

# News media chronicle: July 1994 to June 1995

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THE year 1994-95 saw the coming of age of two new faces in Australia's biggest media families – the Packers and the Murdochs. In the fight for control of rugby league, Lachlan Murdoch and James Packer battled it out just as much as their fathers, Rupert and Kerry. The young pretenders shared a birthday on September 8 – Murdoch turned 23 and Packer 27. But they have little else in common. Lachlan Murdoch is a Princeton philosophy graduate who, after brief stints in the company newsrooms, has already assumed managerial responsibilities in Australia and Asia. James' post-secondary education was at the "school of hard knocks" during a 12-month stint as a jackaroo on a cattle station in the Northern Territory. Since then he has been working in his father's magazine and television empire, between polo tournaments and high-profile girlfriends, knowing that, with Packer senior already having had one heart attack, his call to centre stage could come at any time. During a *60 Minutes* interview Murdoch senior tried to paint his family as much more serious about business than the "playboy" Packers, and certainly the year belonged to Murdoch. But with Murdoch senior in his mid 60s and Packer senior nearing 60, the load will increasingly fall on those being groomed to follow. The year also saw the emergence of Kerry Stokes as a media figure of national importance in Australia. Stokes, already known through media interests in Canberra and Western Australia, took the reins at the Seven Network, either in his own right or with the help of powerful friends. The year also saw the return to profitability for those media businesses hit by the recession, with the almost uni-

versal promise of even better things to come. An expected hefty rise in the price of newsprint could be a dampener on expectations for those publishers without newsprint connections, however. The cross-ownership regulation debate continued to be gently pushed along by the Murdoch camp, and it was probably only Kerry Packer's impatience in pushing the limits by lifting his stake in Fairfax that prevented a gradual easing of the regulations. As it was, the government was moved to tighten the legislation, if not the limits, making changes even less likely than they might otherwise have been. In the area of ethics and accountability, there were some familiar areas of concern – source confidentiality, chequebook journalism, accountability – as well as one issue resurrected from the long-distant past: D-notices. And topping it all off was the start of pay television as a mainstream option for Australians, with the promise of much more to come – for those who succumb to the sales pitch.

### **Super league**

A major news media preoccupation, and one which also preoccupied the media proprietors in 1994-95, was the takeover of football in Australia and around the world ahead of the expected spread of pay TV across the country. The battle started in rugby league, where Packer's Channel 9 owned television rights of the 20-team competition until the year 2000, and pay TV "anti-siphoning" rules prevented exclusive pay broadcasts. This did not extend to new competitions, however. Murdoch's News Ltd proposed in February that the Australian Rugby League endorse the concept of a "Super League" of 10 or 12 teams, with matches broadcast on the part-Murdoch-owned Foxtel pay TV channel and on other Murdoch cable and satellite services around the world, where Murdoch already broadcast the National Football League (United States gridiron) and Premier League (British soccer). The Murdoch team's initial approach to the 60 highest-ranking officials of the Australian Rugby League and its member teams was unsuccessful, partly because of the personal intervention of Packer, who threatened to sue any supporters of the

Murdoch plan and told the delegates: "Don't let a media organisation run your game." Given Packer's creation of his own cricket competition in 1977 when his media organisation was not allowed to control the game, this was perhaps an odd comment. After some extremely public brawling the Murdoch plan resurfaced with a substantial number of ARL players and, in some cases, whole teams signing on for the Super League. The future of the league rested on a series of court actions alleging breach of contract, but by the year's end — and after enormous publicity in both the advertising and editorial sections of the Murdoch media in particular — the Super League proposal was firmly entrenched in people's minds and appeared likely to succeed in one form or another, even if Murdoch had to wait for players' present ARL contracts to expire. Certainly money appeared no object to the Murdoch Super League camp, a fact noted with some annoyance at his supposedly cash-strapped newspapers. The outcome of the "clash of the titans", as one newspaper dubbed it, will be an interesting test of the relative strength and acumen of Packer and Murdoch, and by June there was already evidence that the Australian Football League and Australian Rugby Union were being targeted for pay TV "super league" packages, perhaps as fall-back positions. The treatment of the Super League battle in the Australian media will make a fertile ground for media researchers interested in proprietorial influence over editorial columns.

## **Murdoch**

The Murdoch group's push for changes in media ownership restrictions continued unabated in 1994-95, attracting support from several quarters — and opposition from others, including the federal government. At the end of July, Murdoch's chief representative in Australia, News Ltd chief executive Ken Cowley, said the group was keen to lift its 15 per cent holding in Channel 7 and urged Australia's cross-media and foreign ownership laws be reviewed. The calls were supported by Opposition communications spokesperson Alston, who also called for reforms of

cross-media ownership laws, which he said set up “exactly the wrong incentives for media proprietors”. However, Communications Minister Lee continued to hold the line on the laws, despite a later television appearance by Cowley in which he apparently tried to achieve by flattery what he had failed to achieve by other means, describing Paul Keating as a “bold and innovative” Prime Minister who was doing an outstanding job compared with other world leaders.

Cowley denied, however, that News Ltd was interested in lifting its (at that time) 2.3 per cent stake in Fairfax, and indicated that the company planned to sell its Fairfax shares within “a couple of months”. It came as a surprise, then, when Murdoch told a world economic forum in Switzerland in February that the company had lifted its stake to 5 per cent and planned to “make it 10”. This caused a flurry, since it seemed that Murdoch could not increase his holding beyond 5 per cent while Conrad Black held 25 per cent (unless, of course, the government were to change the law). But it appeared that the remark was simply off-the-cuff, and by year’s end there was no indication of Murdoch moving beyond the 5 per cent threshold in Fairfax.

Mr Murdoch said the stake in Fairfax was merely a better place to park his money than in a bank – and plenty of money is exactly what he and his companies had. One reason for this was that the company issued almost 930 million limited voting preference shares in October, effectively giving it extra capital with minimum dilution of control for existing shareholders. The deal, described by one columnist as enabling Murdoch “to have his \$16 billion global electronic media cake and eat it too”, overcame the setback of the previous year when the Australian Stock Exchange blocked his plan for “super shares”, which would have allowed Murdoch shares to carry several votes while other shareholders were limited to one vote a share.

Another reason News had plenty of money was more straightforward – profitability. In August, News Corporation reported a record Australian private-sector annual profit of \$1.34 billion, eclipsing BHP’s record \$1.28 billion. The News result was

a 54.5 per cent improvement on the previous year, largely due to broadcast media activities, particularly in the US. Murdoch told the company's annual meeting that his vertical integration "killer strategy" for the next two to three years – which included a \$20 million film studio complex on the site of the old Sydney Showgrounds – would lift earnings a further 50 per cent and ensure News became the first telecommunications giant to have a "global footprint". The result for the half year to December suggested that the company was on track for further growth, with a rise of 7 per cent to an \$821 million profit.

As part of the "killer strategy", News announced in May that it had signed a multibillion-dollar deal with the giant MCI Communications Corporation, the world's third-largest international telephony carrier. Under the deal, MCI and News Corp would each contribute about \$275 million to a worldwide joint venture to sell information, education and entertainment through MCI's "information superhighway" distribution network. MCI would also buy about 13 per cent of News Corp stock, making it the second-largest shareholder after the Murdoch family interests.

News' record 1993-94 result came despite a 35 per cent fall in group newspaper earnings, mainly attributable to the British price-cutting war. The cannibalisation of the British newspaper market, which started with a 1993 promotion cutting the price of Murdoch's tabloid *Sun* from 25 pence to 20 pence, spread to all sections of the market. Among the quality broadsheets, the battle pitted Murdoch's *Times* (down from 45p to 20p) against Conrad Black's *Telegraph* (down from 48p to 30p) in a battle which at one stage seemed likely to spill over to Australia – but Australian prices eventually went up, not down. The British government announced in July that it would inquire again into whether Murdoch and Black were trying to bankrupt rival papers, notably the less financially secure *Independent*, which held out against the price war but eventually dropped its price from 50p to 30p after an 18 per cent circulation slide. By June it appeared the war might be drawing to a close. The *Sun* and *Times* were increased from 20p to 25p (with the *Saturday Times* 35p), ostensibly because of soaring newsprint costs. The *Telegraph* lifted its price to 35p.

Analysts said the price war would be vindicated if the *Times* kept its significant circulation gains, but pointed out that the initial strategy involving the *Sun* had failed because that paper had not made such gains.

Murdoch was also prominent on the British political scene, where he openly started campaigning for a change of government. Murdoch had long been identified as a supporter of the Thatcher Conservative government, although he appeared less enamoured with Thatcher's successor, John Major. But his *Sun*, *Times*, *Today* and *News of the World* all campaigned strongly for Major in 1992. However, in August Murdoch told the German magazine *Der Spiegel* that he could imagine himself supporting British Labour leader Tony Blair. While some commentators suggested Murdoch's manoeuvres were simply power games for their own sake, wiser heads suggested the power games had a specific target – the prospect of tighter cross-media and foreign ownership rules in Britain. In particular, Murdoch was upset by a Conservative government Green Paper suggesting media companies be limited to 10 per cent of the overall British market, and 20 per cent of any media sector. News was the only company likely to be affected by the 10 per cent rule – it had 10.6 per cent of the market – but it would be even harder hit by the 20 per cent requirement which would force Murdoch to sell a substantial part of his 35.3 per cent of the press market.

The Murdoch juggernaut might be able to influence governments, but no one can transcend the London traffic. A \$750,000 bid by BSkyB, part-owned by Murdoch, for a television text service arrived nine minutes late, leaving the way clear for its sole rival, which had bid only \$165,000.

In the US, Murdoch was faced with two major problems stemming from his ownership of the Fox television network. The rival NBC network complained to the Federal Communications Commission in November that Fox's ownership structure violated laws preventing foreigners from owning more than 25 per cent of a US TV station. Although Murdoch has taken US citizenship, the purchase of Fox was 99 per cent funded by News Corpora-

tion, an Australian company. In September, NBC had started the inter-network war, an unusual step in an industry reluctant to involve bureaucracy of any kind, by challenging Fox's acquisition of a Wisconsin station. The NBC complaint echoed reservations already made by the National Association for the Advancement of Colored People. Eventually, after a very public lobbying war on Capitol Hill, complete with bumper stickers, Murdoch was allowed to continue building the Fox network. The Federal Communications Commission ruled that the Fox ownership structure did breach regulations but, against the advice of its own staff, invited Fox to apply for a waiver of the rules, indicating that such an application would be successful. During a press conference called to defend his network's position, Murdoch argued that it was clearly in the public interest to have competition and diversity in media ownership. This caused more than the odd wry smile among some commentators in Australia – especially in Adelaide, where the Murdoch organisation owns all daily, Sunday and suburban papers. The only niche left for non-Murdoch efforts was occupied by the monthly arts-based publication the *Adelaide Review*. Coincidentally, perhaps, Murdoch's *Advertiser* started its own monthly arts-based publication, the imaginatively titled *Arts Monthly*, which competed for the same advertising, if not for the same readership.

Elsewhere around the world Murdoch was also active, notably in Germany, where News International bought 49.9 per cent of the German television channel Vox; in Italy, where Murdoch ended the year locked in talks with former Italian Prime Minister Silvio Berlusconi over the possible sale of Berlusconi's television interests; and China, where News set up a \$6.3 million joint venture with the Chinese government's *People's Daily* news group.

On a personal level, 1994-95 included several important Murdoch family milestones. A biography of his mother, Dame Elisabeth Murdoch, was launched in October at the family's Cruden Farm, south-east of Melbourne. Murdoch's relationship with his father, Keith, has been well documented, but *Elisabeth Murdoch: Two Lives* offered some insights into the other formative influence on Murdoch's early life. The year also saw

Murdoch's elder son, Lachlan, arriving in Australia to step up the pace of the family succession. In less than a year Lachlan Murdoch was appointed general manager of Queensland Newspapers; then deputy chair of the Asian satellite broadcaster Star Television; then director of the Chinese joint venture; then publisher of the *Australian* and director of News Ltd. The eldest of Rupert and Anna Murdoch's children, daughter Elisabeth, has been working in television in the US and the third child, James, is expected to start "learning the ropes" soon.

## Packer

For Kerry Packer, 1994-95 was a year better forgotten. As well as apparently being trumped on rugby league, Packer suffered setbacks in his aspirations to take a greater share of Fairfax; his premier magazine titles lost circulation, albeit often to his own new titles, and Consolidated Press Holdings Ltd showed a \$148 million book loss for 1994; thieves stole 284kg of gold bars valued at \$5.4 million from a safe in his Sydney office in May; later that month *Business Review Weekly* estimated his personal fortune had dropped from \$5.5 billion to \$3 billion; and he continued to be rebuffed in court attempts to fight his loss of the Sydney casino tender.

Packer's existing companies continued to keep him cashed up, however. In March, his media companies announced a \$70.3 million interim net profit, thanks mainly to a strong performance by Nine. Packer's dividend share was about \$10 million. In January, Packer had received \$70 million in dividends from Consolidated Press Holdings despite the company posting a \$148 million loss predicated on a series of financial gymnastics and almost \$338 million in loans to other Packer companies being written off. In the 1993-94 year, Australian Consolidated Press had recorded a 9 per cent profit fall to \$55 million while Nine Network Australia lifted its profit 25 per cent to \$88.3 million.

Things were a little brighter for Packer in Vietnam, where the *Vietnam Investment Review*, 46 per cent owned by Australian



Consolidated Press, announced in February that it had set up a joint venture with Hanoi Television in a three-year deal involving new programming, training and technical assistance. In June, the chief executive of Vietnam's top regulator of foreign capitalism, the State Committee for Cooperation and Investment – Consolidated Press's partner in the *Review* – visited Sydney and Melbourne at *Vietnam Investment Review's* expense to meet the Packer family and tour Channel 9 and Australian Consolidated Press.

But overall 1994-95 was all downhill for Packer after an early highlight, when he was successful in persuading fellow shareholders in Australian Consolidated Press Ltd and the Nine Network Australia Ltd to approve what was described as the \$2.3 billion "media marriage of the year" to form Publishing and Broadcasting Ltd (PBL), Australia's second-largest listed media company (behind News Corp). Packer told shareholders in the new conglomerate: "You've got me as chairman now, God help you."

## Packer and Fairfax

It was not the PBL shareholders who needed divine intervention. In February Packer, a renowned gambler, made probably his biggest miscalculation for the year when he appeared on his own channel's *A Current Affair* to justify his decision to lift his stake in Fairfax to more than 17 per cent, with a bigger stake in his sights. The purchase of the extra shares was in itself a huge gamble: it could have cost Packer \$2 million a day if he were found in breach of the law (he wasn't). But the television appearance was also a gamble, and one which cost Packer dearly. In pushing his case for holding more than the 15 per cent prima facie limit for a television proprietor, Packer attacked both Conrad Black, the majority Fairfax shareholder, and Rupert Murdoch, the big winner from the existing Australian media industry structure, according to Packer. But the comments which proved most bothersome related to the federal opposition leader, John Howard, who Packer said would make a good Prime Minister.

This sparked a bitter exchange between Prime Minister Keating and Packer, which continued from the other side of the world when Keating left for Europe soon after the row erupted. Keating alleged Packer and Howard had struck a deal whereby the cross-media ownership laws would be relaxed under a coalition government, and the claims were repeated in parliament by Communications Minister Lee. Former senator Graham Richardson, who had become a senior Packer adviser, cast doubts on Keating's claim that evidence of the deal had come from "within the Packer camp". While no evidence could be found that any such deal had been made, Howard declined to take a clear position on the rules, other than to say that some changes were necessary. The dispute reached quite extraordinary lengths – or depths – with Packer accusing Keating of a campaign of intimidation and raising red herrings to cover economic policy failures after Keating appeared on the Channel 9 Sunday program to accuse Packer and Optus Vision of having tried to pull off a \$7 billion "scam" over the regionalisation of cable television in Australia. "The last scam I had run past me that was ever this large . . . (was former NSW chief magistrate) Murray Farquhar's reported attempts to take gold reserves from the Philippines National Bank," Keating said. The Australian Democrats tried to have the Senate print media ownership inquiry reopened to examine the claims and counter-claims, but failed to attract support from the major parties. The public feuding continued until May, when Keating said on Perth radio that although he would not be pushed around by Packer, a "professional bully", he bore no ill feeling to "Kerry . . . who has a lot of good qualities".

At the same time as his *A Current Affair* appearance, Packer also put his case in his *Bulletin* magazine, where he pledged not to give up his pursuit of John Fairfax Holdings even if it took 20 years to fulfil his ambitions, and if it was his children or grandchildren who completed the move. Packer explained that his legal advisers had told him he was within the law lifting his stake in Fairfax beyond 15 per cent so long as he could not be said to be in control of Fairfax. This interpretation of the 1992 Broadcasting Services Act, endorsed in April by an Australian Broadcasting

Authority inquiry, gave Packer considerable scope to increase his holding in Fairfax and led the federal government to announce in June that it would strengthen the Act to reinforce the specific cross-media ownership limit at 15 per cent, closing the 1992 loophole. The Australian Council of Trade Unions and the Media, Entertainment and Arts Alliance had urged such a move, although the ACTU called for an even tougher stance, with the limit being set at 10 per cent.

Mr Packer would no doubt have been heartened by the results of a Newspoll in February which showed that Australians were more concerned about foreign ownership of Australian media than about cross-media ownership – or more specifically, that more would prefer Fairfax to be owned by Packer (60%) than by Black (12%). Within a fortnight it was being reported that Black was threatening to sell his 25 per cent stake in Fairfax if he was not able to assert genuine control over the company – that is, if Packer were allowed to take a similar stake in the company to his own. However, Black immediately denied that he had any intention of selling his stake, and said he had been discussing a hypothetical situation in which Packer was allowed to take a greater stake than him. In fact, Black unsuccessfully used the threat of a Packer tilt for control at Fairfax to back his argument that he be allowed to lift his stake from 25 per cent to 35 per cent despite foreign ownership controls.

Mr Packer's move on Fairfax attracted mainly hostile interest from the federal government, the Australian Broadcasting Authority, Fairfax journalists, Black and Murdoch, who at one stage was touted as a possible ally to Black (or an alternative suitor for Fairfax). It also brought a threat of intervention from the Trade Practices Commission, which indicated an interest in any possible lessening of competition in the classified advertisements market. Fairfax controlled a major proportion of the market in Sydney and Melbourne, but several Packer magazines, especially covering cars, boats and machinery, had a substantial classified advertising component.

## **Fairfax**

The complex \$1.6 billion Federal Court case over the Fairfax acquisition in 1991 by the Tourang consortium, led by Conrad Black, was eventually settled in 1994-95. The settlement of the case, which opened in February, was almost as long-drawn-out as the case itself, with Justice Sheppard having to adjourn the case four times in May and June after being told agreement had been reached but the complex settlement papers were not ready. Eventually the papers were presented for ratification after the judge threatened to stand the matter over until 1996 unless it was settled by the end of June. The main suit was brought by the losing bidders for Fairfax, Tony O'Reilly's Independent Newspapers Plc and the Melbourne-based Australian Independent Newspapers, against the merchant bank Baring Brothers Burrows and its principal, Mark Burrows, alleging they had engaged in deceptive conduct under the Trade Practices Act during the bidding process. Baring Brothers Burrows, which acted for the Fairfax receivers, denied the accusation, and several counter-claims were involved. The settlement was achieved on the eve of O'Reilly's appearance in court. Details were not made public, but some reports suggested Independent Newspapers would be paid about \$20 million under the settlement.

It was reported in June that Fairfax chief executive Stephen Mulholland would return to South Africa a year before his contract expired. Mulholland was one of Australia's highest-paid chief executives, earning up to \$1.5 million a year as well as holding valuable stock options. During his term at Fairfax, Mulholland returned the company to profitability, although his occasionally aggressive management style also resulted in some conflicts with staff. Mulholland also failed to satisfy the Packer camp. In February, at the height of the tension over the Packer bid for an increased stake in Fairfax, Mulholland revealed that Brian Powers, managing director of Packer's PBL, had approached Fairfax directors several times seeking to have Mulholland removed. Mulholland noted that Powers had not been successful, "so I suppose you could say he wasn't exercis-

ing control". The fact that within a matter of months Mulholland was to leave might have given this remark a different context.

Another change at the top for Fairfax was the resignation of Sir Zelman Cowen, who stepped down as chair of the Fairfax board on his 75th birthday in October. Cowen, a former Australian governor-general and chair of the British Press Council from 1983 to 1988, was replaced by former New South Wales chief justice and lieutenant governor Sir Laurence Street, 67.

In March Fairfax acquired entrepreneur Dick Smith's Australian Geographic Pty Ltd for \$41 million. It also continued its expansion into new technologies, announcing in August that it would join the Australian Stock Exchange in providing a telephone market information service. In November it paid \$6 million to become a cornerstone investor in AusAsean Management Ltd, a fund for multimedia software developers and packagers. In January it took a 10 percent interest in US multimedia developer Big Hand Inc and a 45 percent stake in a Sydney-based joint-venture, Big Hand Asia Pacific Pty Ltd.

The Fairfax pre-tax profit for 1993-94 was \$168.6 million, a 48 per cent improvement on the 1992-93 result, which was itself a 30 per cent improvement on the previous year. The 1994-95 balance sheet continued to look healthy, with a net operating profit in the nine months to May of \$108.3 million, up 40 per cent on the previous corresponding period.

An era came to an end with the gradual dismantling of the Fairfax Sydney headquarters at Broadway. In February the newsroom moved to Darling Park in Sussex Street, with the advertising, circulation and administration departments following soon after. By the end of 1995 printing operations were expected to be transferred to the new printing plant at Chullora.

At the *Age* in Melbourne, staff unrest continued to simmer, with a monitoring committee set up in August because of concerns that the paper's quality was being jeopardised, partly through staff shortages and partly through a policy of "change for change's sake".

## Other publishers

The other main metropolitan publisher, West Australian Newspapers Holdings, reported a \$57.3 million profit for 1993-94, and interim profit details for the first three quarters of 1994-95 led analysts to predict a profit of about \$70 million for the full year.

Tony O'Reilly's Australian Provincial Newspapers made the headlines for two reasons in 1994-95. Firstly, and most substantively, the company embarked on a series of major radio purchases, including the Wesgo chain, which brought it out of the provinces and into the capital cities. The second major factor in the APN story was the emergence of O'Reilly's son, 30-year-old APN deputy chief executive Cameron O'Reilly, as a major force in the group. Cameron, an Australian citizen because of his Australian mother (since divorced from Irishman Tony) was thrust into the spotlight by his drive to set up the company's radio network. By outbidding Sunshine Broadcasting Network Ltd to take Wesgo for \$106 million, APN accrued eight stations on the eastern seaboard, including two each in Sydney and Melbourne. It then spent another \$15 million buying Melbourne's Gold FM 104 from Austereo, and completed the network with another six stations by buying the Albert family's Australian Radio Network for \$62 million. Even with six forced divestments to comply with cross-media ownership laws, APN's Australian Radio Network was only slightly smaller than Austereo, controlling nine stations in the country's biggest markets. APN then sold a half share in the network to the US-based Clear Channel Communications Inc for about \$100 million. APN also announced a joint pay TV venture, PAN TV Ltd, with SBS Television and Kerry Stokes' Australian Capital Equity to provide a World Movie Channel and World News Channel for existing operators. Cameron O'Reilly also joined the board of Wilson and Horton Ltd, publisher of the *New Zealand Herald*, after his father's Independent Newspapers Plc and the O'Reilly family trust paid \$271 million for a 28.3 per cent stake in the company and effective control of it. APN re-

ported a 30.8 per cent lift in after-tax profit to \$21.32 million of the year to December.

Another press group bent on acquisition and continuing diversification into radio was John B. Fairfax's Rural Press Ltd, which posted a record \$26.17 million annual net profit in August. In December, the company added the Woods family's *Queanbeyan Age* to its network of 94 regional newspapers, 42 agricultural newspapers and magazines, 17 country radio stations and printing operations in Australia, New Zealand and the US. In February, Rural Press Ltd acquired the North Queensland Radio Network from Mike Willesee's Trans Media Holdings, giving it another seven regional radio licences, and the following month its purchase of a majority interest in North West Broadcasters brought another three regional Queensland radio licences.

## Newspapers

The March newspaper circulation figures generally brought little joy for the major Australian newspapers. The few bright spots included the national papers, the *Australian* and *Australian Financial Review*, the Sundays, except in Sydney, and the *Canberra Times*, where editor Michelle Grattan was unceremoniously dumped in the final days of the audit period, as noted below. Saturday sales were generally down, particularly among the broadsheets, where employment and real estate advertisements were in less demand. The Monday-Friday figures for most capital city dailies were flat at best. The outlook was further dampened by an impending steep rise in paper costs, which was expected to lead to further cover price increases. In the case of some titles, however, this was offset by generous special "sampling" offers. The most notable of these was the *Australian*, which initially offered 12 weeks of six-day delivery for the price of Saturday's paper (\$1.20 a week), then a further option of 12 weeks at \$1.80 or 28 weeks at \$2.80. The regional dailies were generally within about 1 per cent of their 1994 results, with the notable exceptions of the *Cairns Post* (up 4.9%), *Maitland Mercury*

(up 3.2%) and *Gold Coast Bulletin* (up 3.1%). At the other end of the scale was *Orange's Central Western Daily*, which slipped back 4.2 per cent.

**Table 1: Metropolitan dailies and Sundays**

Paper	Circ to 31/3/94	Circ to 31/3/95	Change %
Australian (M-F)	114,379	119,618	+4.6
Australian (Sat)	314,616	311,559	-1.0
AFR	78,705	80,640	+2.5
Tele Mirror (M-F)	450,847	434,754	-3.6
Tele Mirror (Sat)	343,885	335,652	-2.4
SMH (M-F)	232,602	232,822	+0.1
SMH (Sat)	396,427	392,252	-1.1
Sunday Tele	685,430	667,084	-2.7
Sun-Herald	603,746	564,183	-6.6
Herald Sun (M-F)	576,377	563,287	-2.3
Herald Sun (Sat)	534,727	530,156	-0.9
Age (M-F)	202,133	205,239	+1.5
Age (Sat)	355,032	349,045	-1.7
Sunday Herald Sun	478,873	495,451	+3.5
Sunday Age	179,644	188,640	+5.0
West Australian (M-F)	238,219	240,240	+0.8
West Australian (Sat)	373,219	379,702	+1.6
Sunday Times	340,222	350,062	+2.9
Courier-Mail (M-F)	229,046	218,924	-4.4
Courier-Mail (Sat)	337,491	328,925	-2.5
Sunday Mail (Qld)	570,475	581,384	+1.9
Advertiser (M-F)	211,042	203,217	-3.7
Advertiser (Sat)	268,778	264,862	-1.5
Sunday Mail (SA)	319,979	325,369	+1.7
Mercury (M-F)	52,059	51,188	-1.7
Mercury (Sat)	63,829	63,738	-0.1



Sunday Examiner	41,164	41,784	+1.5
Sunday Tasmanian	53,944	53,912	-0.1
Canberra Times (M-F)	41,923	42,289	+0.9
Canberra Times (Sat)	68,904	69,646	+1.1
Canberra Times (Sun)	37,772	38,287	+1.4
NT News (M-F)	20,622	21,604	+4.8
NT News (Sat)	26,423	27,795	+5.2
Sunday Territorian	23,406	24,115	+3.0

A survey of journalists conducted by Professor John Henningham of the University of Queensland Department of Journalism showed that the *Australian* had overtaken the main Fairfax papers as their paper of choice. Support for the *Australian* was 39.8 per cent, up from 19.9 per cent two years earlier, while support for the *Sydney Morning Herald* had dropped from 39.5 to 25.1 per cent and for the *Age* from 24.9 to 15.8. The only other paper to approach double figures was the *Australian Financial Review*, up from 3.5 per cent to 9.4 per cent.

News Ltd announced in June that it would close two of its free weekly colour titles, the *Sydney News* and *Gold Coast News*. While paper cost rises were cited as the trigger for the decision, News conceded that its other publications were dominating these markets sufficiently to make it difficult for the papers to attract sufficient advertising. The third title in the News colour trio, the *Brisbane News*, was performing "quite well" and there were no plans to close it, the company said. News Ltd made no mention of the fact that Eric Beecher's *Sydney Weekly*, the paper the *Sydney News* was created to "spoil", continued to thrive, as did the *Melbourne Weekly*, the Beecher title that started the glossy weekly trend in Australia. There was no sign of a promised *Brisbane Tele*, an ambitious US-backed Queensland project which would have introduced afternoon dailies back to Australia. The *Tele* was also to have a Saturday morning edition. The announcement of the new paper was taken with a degree of scepticism, with good reason as it turned out. One specialist title that did make it to fruition was the *Labor National Herald*, an Australian Labor Party

newspaper produced initially bi-monthly by the party's South Australian branch with contributions from around Australia. Editor Gary Orr said the paper might become a monthly demand was strong enough. With the first edition of 22,000 \$2 copies selling out on the day of its release this seemed a distinct possibility.

Another casualty during the year was the *World*, which published its final edition on January 17. The *World* had started less than a year earlier, and had been in receivership for five months, so would have hardly have rated a mention were it not the successor to a century-old institution in Australian media, the Melbourne-based *Truth*. The closure of *Australian Business Monthly* was a much-needed boost for its rival, *Business Review Weekly*, which in the preceding months had had to close two of its own offshoots: *Melbourne Business Today* after only a few months; and *Property Investor*, after just a year.

On a brighter note, the *Australian* newspaper celebrated its 30th birthday on July 16, a tribute to Rupert Murdoch's desire to create a truly national paper in this country — and his ability to finance it through its loss-making years. Among the regional dailies, the star was again the *Border Mail* at Albury, which won the Regional Dailies of Australia F.J. Meacham Memorial Award for the third year in a row. Runners-up were the *Geelong Advertiser* and *Sunshine Coast Daily*.

## Magazines

The onslaught of new magazine titles continued during the year, particularly in the lucrative women's market: the new titles that showed some levels of success, such as Packer's *New Weekly* and *She*, tended to do so at the expense of the company's flagships, *Australian Women's Weekly* and *Woman's Day*, and Murdoch's *New Idea*. One early victim, in July, was Ita Buttrose's *ITA* magazine, which had she launched in February 1989 aimed at "the woman who wasn't born yesterday" — the 35-50 age group. After initial success the magazine's print run was lifted from 100,000 to 160,000 but by its last audit, circulation was

down to less than 35,000, a 32.3 per cent drop in a year. Revision of Audit Bureau of Circulation procedures meant magazines will now be measure in June and December half-years, so annualised comparisons are not available this year. The half-yearly comparisons are used in this table. The top 20 magazines by circulation were little changed on the previous year (to March 1994), with only one new top 20 magazine, *That's Life*. Its strong showing, making it Australia's sixth-most popular magazine within six months of its launch, came at the expense of the *Bulletin*. At the top of the table *Woman's Day* had replaced the once unassailable *Australian Women's Weekly*, and it drew further away in the six months to December. Other significant changes were *Readers Digest* replacing *TV Week* as the No. 4 magazine; and further relative gain by *Time*, which suffered a slight slip in circulation but held its ground better than other magazines in its league. The big winners, other than *That's Life*, were *Cleo*, up 8.1 per cent, and *Australian Home Beautiful*, up 13.6 per cent; the big losers were *New Idea*, down 16.2 per cent, and *Dolly*, down 9.5 per cent. *Better Homes and Gardens'* circulation was flat but was expected to pick up in later audit periods as a spin-off from the television series of the same name. Producers acknowledged that lifting the magazine circulation was one of the reasons the television program was developed.

**Table 2: Top 20 Magazines**

Magazine	Circ to 31/6/94	Circ to 31/12/94	Change %
Woman's Day	1,118,659	1,026,357	-8.3
Aust Women's Weekly	1,113,316	1,016,781	-8.7
New Idea	873,293	731,521	-16.2
Readers Digest	482,247	483,491	+0.3
TV Week	495,677	471,971	-4.8
That's Life	-	405,000+	-
Cleo	303,757	328,329	+8.1
Aust Family Circle	304,789	304,987	+0.1
Cosmopolitan	286,903	279,115	-2.7

Better Homes & Gardens	234,888	234,927	+0.0
Who Weekly	220,798	230,815	+4.5
New Weekly	215,375	211,989	-1.6
Dolly	182,372	165,008	-9.5
Time	150,790	150,301	-0.3
Picture	147,218	148,767	+1.1
Aust Penthouse	126,317	130,533	+3.3
New Woman	119,628	119,732	+0.1
People	122,451	113,951	-6.9
Aust House & Garden	123,212	112,879	-8.4
Aust Home Beautiful	98,344	111,685	+13.6

### Stokes and commercial television

The year marked the emergence of former television antenna installer Kerry Stokes as an undisputed third force in the Australian media. Stokes, already a significant media player through his control of the *Canberra Times* and Golden West regional television network in Western Australia, first came to prominence early in the year as the surprise presenter of the ABC's prestigious Boyer Lectures. He delivered a forthright and far-sighted series of lectures which tackled some of the big issues in media policy, including technological revolution versus technological evolution, organisational choice versus technological determinism, and the social responsibility of media ownership. But by year's end Stokes was better known for his raids first on Sunraysia Television Ltd, the operator of Channel 9 in Perth, and later on the national Seven Network. The \$60 million bid for Sunraysia, launched in September, was acrimonious and eventually unsuccessful, although Stokes was left with a substantial minority holding in the company. The Australian Broadcasting Authority cleared him of breaking the "one station to one market" rule, arguing that Stokes did not control Sunraysia.

Mr Stokes was more successful with his tilt at Seven, where he eventually took over as chair of the board and snared an addi-

tional seat for an associate, Bill Rayner, after spending about \$200 million to buy almost 20 per cent of the company. The fight was protracted and quite bitter at times. The first major casualty was Seven chair Ivan Deveson, who quit in May and was replaced by Ian Holmes, a former Grundy Worldwide executive. However, after a six-week period in which he oversaw the forced resignation of Seven managing director, Bob Campbell, Holmes also quit, leaving the way clear for Stokes to choose his own nominee. Central to the dispute that led to Deveson's being ousted as Seven chair was the company's decision to sign a pay TV agreement with Optus Vision — a deal generally hailed as a masterstroke for Seven, which won a money-back (with interest) guarantee on the deal. When Deveson resigned he specifically cited undue pressure from the second biggest shareholder, News Corp (14.9 per cent). News and another major shareholder, Telstra (10.9 per cent), have a heavy investment in Optus Vision rival Foxtel. Stokes denied that he was working in concert with News. However, observers noted that Stokes, who has a history of friendly relationships with News (which helped finance his purchase of the *Canberra Times*) and its Australian chief, Ken Cowley (with whom he owns outback outfitter R.M. Williams), would have needed the support of News and Telstra to force his board coup. The battle for control of Seven came at the end of an eventful year with the network. In September it announced an \$84.6 million profit for 1993-94, its first full year as a public company. But a major miscalculation of the advertising market saw Seven impose an across-the-board 10 per cent increase in ad rates. The subsequent partial boycott by advertisers forced an embarrassing backdown by Seven.

One Seven shareholder whose interests were overtaken by the Stokes raid was Reg Grundy, long associated with Australian television as a producer of programming, particularly game shows. Grundy's RG Capital, cashed up after the sale of Grundy Worldwide empire to the British media giant Pearson Plc, lifted its share of Seven to more than 3 per cent before redirecting its attention to regional Queensland broadcaster Sunshine Broadcasting. An initial bid of \$89 million for the company was re-

jected by the board, but Grundy offered a revised \$105 million bid on June 30 and the deal looked certain to go ahead. An interesting sidelight to the takeover battle was the relationship between Sunshine chair Trevor Kennedy and the RG Capital chief executive Tim Hughes, who before the bid had been Sunshine's managing director. Indeed, Hughes retained his Sunshine board seat during an acrimonious stage of the takeover, and refused to resign despite a demand from fellow directors. Earlier, Sunshine had posted a 41 per cent profit increase to \$4.25 million for the six months to January 31, and simultaneously announced the closure of its Cairns and Townsville newsrooms as a cost-cutting measure.

Channel 10 was in the news during the year because of an Australian Broadcasting Authority inquiry into continuing doubts cast over the extent to which it was genuinely free of foreign control. Its Canadian shareholder, CanWest, held a 57 per cent financial interest, although only 15 per cent voting rights. New doubts were cast over this arrangement when the CanWest chair, Izzy Asper, claimed in a Canadian magazine, the *Financial Post*, that he had sent Peter Viner to be managing director of Ten because he was a manager Asper could trust. "When you buy a company that's 14,000km away, you'd better be sure you send someone you trust to run it," Asper was quoted as saying. Viner, a former CanWest executive, said he had severed his ties when he took the Ten position. Ten, described in the Canadian article as "CanWest's impressively profitable Australian operation", lifted its 1993-94 net profit to \$55.7 million. Ten was not so successful, however, in a NSW Supreme Court action against Charles Curran's regional broadcaster Capital Television Holdings, which announced in December that it was selling its Canberra-based Australian Capital Television to Peter Nixon's Southern Cross Broadcasting. Ten's objection to the sale on the grounds that the arrangement broke a programming arrangement with the station was over-ruled. Southern Cross, which announced a 192 per cent profit increase in the nine months to March 31, also bought Perth radio stations 6PR and 6IX during the year.

Ten affiliates Northern Rivers Television and Telecasters North Queensland launched a new listed company, Telecasters Australia Ltd, on the stock exchange in April. The broadcaster could reach a potential audience of about 3 million viewers in outback Queensland, northern NSW and the Northern Territory. The other major development in television ownership was the WIN television group's \$106 million takeover in September of regional Victorian and Tasmanian broadcaster ENT Ltd. In July, ENT itself had acquired 19.9 per cent of Sunraysia Television for \$8.1 million.

The Australian Broadcasting Authority upset supporters of public broadcasting in June when it announced new draft guidelines for Australian content on television. The Media, Entertainment and Arts Alliance and Australian Film Commission attacked the provisions of the guidelines that would allow commercial television stations to claim repeats of ABC or SBS programs in their Australian production quotas as long as they invested in the programs before their completion. An Alliance federal secretary, Anne Britton, said the change would put more pressure commercial pressure on the public broadcasters, which she said should be placing more emphasis on their charter obligations.

## ABC

The year 1994-95 was a momentous one for Australia's main public broadcaster, with a change of managing director, continuing tension over commercialism, which led to two official inquiries, one by the ABC itself and one by a Senate committee, and disquiet over the Asian television service.

The corporation was rocked in September when a former ABC reporter, Tracee Hutchinson, claimed on Channel 9's *Sunday* program that improper editorial influences were being brought to bear on several programs (*Export Australia*, *Home Show*, *Holiday* and the *Sport Australia Awards*) by outside financial sponsors. In particular, Hutchinson said companies were paying to have their

products or services featured on programs co-produced by the ABC and independent production companies. The ABC board moved immediately to appoint Sydney QC George Palmer to investigate the claims, and subsequent claims by other ABC reporters, notably John Millard. After initial concerns when it was found that an ABC solicitor was vetting material before it was sent to Palmer (to “streamline” the process), Palmer brought down an interim report in October which found co-production guidelines were inadequate and pointed to “irreconcilable conflict” between commercial programming investment and ABC independence. The board, which released only sections of the report, said it would set up a sub-committee to amend editorial policies. In February, Palmer made his final report, which again pointed to numerous breaches of the corporation’s editorial guidelines and indicated editorial integrity may have been breached several times.

Concurrently with the Palmer inquiry, a Senate Select Committee on ABC Management and Operations was established, with Coalition, Democrats and Greens support, on September 21. This committee, chaired by the Opposition communications spokesman, Senator Alston, had much wider-ranging terms of reference, including sponsorship of co-productions, the ATV Asian service, early evening news and current affairs plans, the high turnover of senior ABC staff and allegations of favouritism in appointments to the ABC board. The Senate inquiry’s hearings had moments of grand theatre in December, notably in Sydney when managing director David Hill made a spirited defence of the corporation, sheeting home its problems to the “death from a thousand cuts” forced on the corporation by tight-fisted politicians; and two days later in Brisbane when a festering 18-month dispute over the sacking of Queensland 7.30 Report presenter Pamela Bornhorst was reduced to a fiery slanging match from which no one gained much credit, and which led nowhere. The February sittings were dominated by more mundane though no less important matters such as the centralised (for which read Sydney-based) nature of decision-making in the corporation. The committee reported by March, as was required in



its terms of reference, but its report was not unanimous and had little impact. The Coalition, Democrats and Greens found in a majority report that some ABC board members were not qualified to hold their positions, that government under-funding had contributed to a reliance on co-productions, and that an increasing focus on Sydney had lowered the standard of service to other areas. Government members of the committee labelled the majority report a farce and Communications Minister Michael Lee said the entire exercise had been a politically motivated waste of time.

Mr Hill, the corporation's managing director since 1986, announced on November 3 that he would resign on June 1 (the resignation date was later brought forward). He quit less than three weeks after Palmer's interim report and amid continuing political, board and public unrest about ABC programming and policy decisions. The imaginative but abrasive chief executive had steadily been losing the confidence of ABC staff and, ultimately more importantly, of Lee. Hill was replaced in February by Brian Johns, a former seminarian-turned-political-journalist who had impressive management credentials at Penguin Books, the Special Broadcasting Service and the Australian Broadcasting Authority. About a dozen candidates were interviewed before Johns was chosen. The unsuccessful shortlisted candidates were reportedly Australian Film Television and Radio School chair Robin Hughes, SBS chief Malcolm Long and Lateline presenter Kerry O'Brien. Johns' appointment caused concern among some opponents of the commercialisation of the ABC, given his record at SBS, where up to 5 minutes of advertisements an hour were introduced under Johns' period in the chair. However, Johns was at pains to emphasise that what was a desperation measure at SBS was simply inappropriate for the ABC and political suicide for any government which introduced it.

One of Johns' first actions as ABC after he took his position on March 17 was to seek from staff proposals for the early evening timeslot on ABC television. In August, the ABC board had rejected a plan to replace the state editions of the 7pm *News* and 7.30 *Report* with a national news and current affairs program,

with a state-based roundup at 6.30pm. The changes would have been the biggest shake-up of ABC-TV journalism since the ill-fated *National* experiment in 1985 but were unpopular outside Sydney, particularly in rural areas. Staff voted overwhelmingly against the proposed changes and they were twice rejected by the board, in August and again in September.

Several key Hill appointments elected not to continue at the ABC under Johns. In June, ABC managing editor Chris Anderson, a former Fairfax chief executive, resigned after Johns announced changes in the management structure which would have downgraded his position. In March, the director of television, Paddy Conroy, fell on his own sword when the Palmer Report was released. Other key ABC personnel to resign included the network programmer, Bob Donoghue, and the head of television production, Nick Collis-George.

The ABC board was again forced to tackle the thorny problem of the loss-making Australian Television (ATV) service, Australia's showcase to 18 Asia-Pacific countries via Indonesia's Palapa B satellite. The service, launched in February 1993, was reported to have accumulated \$8 million in debts and be losing about \$3 million a year. In June 1994, Lee had ordered a departmental inquiry into the service. This found no impropriety but found small-scale cross-subsidisation was occurring. The report highlighted the difficulties faced by the service and suggested the government was unlikely to retrieve its \$5.4 million initial investment. Lee wrote to the board in September raising a string of concerns over ATV, including the amount of time spent by ABC management on the service, the blow-out in its projected costs and the possibility that core funds were being diverted to ATV. In May, the board decided to seek ministerial approval for a solution which involved allowing ATV to appropriate some of Radio Australia's \$15 million budget, forcing the National Transmission Agency to pay the service's \$1 million annual transmission bill, and adding \$2.5 million to the service's seeding grant of \$5.4 million to help cover debts already incurred. The ATV losses came despite a deal announced in December under

which *Asian Business Review* magazine would carry ATV programs in return for promotion on ATV.

The difficulties of broadcasting to a region of widely varying cultural and journalistic expectations were highlighted in April when the ABC's Beijing-based correspondent, Sally Neighbour, was in Malaysia to cover its ninth general election. Malaysian Prime Minister Mahathir told Neighbour and her crew to keep out of Malaysia and accused them of being biased in their reporting of the election campaign. Mahathir told a news conference the ABC twisted the truth to suit its own bias: "You never tell the truth. You come here to record this, then you go tell lies." Earlier in the year, the youth wing of Mahathir's party had held a rally to protest against perceived ABC bias. Both the ABC and the Media, Entertainment and Arts Alliance stood by Neighbour, arguing that while cultural sensitivity was important, truth was paramount.

Another Hill initiative to be quietly dropped was the Broadcast News Australia commercial news service, which began in January 1994 as an alternative to Australian Associated Press. Copy for the service was produced by ABC reporters, but rewritten by BNA journalists into commercial style. However, the service failed to attract a wide customer base and after losses of \$600,000 and criticism by ABC staff at the Senate inquiry, it was announced in May that the service would be wound up as soon as possible. A more positive result came with the ABC's shoe-string 24-hour radio news service on its parliamentary network, launched in October and still going strong in June.

In June, ABC management announced it had secured a deal with its British and Canadian counterparts to pool international newsgathering resources. The agreement provided for the combined use of resources on major stories, shared TV footage and joint foreign bureaus, of which the BBC had 30, the ABC 18 and the CBC 11.

## Pay TV

The year saw the emergence of a dominant pay TV force, Foxtel, centred on a \$4 billion joint venture between Murdoch's News Corp and Telstra, trading as Telecom. The deal, announced in November, arose from the ashes of the PMT (Packer/Murdoch/Telecom) syndicate. PMT started to crumble in July, when Channel 10 withdrew, apparently in response to plans for PMT to begin an extended campaign to try to scuttle Australis. The consortium was dissolved in September. Foxtel said it planned to provide a 64-channel service to four million homes within four years, with News supplying the programming and Telecom the cable links. After dropping out of the PMT group Packer said his interests lay with Telecom's competitor, Optus, but its planned service, Optus Vision, another planned 64-channel service, was dealt a near-mortal blow in November when Communications Minister Lee denied cable groups such as Optus exclusive rights to access over their networks.

Optus Vision suffered a further setback in December when Packer's Publishing and Broadcasting Ltd decided not to proceed with a planned \$318 million purchase of 15 per cent of the service, and Seven also withdrew from the consortium, leaving Continental Cablevision of the US as Optus's only major partner. However, Seven continued negotiations, reportedly much to the displeasure of 25 per cent shareholders News Corp and Telecom. Optus announced in January that it would continue with its Optus Vision proposal, but it faced the prospect of having no Australian equity other than Packer's 5 per cent interest. Its solution in April was to offer the sports-rich Seven Network a deal so lucrative that even Seven, with its strong links to Foxtel partners News Corp and Telecom, could not refuse it, especially under the watchful eyes of the Trade Practices Commission and Australian Broadcasting Authority, with whom Optus had lodged complaints. The Optus-Seven deal included a money-back clause and \$10 million signing-on fee for the network. While the deal had severe internal ramifications at Seven, as noted above, it al-

lowed Optus to keep its Optus Vision plans alive, albeit at a price. Australis continued to buy microwave licences and Hollywood movie rights in preparation for the launch on Australia Day (January 26) of its Galaxy service, building up to a planned 15 channels. But while it was first to start signing up subscribers (at \$299 for connection plus a monthly fee of \$49.95, later reduced to \$99 plus \$11.50 a week), the limitations of its technological base (where subscribers needed to be in line of sight to receive the microwave signals that made up the majority of its licences) meant there was constant speculation that it would eventually become a content provider to Foxtel or Optus Vision. When the details of Foxtel were announced in March, Australis had done more than that — it had a 20 per cent share of the Foxtel venture, as much on the strength of its Hollywood movie deals as on its existing microwave and satellite licences. In a sense Foxtel was a new PMT, except that the “P” stood for Australis chair Rodney Price, not Kerry Packer, who was now left as a minor player in the pay TV carve-up.

The first major test of the pay TV anti-siphoning laws came within weeks of the launch of Galaxy, when Australia was playing Test cricket against the West Indies in the Caribbean. Galaxy said its Premier Sports Network had bought the pay TV rights to broadcast the matches before anti-siphoning laws came into effect. Channel 9, which had traditionally broadcast cricket, refused to buy the free-to-air rights unless Galaxy was forced to delay its telecast by 24 hours, and at one stage it appeared that no broadcast would be allowed. Just weeks before the first Test, and after an Australian Broadcasting Authority inquiry into the timing of the Australis acquisition of the rights, the matter was settled when Channel 10 agreed to show the Premier coverage live.

In February, the Australian Broadcasting Corporation (51%), John Fairfax (24.5%) and US cable company Cox Communications (24.5%) announced the formation of Australian Information Media, a \$100 million partnership to develop two pay TV channels for the Australian market. One, a 24-hour news channel, would have links with and input from the Cable News Network from the US. The other, a children’s entertainment channel,

would have a similar deal with Viacom's Nickelodeon service from the US.

One interesting sociological sidelight to the spread of pay TV in Australia was the way in which suburbs were targeted for cabling. In Britain, pay TV was aimed particularly at lower socio-economic groups. The marketing departments of the Australian providers determined, in contrast, that it was the "yuppies" who offered the best prospects in the race to sign up subscribers. So in Sydney, for instance, Foxtel's cable went first to the eastern suburbs and the lower north shore.

## **Radio**

The perception that Australia's \$450 million commercial radio industry was undervalued in the light of expected rapid growth in advertising revenues — and because the sector had been overlooked and undervalued because of the corporate excesses of some previous owners — led to a major ownership shakeout in 1994-95. When the dust had cleared, the three major groups, Village Roadshow, Austereo and Wesgo, had been shoehorned into two groups: a combined Village/Austereo group, with the biggest audience share; and a Wesgo-based Australian Radio Network, owned by a major print media force, Australian Provincial Newspapers.

Leisure and entertainment group Village Roadshow's takeover bid for national radio broadcaster Austereo in September led to a short but fierce skirmish, with Austereo placing 10 per cent of its stock with British media group Associated Newspaper Holdings Ltd in a bid to create a "white knight" to stave off Village Roadshow. A truce in the battle was struck later that month, with a merger between Village and Austereo going ahead instead of the direct takeover. The deal allowed for the networks to continue to operate separately, but with Village gaining 50.1 per cent of Austereo in return for its Triple M stations. The combined power of the new group left it with 30.4 per cent of Australia's

capital city audience, and dominance of the lucrative market of listeners aged 18 to 24.

The other main movement in the commercial radio area was the creation, as detailed above, of a second major radio presence, Australian Provincial Newspapers' Australian Radio Network, from components of Wesgo, Austereo and the Albert family's stations. The title of the nation's largest private radio operator, however, went to reclusive millionaire Bill Caralis, who in January paid a reported \$15 million to Carillon Development Ltd to add stations at Taree, Gunnedah, Armidale, Toowoomba and Tamworth (2 stations) to his eight existing stations in northern and western NSW and southern Queensland.

### **Journalists in the news**

The message for metropolitan daily newspaper editors appears Australia is simple: beware the ides of March, and don't let your guard down once they are over. *Canberra Times* editor Michelle Grattan, the only woman to have edited a metropolitan daily newspaper in Australia, was dismissed by the Federal Capital Press board on March 29 and declined to take up a position as political columnist for the paper. She returned to the *Age* instead. Grattan was replaced by the paper's deputy editor, Jack Waterford, after she convinced staff to drop plans they had to strike over her dismissal. The change of guard at the *Canberra Times* coincided to the day with a three-way change of editors at Murdoch's *Australian* and *Courier-Mail* newspapers. The editor-in-chief of the *Courier-Mail* and *Sunday Mail*, Jack Lunn, was replaced by *Australian* editor Chris Mitchell, who also took *Courier* editor Des Houghton's place. Lunn became Queensland Newspapers' corporate affairs director and Houghton left for a job on the *Sunday Times*. Mitchell was replaced at the *Australian* by the senior deputy editor, Malcolm Schmidtke. At Fairfax, the changes had come three days earlier, with the paper's youngest editor, John Lyons, 33, being appointed after a period of serving as one of four equally ranked deputy editors.

In Western Australia, relations between the Court Liberal government and Perth's monopoly morning paper, the *West Australian*, came to a head in May when it appeared that the Premier had tried to have the paper's editor, Paul Murray, sacked. Central to the dispute was the paper's attack on Court after the failure of his government's High Court appeal against the federal native title, in which the paper said the West Australian community "now bears the mark of disrepute as Australia's racist state and will have to carry the full cost of Mr Court's foolish adventure". Murray allegedly was told to resign or be sacked after Court wrote to the West Australian Newspapers Holdings managing director, Denis Thompson, complaining of anti-government bias. During the 1993 federal election Prime Minister Keating also accused the paper of anti-government bias, although in that case the government was of a different political hue. After Murray's staff stopped work in his support and to demand an explanation from the board, the issue was defused. During the claim and counter-claim over the issue, which included the paper publishing an exchange of letters between Premier Court and Murray, Court acknowledged that he had intervened to have a Channel 10 reporter taken off a political round after she had announced she was resigning to take a post with the Labor Opposition.

There were also a series of revolving doors in flagship ABC current affairs shows. Quentin Dempster quit as NSW *7.30 Report* host in August, to head a promised but apparently largely unrealised ABC investigative unit, and was eventually replaced by Andrew Olle, leaving Liz Jackson to fill his role at *Four Corners*, which he had presented for nine years. Sarah Henderson took the reins of the Victorian edition of *7.30 Report*, replacing Mary Delahunty, who moved on to replace Peter Ross in the arts-based *Sunday Afternoon*. Henderson was a late replacement for Jill Singer, who was recruited by Seven while taking a holiday in Italy before starting her new ABC job in January. Cathy Job left the Queensland host's job for an ABC radio post in Canberra, and was replaced by David Margan. The *7.30 Report* was further shaken up when its national editor, Philip Chubb, an-



nounced he would resign in April, citing family reasons. Outside the ABC, the main current affairs shake-up came at Seven, where first veteran producer Gerald Stone and eventually the entire national *Real Life* program became casualties of the ratings war with Nine's *A Current Affair*. *Real Life* bowed out in November after a three-year run, to be replaced after the silly season *Summer Diary* by *Today Tonight* with different hosts in each state. The heavy battle toll continued, with the show's Melbourne producer Allan Craig and Sydney-based national producer Alan Hall being replaced within a month in April and May. Winners are grinners, and Ray Martin kept grinning at Nine; Paul Murphy led credibility on SBS's *Dateline*; and Ten stayed completely out of the field after its mauling with the failed Alan Jones experiment earlier in 1994. Channel 9's weekly commercial current affairs flagship *60 Minutes* suffered an embarrassing setback on its return for 1995. Its headline act, former Prime Minister Bob Hawke and biographer Blanche d'Alpuget talking about what was hailed as "Australia's greatest love story", rated third of the three commercial channels, and was even outrated by the ABC in some markets. Discussion of the program's demise proved premature, however. By June the program had clawed its way back to lead its timeslot.

Other prominent journalists to find new homes during the year were Sam Lipski, who switched from the *Australian* to the Fairfax stable in July, and P.P. McGuinness, who followed him in September. Ranald Macdonald, a former Syme executive now better known in Melbourne as an ABC radio presenter and RMIT journalism lecturer, left in June to take up a chair in journalism at Boston University. Macdonald was replaced by relative unknown Tona Roberts from ABC regional radio. Also US-bound about the same time was the managing director of Time Inc Magazines' Australian operations, Bruce Hallett, whose success with *Who Weekly* and *Time Australia* led to his being appointed president of the world-wide Time Magazine empire. Cartoonists were also in the news, with Peter Nicholson joining the *Australian* in July and Ron Tandberg returning to the *Age* in November after an 18-month sabbatical at the *Herald Sun*.

Three men with a long association with print journalism were honoured in the Order of Australia awards made on the Queen's Birthday in June. The chair of the Australian Press Council, David Flint, was made a member of the order (AM) for service to the print media and to international relations. The executive director of Country Press Australia, David Sommerlad, was also made a member of the order (AM) for service to the print media, particularly through the country press organisations of Australia and NSW, and to the community. The *Courier-Mail's* long-serving national affairs editor, Wallace Brown, the father of the Canberra press gallery, received a medal of the order (OAM) for services to journalism.

The year 1994-95 also saw the passing of some Australian news media stalwarts: former News Ltd editorial director and *Australian* columnist Douglas Brass, who died in August aged 84; Keith Sinclair, editor of the *Age* from 1955 to 1966, who died in March aged 80; former Australian Provincial Press Association (now Country Press Australia) president Keith Hopkins, who died in May, aged 82; and former Pacific Area Newspaper Publishers Association president Doug Cowles, who died in May, aged 59.

The 1994 Gold Walkley Award for outstanding journalism was awarded to Peter McEvoy, of ABC Radio National, for "Affordable Safety", a *Background Briefing* report on the Monarch air disaster near Young in NSW. Awards for all media went to Deborah Snow, of ABC television, Brett Martin, of the *Illawarra Mercury* (suburban, country and rural) and Pamela Williams, of the *Australian Financial Review* (business). Print awards went to Colin James, of the *Advertiser*, for best current story; Rosemary Neill, of the *Australian*, for best feature writing; Peter Patrick, of the *Sydney Morning Herald*, for best investigative report; Ray Cassin, of *Eureka Street*, for best three headings; and John Donegan, of the *Herald Sun*, for best application of the medium to journalism. John Spooner of the *Age* scooped the pictorial section, winning best cartoon and best illustration Walkleys. The photography awards also went to Melbourne, to Peter Ward of the *Herald Sun* (news), Cathryn Tremain of the *Age* (newspaper

feature) and John Donegan of the *Herald Sun* (magazine feature). The radio winners were Craig Middleton, of 2GB, for best coverage of a current story; Peter McEvoy, of ABC Radio National, for best investigative report, and Peter McEvoy and Judy Rapley, of ABC Radio National, for best application of the medium to journalism. The award for best television coverage of a current story was not made. Kerry Brewster, of SBS television, won the Walkley for best investigative report; Carole Kerr, of Channel 9 Perth, won the award for best application of journalism to the medium; and Andrew Taylor, of ABC television news, won for best cinematography. Special Walkleys went to former MEAA (AJA) federal vice-president Robert Duffield, an inaugural staff member of the *Australian* with strong West Australian links; Victorian journalism educator Sally White; Queensland Newspapers chief photographer Jim Fenwick; and pioneering motoring writer Peter Burden, who died before the award was announced.

As well as her Walkley for best feature, the Australian's Rosemary Neill won the inaugural International Year of the Family print media award. Other awards went to Judy Tierney, of the *7.30 Report* in Hobart, for television, and Kirstyn Lindsay, of *4ZZZ*, for radio. At the Logie awards, *A Current Affair* presenter Ray Martin was voted Australia's most popular personality, but it was *Four Corners* that took the award for most outstanding achievement in current affairs. Other award winners included the Australian's Kate Legge, who won the Graham Perkin Journalist of the Year Award for her work on families, parenting in the 1990s and youth homelessness.

West Australian ABC employee Ken Boase challenged the corporation in the Equal Opportunities Commission in April, arguing that he had not been considered for a promotion in 1993 because of his gender. During the hearing the commission was told of a memo in which regional program managers were told to employ women wherever possible so that the ABC would be seen to be "doing the right thing". The case was continuing at June 30.

## Legal

The most far-reaching judgment in 1994-95 was the High Court's ruling in *Andrew Theophanous v. Herald and Weekly Times and Thomas Gregory Stephens and Others v. West Australian Newspapers*. The decision restricted the right of politicians to sue for defamation, establishing a defence provided the media defendant could establish that: it was unaware of the falsity of the material published; it did not publish the material recklessly – that is, not caring whether the material was true or false; and the publication was reasonable under the circumstances. *Theophanous* established the principles for federal politicians and *Stephens* for state MPs – whether the principles extend to local government and other public officials remains to be tested. The media coverage emphasised that the ruling backed free speech and curbed politicians' powers to sue. More thoughtful commentators also pointed out that the decision would have far-reaching implications for the question of journalists' professional standards. Given the uneven nature of defamation laws from state to state, the decision had most impact in Victoria, Western and South Australia and the Northern Territory, but nowhere did it have anything like the impact of the *Sullivan* case in the US 30 years ago.

The extent of the High Court ruling was further defined in a case in the Northern Territory, where the court accepted that the defence was not available in the case of "run-of-the-mill public servants" such as police. The ruling came in the case of a disgraced former drug squad detective who in April was awarded \$103,000 for allegations made in a *7.30 Report* program on police corruption in 1990. The plaintiff, Dennis William Hart, said he had "finally been vindicated" by the judgment, which included costs against the ABC estimated at between \$750,000 and \$1 million. The four-person jury which adjudicated in the 11-week case was the first in a Northern Territory civil trial for 70 years. It found 12 of the 16 alleged defamations proved, including the imputation that Hart had conspired to arrest an ABC correspondent on false drug charges. ABC lawyers foreshadowed an appeal.

Australia's biggest defamation case was settled out of court in July when Sydney solicitor Nicholas Carson agreed to an undisclosed damages award and an apology. Carson, a partner with the Sydney law firm Blake Dawson Waldron, alleged he had been defamed in the *Sydney Morning Herald* in 1987 and 1988. In 1989 a jury awarded him \$600,000, but this amount was set aside by the High Court after an appeal by John Fairfax and Sons Ltd, with the court ruling that defamation awards should bear some semblance to personal injury cases. In April 1994 a second jury awarded Carson a record \$1.3 million (\$1.45 million with interest), but the out-of-court settlement for a lesser amount was based on the presumption that if the High Court had ruled \$600,000 excessive, it would again set aside the \$1.3 million amount. As well bringing to an end to a seven-year court battle, the settlement prompted the NSW Attorney-General to order the NSW Law Reform Commission to examine again the state's defamation law, and interest shown by other states suggested a new push for uniform defamation laws might be on the agenda. The move for uniform defamation laws was also given impetus by the *Theophanous* decision, with the Standing Committee of Attorneys-General agreeing the decision had necessitated national reform of the laws.

The Andrew Ettingshausen case was a little more straightforward. In this case, brought by a rugby league footballer after *HQ* magazine published a 1990 picture of him nude in a shower, the original jury award of \$350,000 had also been overturned, this time by the Court of Appeal. A second Supreme Court jury decided on damages of \$100,000 in February.

The media were not restricted to reporting and defending defamation cases. In October Channel 9 corporate counsel Jane Marquard sued the ABC and *Media Watch* presenter Stuart Littlemore after he alleged *A Current Affair* and Channel 9 might have breached the Bail Act by posting a surety for convicted criminal Billie Jean Kirk, who appeared on *ACA*. Littlemore was close to the mark, however: in May, *ACA* reporter Christopher Kieran Smith pleaded guilty to having forged Marquard's signa-

ture on the bail form, and was to reappear on July 10 for sentence.

In November, David Hill, then still ABC managing director, settled out of court a defamation action he had brought against John Fairfax over a series of articles in the *Australian Financial Review* in 1993. Terms were not disclosed. Another unusual defamation action concluded in Western Australia in November when a writ by state Attorney-General Edwardes against Opposition Leader McGinty was struck out. The writ alleged McGinty had defamed Edwardes on the ABC's *7.30 Report*, but Master Adams struck out the statement of claim in the West Australian Supreme Court. An interesting defamation case still before the court was Industrial Relations Commissioner Deirdre O'Connor's case against Nationwide News, publisher of the *Australian*. In June Nationwide sought to have the case transferred from the Australian Capital Territory to NSW, arguing that, like O'Connor, ACT Supreme Court judges were federal court judges and therefore there might be a perception of bias. The High Court disagreed.

What is often the "prequel" to defamation – the contentious "prior restraint" provisions – came to the fore in two high-profile cases, first in Helen Garner's semi-journalistic book *The First Stone*, about sexual harassment in a Melbourne University college, and then in a planned *New Idea* feature on failed entrepreneur Alan Bond's relationship with a Sydney masseuse. In the first case, the two women who were the subjects of the alleged harassment failed to stop publication of the book, although they had a significant impact on its final form. Bond, who was about to marry another woman, managed to delay publication until he had reached agreement with the magazine on the content of the story.

Of course, hand in glove with defamation goes contempt of court. In August, a Supreme Court judge ruled that presenter Derryn Hinch had been in contempt of court when he revealed the name of an eight-year-old sexual assault victim, and ordered that the matter be returned to the magistrates court. Another

contempt case to go to court was that of *Who Weekly* magazine, which published pictures of a man accused of a series of murders of backpackers south of Sydney. *Who Weekly* published a picture of the man, Ivan Milat, on the front cover of its June 13, 1994, edition, and the contempt case was brought on quickly so it could be dealt with before Milat's trial. The NSW Court of Appeal ruled in September that the clear tendency of the picture was to pervert the course of action, in which identity was said by the Chief Justice to be "the central issue in the case". When the magazine was fined \$100,000 and its editor \$10,000, plus all costs, *Who Weekly* sought leave to appeal to the High Court on the grounds that the existing contempt laws were outdated and unnecessarily restrictive. In its application the magazine cited the High Court's own interpretation of an implied freedom of political communication. The court rejected the application in February, however, and again ordered *Who Weekly* to pay all costs. Another NSW publication to pay dearly for contempt was the *Northern Star*, which was fined \$20,000 plus costs over a February 1994 report which led to a trial being aborted. The paper conceded that its report of the first day of the trial, in which it described the defendant as "a prisoner with a record of successful escapes" and highlighted the security measures being taken at the District Court at Lismore, was a contempt.

In June, contempt proceedings were launched by the Commonwealth against broadcaster Alan Jones for comments about alleged Australian spying at the Chinese embassy in Canberra. The Commonwealth had obtained a NSW Supreme Court injunction restraining media organisations from reporting the details of the allegations (and details of the injunction), citing the national interest. The story had been broken by ABC television news, although the service's "scoop" had to wait 24 hours after ABC managing director Brian Johns ordered the story not be run on the grounds that it was "probably" covered by a D-notice, that quaint and archaic system of voluntary censorship largely unknown in the community, even among journalists, and an idea well past its time.

At the annual award night of the Sydney-based Free Speech Committee, the top award is known as the Golden Gareth, after Gareth Evans, Australia's Foreign Minister and former Attorney-General. The would-be United Nations dignitary might be on the list himself this Christmas after his response in June to the Samuels Report on Australia's security organisations. Senator Evans proposed new "secondary disclosure" laws, under which journalists and media executives could be jailed for seven years for reporting leaked material. An exception would be made if the activities reported on were illegal, but Senator Evans pointed out that, for instance, nothing the Australian Secret Intelligence Service did "is illegal under Australian law". However, Senator Evans said he saw the proposed laws as preventative, not punitive. The Coalition reserved judgment on whether it would support the laws in the Senate and the Greens and Australian Democrats said they would oppose them. Senator Evans backed away from the concept of jail terms, but kept the idea of fines for "secondary disclosure" and tied the concept to a promised revamp of the D-notice system. A week later Senator Evans was again in the media spotlight — and the media was in his spotlight — when he attacked the "sensationalist reporting" of paedophilia allegations made under parliamentary privilege by a Coalition backbencher. Senator Evans called for controls on privilege and a more responsible media coverage of the sorts of such allegations, but conceded that no laws had been broken.

A legal milestone came in the Human Rights Commission, where *Sydney Morning Herald* football writer Jacquelin Magnay won \$3500 compensation and a public apology from the Balmain rugby league club (now known as the Sydney Tigers) for its discriminatory policy on access to dressing rooms. The club said it would set up an interview room so that all journalists could have equal access to players after matches, regardless of their gender.

Journalists have, from time to time, been accused of unethically impersonating police to gain access or material for reports. But the boot was on the other foot in January when police impersonated journalists to gain access to a tree-sitting protester in north Queensland. Legal advice was sought over the police ac-



tion, but eventually none was taken. The police, disguised as SBS television journalists, were hauled to the top of the tree, where the protester had been ensconced for 208 days, thwarting several earlier attempts to dislodge him.

### **Chequebook journalism**

In a landmark case in October, a Victorian County Court judge ordered a former prison warder who helped her lover to escape to forfeit \$42,000 profit she made by offering her story to the media. Judge Joseph O'Shea upheld an application by the Victorian Director of Public Prosecutions that Heather Diana Parker be ordered to forfeit her share of the money paid for an interview on the Channel 9 *60 Minutes* program (\$32,500) and in the Packer *Woman's Day* magazine (\$20,000). In February the *60 Minutes-Woman's Day* team struck again, with a reported \$200,000 deal for what was touted as "Australia's greatest love story", the romance between former Prime Minister Bob Hawke and his biographer, Blanche d'Alpuget. As noted elsewhere, the return on this investment was extremely questionable, but the recipients of the money were laughing all the way to the altar. Figures for chequebook journalism are notoriously difficult to determine, but the combined wisdom had it that the \$200,000 equalled iceman James Scott's fee and was eclipsed only by the record \$225,000 paid to Lindy and Michael Chamberlain on her release from jail in 1986.

### **Ethics and confidentiality**

The Media, Entertainment and Arts Alliance's review of its Australian Journalists' Association Code of Ethics continued without resolution after two years and there were doubts in some quarters about whether the seven-person committee would ever reach an agreed position on a proposed new code, despite continued assurances that its release was imminent. Remarkably enough, while the MEAA committee apparently could not reach agreement, the politicians could. In October, the Senate

committee investigating the rights and responsibilities of the media released its first report, *Off the Record: Shield Laws for Journalists*. The report suggested guidelines limiting the circumstances under which journalists should be jailed or otherwise dealt with for declining to give to a court the name or names of confidential sources – in effect, providing a limited form of privilege. In many respects, these guidelines reflected existing practice, such as a judge not insisting on disclosure where the source's identity was not essential to the issue of the case. The report also called for a stronger Australian Press Council as a primary self-regulator for the media, but of course the Senate was as powerless to reform the Press Council as the Press Council was to reform the media. After the chair of the Senate committee passed from Senator Barney Cooney, the committee's interest in the issue seemed to wane, with subsequent hearings cancelled and a second report, addressing more general ethical matters, seemingly still a long way off. One reporter with more than a passing interest in changes to practice in the area of confidential sources was *Australian* reporter Madonna King. In September the Queensland Court of Appeal ruled that the state's Criminal Justice Commission had the right to demand King reveal the source of a series of stories on organised crime which it alleged had been based on a confidential commission report to state parliament. However, a transfer to Sydney took King out of the commission's jurisdiction, but it was beginning to appear that *Courier-Mail* journalist Paul Whittaker might not be so lucky.

The Senate committee's call for a greater role for the Australian Press Council coincided with council research into five years of complaints and editors' attitudes. In all, 269 of the 736 complainants surveyed responded to the questionnaire, and the council interpreted their responses as being generally supportive. However, complainants strongly indicated (96% support) that the council should be able to order an apology be printed after an adverse ruling and 77 per cent believed the council should be able to impose fines. The complainants also wanted the publishers' representation on the council reduced to just 50 per cent, and favoured extending the council's authority to broadcast me-

dia as well as print. Not surprisingly, perhaps, the 32 editorial executives who responded (from 80 surveyed) also were generally supportive of the council, although five wanted the council to have the power to fine and another three thought it would be more effective as a statutory authority.

The question of source confidentiality was given a new twist in the Northern Territory when a public servant, John Young, 53, was sacked for having sent copies of Department of Transport and Works letters to the ABC Darwin radio station 8DDD, saying he was acting in the public interest. The department learnt Young's identity when an ABC acting producer showed the leaked letters and a handwritten note to Young's immediate superior. Young said he would not rule out legal action against the ABC, which he accused of unprofessional conduct.

## Media and politics

The role of the Canberra press gallery came under scrutiny in 1994-95, not because of a federal election (although there was an election in NSW and June ended with Queensland in election mode), but because of what was perceived in many quarters as a "hatchet job" on Liberal leader Alexander Downer. Downer, who replaced John Hewson on 23 May 1994, initially enjoyed a generally supportive media. But by August, gaffes over Aboriginal land rights policy and domestic violence (which he jokingly described as "The things that batter" – an unfortunate pun on the Coalition's "The things that matter" policy statement) had soured relations with many sections of the gallery. On January 27, 1995, while explaining his decisions to step down from the Liberal leadership, Downer was scathing about certain members of the press gallery, and singled out Fairfax's *Australian Financial Review* for special attention. Downer said that while many of the journalists were very good and very professional, too many of the gallery members were "run-of-the-mill" and some were "too inexperienced" or "just unprofessional". He also attacked the "centre-left bias" of the gallery and said he had seen too many "whispers" beaten up into "breathtaking new revelations" for

page one stories. Certainly there were media errors – veteran *Sydney Morning Herald* reporter Alan Ramsey wrote an unreserved apology over a column in which he claimed Downer had wept over the “things that batter” remark. The Downer camp also alleged there were deliberate misrepresentations, particularly in the *Financial Review*. It is interesting to note that even before his elevation to Liberal Party leadership, Downer had been one of the party’s most vocal critics of foreign ownership of the Australian media. In the final analysis, it appears there was an element of shooting the messenger in Downer’s broadside. After all, many of the negative stories could be sourced to disaffected factions within his own party. However, there is also an element of truth in his allegations, particularly regarding the herd mentality, the focus on the leadership in the absence of anything substantive to write about, and the frenzy brought on by the smell of blood when the final crisis nears. Former Gold Walkley winner Monica Attard seemed to echo Downer’s sentiments in a Walkley lecture in September when she warned that the “pack” mentality which she said had invaded Australian political journalism was both biased and dangerous. Attard, who won her Gold Walkley for her coverage of an attempted coup in the Soviet Union in 1991, said the problems of the Canberra press gallery had been brought home to her when she returned to Australia to present *PM* for ABC radio.

One of the problem areas of politics and journalism is caused by the transition of some journalists into political “flaks” – press secretaries, media advisers and so on – and, even more to the point, when the transition is reversed. But increasingly, it is not the political minders but the politicians themselves who are making the transition. The high-profile example of this genre in 1994-95 was Graham Richardson, who quit the Senate and his powerful position as factional chief of Labor Party’s NSW Right, and almost immediately took up a position with the Packer camp – the Nine Network and Australian Consolidated Press magazines. The inconsistency of this position was highlighted at the ALP national conference in September where Richardson was a “special commentator” for Nine’s *Sunday* program but occupied

the same central room at the conference hotel as he had when he was there as factional heavyweight.

## **Industrial**

After a prolonged campaign industrial campaign by the MEAA, News Ltd agreed to pay members four 1.5 per cent pay rises (on January 1 and July 1 in 1995 and 1996). Sub-editors and computer artists working in production were upgraded whether they were working with the new electronic layout technology or not, and as each newspaper went "live" with the new technology, lump-sum payments of \$4000, \$2500 and \$700 were made, depending on their use of the technology. In addition, paid maternity leave of six weeks and unpaid leave of 46 weeks are now part of the MEAA-News Ltd agreement for employees with more than a year's service.

Another industrial dispute involving the Alliance and News Ltd, and one with the potential to have a much wider impact on Australia's print journalists, arose from the company's push to move journalists from industrial awards to contracts, which the union said was an attempt to de-unionise the workforce. Certainly the few journalists who did take the contracts resigned from the union. These journalists were dismayed, however, when the Industrial Relations Commission ruled in January that details of their "confidential" contracts and correspondence had to be shown to the union to allow it to prepare its case against the contracts. The commission order came after several months of rolling stoppages at Murdoch newspapers around Australia.

Industrial unrest at SBS continued to simmer, largely over the service's heavy-handed approach to discipline, the effects of budgetary limitations and concerns over the "face" of the multicultural broadcaster. A suggestion from the MEAA that the SBS staff be allowed to elect one representative to the SBS board fell on deaf ears. The disputes provided a baptism of fire for the new head of SBS television, Sawsan Madina, who in September became the first woman to head a national network in Australia.

Copyright was another issue that continued to be a source of friction between publishers and journalists. In January, the Federal Court dismissed an action brought by the 13 largest metropolitan daily and magazine publishers against the Copyright Agency Ltd which argued that the agency had infringed on copyright laws by passing the money it collected from educational institutions to authors, including journalists, rather than to the publishers. When Justice Wilcox ruled there was no substance in any of the publishers' seven allegations, they lodged an appeal. Media, Entertainment and Arts Alliance joint federal secretary Christopher Warren welcomed the decision, although he said it would have little impact on the long-running dispute over copyright of material stored on electronic databases. Warren also called on the publishers to stop using legal and political means to try to achieve what was essentially an industrial matter. In a loosely associated matter, writer Morris Lurie won an out-of-court settlement after suing University of Queensland Press over the inclusion of one of his pieces in a *Nation Review* anthology, *Ferretobilia*. Apparently Lurie sought \$10,000 for the rights to the piece, but was paid nothing — until the settlement, which reportedly went a fair way to matching his original asking price.

## Miscellaneous

A little-reported Trade Practices Tribunal ruling in November signalled the end of newsagents' monopolies over the distribution of newspapers and magazines. Although initially affecting only Victoria, the ruling was expected to have national implications, ending the system whereby corner and convenience store sub-agents had to pay half their commission to the newsagents even when the publications were delivered directly to them. The tribunal ruling, on an application by 7-Eleven Stores Pty Ltd, overturned a 1993 ruling by the Trade Practice Commission, which was given three years to phase in the new system.

The federal government's "aNiMaLS" department, the National Media and Liaison Service, was criticised in January by the

Auditor-General, John Taylor, as being above the law. In a report entitled *A Loophole in Accountability?*, he said there was no legal mechanism to allow him to undertake an efficiency audit of the service, which employed 23 journalists. The Opposition described NMLS as “a political hit squad funded by the taxpayer”.

## Conclusion

Journalism was not the winner in the media in 1994-95, and in some cases it was a long way from being the most important element in decisions which impacted directly on Australia, Australians and Australian society. On the positive side, an attempt to stop the ABC's slide into commercialism should have some long-term benefits, although there are still areas of concern with joint ventures such as Australian Information Media. Pay TV offers little hope of a more diverse media: rather, the future seems likely to offer substantially the same players (or their families) offering variations on a theme, with little extra resources being invested in the quality of the news and current affairs we are offered. Kerry Stokes' encouraging Boyer Lectures were the precursor not to a new era of rationalism but to rationalisation and blood-letting. The Packer and Murdoch dynasties seem set to adopt new dynamics in which the red ink of the bottom line, not the printers' ink of media tradition, is the dominant force, and in these circumstances journalism is likely to matter less. Indeed, the comparison between the open chequebooks of Murdoch's Super League with the tightfisted management of most of Murdoch's Australian newspapers is a stark reminder of where the priorities increasingly lie. For Murdoch it was a strong year. For Packer, it was one disaster after another. But the two dominant media players share a desire to break down what regulation remains in the media sector. Foreign ownership levels seem to be adjustable at the whim of a Prime Minister, but there seems to be general support for the 15 per cent cross-media ownership rules among the Labor government. However, the government could change in the next 12 months, and with such a change these rules seem almost certain to change as well. Commercial radio owner-

ship continued to be concentrated in fewer hands, and many small media outposts were screwed tighter and tighter in the name of profitability and viability. Through all this, however, exceptional journalism continues to be produced. The Walkley Award winners, among others, are a testament to this continuing ability of journalists to produce excellence, in many cases despite, rather than because of, the amount of support offered by media proprietors.

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