000 in free air travel and two first-class air tickets. Qantas had the right to appear on Jones's program to promote its views.

\* Foxtel, the Murdoch-owned pay-TV station, began paying Laws \$300,000 a year in 1997 for his exclusive endorsement.

\* Colonial State Bank paid Jones \$433,000 a year to improve its image.

\* Cable and Wireless Optus recently upgraded its annual

payments to Laws and Jones from \$100,000 each to \$825,000 and \$500,000 respectively.

\* The Road Transport Forum, a trucking industry group, paid Laws \$200,000 a year for work which included both on- and off-the-air lobbying. The NRMA, a large motor insurance group in NSW, paid Laws \$300,000 a year.

\* Laws received annual payments of \$250,000 from Registered Australian Mortgage Securities and \$200,000 from the Registered Clubs Association.

These payments effectively doubled the commentators' regular annual salaries, which are reportedly \$3 million for Laws and \$1.5 million for Jones. Somewhat ludicrous attempts have been made to defend the actions of Laws and Jones by claiming that they are not journalists as such, but entertainers, and therefore should not be judged according to the standards of that profession.

Whichever way one puts it, however, there is no squirming out of the fact that Laws and Jones were the bought and paid for mouthpieces of big business. The inquiry has revealed that apparently off-the-cuff remarks were carefully scripted for the talkback hosts in order to make their sponsors appear in a better light to the station's listeners.

Laws approached the Australian Bankers Association late last year looking for a financial arrangement. In February, as the deal was being finalised, the Association's chief executive Tony Aveling called Laws on-air, apparently on the spur of the moment, ostensibly to provide Laws with "assistance" in his campaign to educate young people about Australian history. "This is a surprise," Laws remarked.

But there was nothing surprising at all. The telephone call was organised long before. It had all been laid out in a document, entitled "Script for Unscripted Call to Laws," prepared by the banks for Laws and Aveling to play out on radio. The dialogue, which was undoubtedly carefully rehearsed so as to appear casual, concluded as follows:

*Aveling:* John, we want you to ask us the tough questions that only you can ask. If the answers are not good enough then we can handle the criticism—that's healthy provided it's based on the whole story.

*Laws*: I tell you what, I like that—the whole story—that's not a bad title for our series, "The Whole Story". Here's the deal—you tell your story and I'll tell mine, but it's got to be the whole story.

*Aveling*: It's a deal.

Aveling was the first witness called at the ABA inquiry. He testified that before the deal *Laws* was the commentator whom the banks feared the most. He claimed that the deal was not an attempt to gag *Laws*, but to "educate" him and provide him with the "facts".

Under cross-examination, the ABA's lawyer put the obvious question to Aveling: "Did you consider giving him the facts without giving him the \$500,000?" Aveling replied: "No, we didn't, because what we were considering was a commercial relationship, advertising in exchange for money."

So delighted were the banks with the results of *Laws*' "education" that just one week after the deal had been struck, the Bankers Association wrote to the Chief Executive Officer of every bank declaring, "we are already getting terrific value for our investment".

Not only did the radio hosts provide positive comment for their sponsors but also defended them against adverse publicity. One case involved the death last year of a patron at Sydney's casino, Star City. Peter Dalamangas, 23, died of compression injuries to his chest and neck after an altercation with the casino's security guards. Despite video evidence showing guards on top of him, no-one has ever been charged. As for *Laws*, he refused to allow any of his on-line callers to comment on Dalamangas's death.

This fact only emerged when the CEO of the casino, Neil Gamble, wrote to *Laws* on November 6, 1998 criticising his interview with Victorian Premier Jeff Kennett, who attacked the Star City casino as part of his promotion of its direct rival in Melbourne, Crown Casino.

In his letter Gamble wrote: "The transcript of the exchange indicates that you made no attempt to defend Star City despite the fact that we are paying a substantial fee for your endorsement ... nowhere in our transcript is there any evidence of you sticking up for Star City and endorsing it as a great entertainment venue." *Laws* was paid \$250,000 a year by the casino, as well as \$4,000 a month in free food, drinks and accommodation.

Three days later *Laws* replied: "I believe that I have displayed my loyalty to Star City constantly and perhaps in a way of which you aren't aware. We get reasonably frequent calls wanting to be critical of Star City, as we do with faxes and emails. I either dismiss them totally or defend Star City. At no time did I allow any comment on the unfortunate incident concerning the security guards even though I was strongly encouraged to do so. We have provided, I believe,

absolute support for anything that Star City is doing."

The millions that *Laws* and *Jones* pocket every year makes a mockery of their posturing as defenders of the "battlers"—working class families struggling to survive. *Jones*'s trademark is his claim to tell the stories from "Struggle Street".

Their commentary is the stock-in-trade of right-wing radio talkback hosts—nationalism verging on open racism, and vindictive attacks on welfare recipients, single mothers, the unemployed and Aborigines. *Laws* and *Jones* may now find it a little harder to peddle the line that all the ills of society can be put down to the unemployed getting a few extra dollars from the government or to the completely inadequate sums provided for Aboriginal health care, welfare and education.

Radio station 2UE has attempted to distance itself from the scandal, claiming that it had nothing to do with what were the personal arrangements of its employees. The ABA inquiry has received a lot of attention, with various commentators feigning surprise at how their colleagues have words put in their mouths for money. In fact, it is just a particularly gross example of the way in which the big business media operates every day, with journalists toeing the line to keep their jobs.

As for the inquiry, the ABA has already conceded that *Laws* and *Jones* have done nothing illegal and therefore face no charges. All the ABA is seeking to show is that there was a breach of the commercial radio industry's code of practice, in that paid advertisements were not presented as such. Compliance with the code is not even a condition of radio station licences. All that is certain is that at the end of the inquiry it will be business as usual, if not for *Laws* and *Jones*, then for commentators elsewhere.



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