



The *Commercial Radio Industry 1978-79 to 1997-98* looks at the effects of regulatory reform on the shape of the commercial radio industry

Financial trends in the commercial radio industry

More than eighty per cent of metropolitan commercial radio stations and nearly sixty per cent of regional stations changed hands in the 1990s—and the changes seem to have led to increased profits for those stations, despite commercial radio's share of the broadcast advertising pie dropping five per cent in the decade to 1997-98.

These are some of the findings of *The Commercial Radio Industry 1978-79 to 1997-98*, a study released by the ABA.

'An examination of the information collected by the ABA and its predecessor over a 20-year period enables issues such as competition, the impact of technological trends, the structure of the industry and its interaction with the regulatory environment to be better understood,' said Professor Flint. 'We hope that the

study stimulates discussion of the issues that we've raised.'

'The study provides a picture of the commercial radio industry, particularly in relation to financial performance, over a period when the regulatory regime changed substantially', said Professor Flint. 'The Broadcasting Services Act facilitated the liberalisation of the radio industry, with the reforms allowing for greater competition and a proliferation of radio services throughout Australia.'

In addition to looking at the effects of regulatory reform on the shape of the commercial radio industry, the study also examines the impact of the introduction of FM services, compares the performance of commercial radio services in metropolitan markets with those in regional areas, and considers the relationship between the commercial radio and commercial television industries.

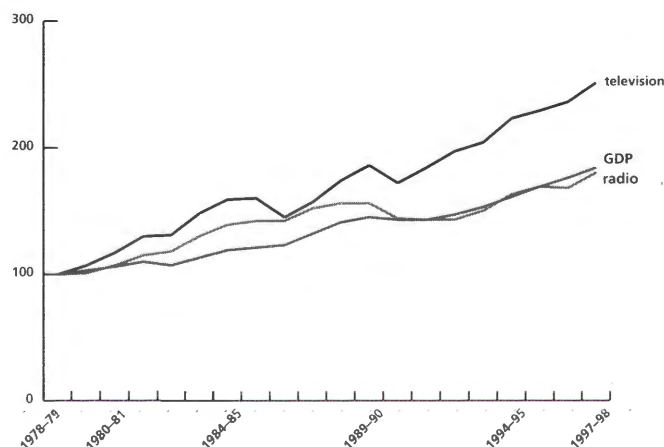


Figure 1: Index of real radio and television service revenue and real GDP, 1978-79 to 1997-98 [base 1978-79: 100]

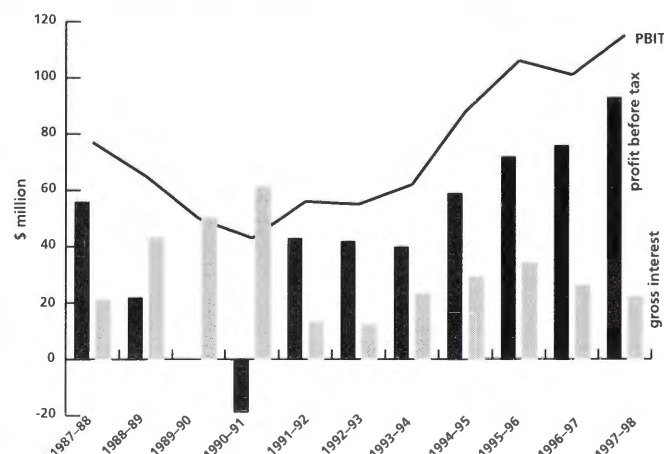


Figure 8: Profitability of commercial radio stations 1987-88 to 1997-98 [\$m, 1997-98 dollars]

The study, *The Commercial Radio Industry 1978-79 to 1997-98*, is available on the ABA's web site, www.aba.gov.au/what/research/financial.htm, or a hard copy version (20 pp, illustrated) may be purchased from the ABA, price \$10.

The data on which the study is based is also available from the ABA, as *Broadcasting Financial Results* on disk only, price \$541.20.

Both figures are taken from *The Commercial Radio Industry 1978-79 to 1997-98*

