News media chronicle,
July 1997 to June 1998

Rod Kirkpatrick

Symbolic of a year of change in the elite Australian print media companies, Lachlan Murdoch and James Packer each became the leader of the Australian publishing arms of his father's media and business empires.

Murdoch, a third-generation member of the Murdoch media dynasty, was 26 when he replaced the 62-year-old Ken Cowley as News Corp's Australian chief executive. Lachlan is shaping up as the successor to his father, Rupert Murdoch, in running the group's global news and entertainment empire. James Packer, at age 30 and a fourth-generation member of the Packer dynasty, became executive chairman of the Packer group, Publishing & Broadcasting, after the departure of his mentor, Brian Powers.

At John Fairfax Holdings, there was a constant state of flux in the higher echelons of management. Brian Reynolds departed the Age as chief executive and was replaced by Steve Harris, who was given the title of publisher editor-in-chief of the Age and Sunday Age, Melbourne; Bruce Guthrie departed the Age's editorial chair and was replaced by Michael Gawenda; Sir Laurence Street resigned as chairman of the Fairfax board and was replaced by Rod Price who, six months later, was replaced by Brian Powers; John Alexander was sacked as publisher and editor-in-chief of the Sydney Morning Herald, and soon had a job at Australian Consolidated Press, running their magazines. Greg Hywood, previously publisher
and editor-in-chief of the Australian Financial Review, replaced Alexander at the SMH and Michael Gill replaced Hywood at the AFR.

Victoria became the scene of a newspaper price assault as the year closed. Seven weeks after the Age had undergone a facelift, News Ltd. remodelled the Australian and cuts its price from 90¢ to 40¢ in Victoria, while increasing it to $1 in other mainland states and to $1.20 in Tasmania. Early figures suggested the price cut was lifting the circulation of the Australian and cutting that of the Age.

Federal Cabinet scrapped plans to reform Australia’s cross-media-ownership laws after months of speculation that seemed to suggest the Packer family could be in control of the Fairfax newspapers by Christmas 1997. At the ABC, heads were kept low as a barrage of attacks was fired upon it by Communications Minister Richard Alston. The attacks ranged from accusations of editorial bias to allegations of breaching its charter over “promoting” a film. The federal government ignored strong warnings from all its economic-policy departments when it decided to give free-to-air TV stations, in effect, a multi-million-dollar gift of exclusive access to digital broadcasts until 2008. Digital broadcasts are expected to begin on 1 January 2001.

ABC

Communications Minister Richard Alston buttied into the affairs of the ABC for various reasons during 1997-98. In December, Senator Alston asked the ABC for assurances that it was not breaching its charter by running television promotions or advertisements for a film to which it had acquired distribution rights. The cinema release of Her Majesty Mrs Brown was promoted on ABC television and radio. In March, the Minister appeared on ABC radio deploring an Elle McFeast interview with a convicted criminal, Mark “Chopper” Read. In April, Senator Alston accused the ABC of bias in its coverage of the waterfront dispute involving the Maritime Union of Aus-
tralia and Patrick’s Stevedores (closely allied to the government’s bid for reform on the waterfront). He demanded an explanation from ABC managing director Brian Johns over a senior ABC executive’s directive to rural reporters not to promote a rally organised by farmers to protest the New South Wales government’s handling of the dispute. Senator Alston stepped up the pressure on the ABC, requesting definitive guidelines about what the corporation regarded as the “coverage” or “promotion” of political events. Alston sent the letter to the managing director, responsible for the ABC’s day-to-day management, rather than to the chairman of the board, traditionally the recipient of ministerial queries.

At the end of May, Senator Alston used an informal address to the ABC board to release a range of procedural overhauls designed to combat bias. Chairman McDonald responded with a personal message to Senator Alston and a public statement that the board was satisfied the ABC’s present editorial policies were “comprehensive and effective”. Before the Senate Estimates Committee in June, Alston attacked the 7.30 Report substitute presenter, Jennifer Byrne, and NSW Liberal Senator John Tierney accused 7.30 Report presenter Kerry O’Brien of bias against the Coalition in his handling of the 1993 debate between Dr John Hewson, then the Coalition leader, and Paul Keating, then the Prime Minister.

In the midst of Alston’s campaign against the ABC, Victorian Premier Jeff Kennett said a State Parliamentary Economic Development Committee would be set up to review the role and adequacy of the ABC in its coverage of the Victorian economy and community. Then came the Federal Budget, and Johns accused Alston of making misleading statements about the money the Government allocated the ABC for digital broadcasting in the Budget.

An Australian Broadcasting Authority inquiry found that Four Corners had been inaccurate and unfair in its treatment of the Foundation For Humanity’s Adulthood group and a high-profile adher-
ent, the mountaineer Tim Macartney-Snape. The ABA found that *Four Corners* had wrongly portrayed the foundation as a cult in a program screened in April 1995. It had also declined to allow other opinions and viewpoints as a balance to assertions made by *Four Corners*.

A storm broke out in November over a $1.1 million outsourcing deal which the ABC struck with a company representing the former Nine and Seven current affairs presenter, Jana Wendt, to present a series of 10 half-hour interviews on the ABC. The deal was struck with an independent commercial company, Beyond International. The $100,000 per episode compared less than favourably with the $25,000-$30,000 an episode for Jennie Brockie’s *Speaking Personally* series. The two series had a similar aim: to get the essence of a person rather than to chase the news angle, according to ABC’s commissioning editor of talks, Jeune Pritchard. While Wendt had the luxury of international travel and a more generous budget, Brockie could not conduct interviews outside Sydney or Melbourne. There were three in Brockie’s team, and four in Wendt’s. Wendt chased big international names, Brockie chased Australians. Quentin Dempster, a staff-elected ABC director from 1992-1996, wrote: “This is not about Jana Wendt. It is about the independence and integrity of the ABC, now confronting the full impact of budget cuts.” The ABC was in the midst of reducing its staff from about 5700 in late 1996 to about 4100 by middle of 1998. Jana Wendt’s series of 10 *Uncensored* interviews began on 8 July, 1998.

In July, Ian Callinan, QC, a Queensland barrister, was appointed to the ABC board, strengthening the conservative influence. He replaced Queensland trade unionist Janine Walker whose term had expired. Callinan’s term was brief: in December he was appointed to the High Court and resigned as an ABC director. In February, the president of the Victorian branch of the Liberal Party, Michael Kroger, was appointed to the ABC vacancy. Alston said it had been impossible to find anyone in Queensland with the requisite skills.
and qualifications to represent the state on the ABC board. Until a short time earlier, Kroger had been closely identified with Kerry Packer’s attempts to persuade the government to alter cross-media ownership regulations.

Public debate in the columns of the press ensued in March after the *Australian*’s media writer, Errol Simper, had highlighted the turmoil at the ABC. Simper’s article was written upon the departure from the ABC of its manager of network television, Penny Chapman. It had been announced she would privately adapt a major work of Australian literature for ABC-TV. The main staff union, the Community and Public Sector Union, told the head of networks, Andrew Lloyd James, that it was “highly inappropriate for any member of staff to use their position inside the ABC to secure ABC funding for their private venture”. Simper rattled off a list of recently departed senior ABC executives such as Neville Oliver, head of sport; Peter Loxton, director of radio; and Derek White, manager of Radio Australia. “The truth,” Simper wrote, “is that ‘Your ABC’ of 1998 is a sad, badly managed, demoralised, disorganised place. It lacks leadership and political support. Collectively, it is beginning to wonder if it has a purpose.” The article brought highly critical letters to the editor from the managing director, Brian Johns, and the chairman of the board, Donald McDonald. But it also brought highly supportive letters from Tom Morton, a senior reporter with Radio National, and whistleblower John Millard, a reporter/producer with ABC-TV, and a supportive article from Tim Bowden, a former ABC foreign correspondent best known for fronting the *Backchat* ABC listener-feedback program for seven years from 1986.

The nine-year-old *Media Watch* television program underwent a changing of the guard over the new year with the decision by executive producer David Salter to pursue other interests within the ABC and then the resignation of the founding presenter, Stuart Littlemore, after he was unable to reach agreement with the ABC.
about “the kind of staffing arrangements that would allow us to keep up the program’s quality”. In February the ABC appointed a staunch Littlemore critic, Richard Ackland, as the new presenter — but on only a one-year contract. A law columnist and publisher, Ackland, 51, has had a long career in print and radio journalism, working mostly for either Fairfax newspapers or the ABC’s Radio National. A graduate in economics and law, he writes a legal column for the SMH and edits and publishes the cheeky legal magazine Justinian and the Gazette of Law and Journalism.

In the Budget in May, the government allocated only $20.8 million of the $84 million the ABC said it would need over the next five years to introduce digital television. The ABC said it needed a total of $180 million, of which $96 million would come from property sales and other measures. In June the ABC told a Senate committee investigating the Television Services (Digital Conversion) Bill that, unless it received more than the $20.8 million, it might not be able to begin digital transmissions by 1 January, 2001, when the commercial networks planned to go digital.

**SBS**

Malcolm Long, 49, resigned as managing director of SBS in September 1997 to pursue a career as an independent communications adviser. Nigel Milan, 47, was appointed to replace Long and began duties in February. Milan’s most recent position had been chief executive of Australian Radio Network (a 67-station commercial network, including stations such as MIX-FM, Sydney, and Gold 104-FM and TT-FM, Melbourne), half-owned by regional newspaper proprietor Cameron O’Reilly. Indira Naidoo, newsreader, left the ABC for SBS in December 1997 to read the World News at Nine. She said she wanted to focus on journalism rather than continuing to become the star that the ABC was making of her.
Fairfax

For John Fairfax Holdings, whose flagship newspaper, the SMH issued its 50,000th number on 2 December, 1997, it was a year of change in the higher echelons, from both board and staff viewpoints, and a year of pressures from institutional investors for it to perform better. John Fairfax Holdings reported a 15.4 per cent drop in profit in 1996-97 from $87.43 million to $73.94 million, joining other media groups in blaming continued poor economic conditions for depressed advertising sales. For 1997-98, Fairfax’s net profit jumped 51 per cent to $111.8 million. Trading revenue rose 8.4 per cent to $1.109 billion.

In July, John Reynolds announced his resignation as managing director of The Age to join Normandy Mining as strategy and structure group executive. Reynolds, who left on 8 August, had joined Fairfax in 1996 after six years as chief executive of Australian Provincial Newspapers Holdings Ltd. Reynolds’s role was filled by Steve Harris, who had been News Ltd.’s group senior executive in the office of the managing director in Sydney, but Harris was given the title of publisher and editor-in-chief of the Age and Sunday Age, Melbourne. Harris had immediate impact. In August, Bruce Guthrie resigned as editor of the Age, telling staff he did not share the same vision for the newspaper as Harris. Guthrie had been editor since October 1995. Fairfax observers said the board had begun to move against Guthrie nine months earlier, after Canadian publisher Conrad Black had sold his Fairfax shareholding to Brierley Investments, whose appointed directors were understood to be supporters of Victorian Premier Jeff Kennett. The Age, under Guthrie, had been highly critical of Kennett’s measures. Michael Gawenda replaced Guthrie as editor.

In November, the chairman of Fairfax, Sir Laurence Street, resigned from the board after having been a member for six years and the chairman for three years. Rod Price, the head of Brierley Invest-
ments Ltd., was elected as the new chairman, but left six months later when he was a victim of a radical management shakeup at BIL.

On 18 May, everything started coming to a head for Fairfax which had endured months of criticism from institutional investors about its failure to rein in costs. On that day a Fairfax board meeting gave the chief executive Robert Muscat the power to hire and fire senior editorial executives, ostensibly so he could win arguments on cost-cutting. Later, at the same meeting, the appointment to the board of Brian Powers, until a fortnight earlier the chief executive of Kerry Packer’s Consolidated Press Holdings, was confirmed. Powers, the representative of the Packer-controlled FXF Trust, was regarded as an ally of John Alexander, the publisher and editor-in-chief of the *SMH*. On 29 May, Powers was appointed chairman of the Fairfax board, but it was a week too late for Alexander. On 22 May, Muscat had struck, sacking Alexander, ostensibly for leaking to a *Herald* journalist a memo from Muscat about a proposal by the publisher of the *Age*, Steve Harris, for joint cost-cutting measures, including the merging of the Canberra bureaux of the two papers. Powers replaced Rodney Price as chairman of Fairfax. Price left the Fairfax board when he resigned from Brierley Investments Ltd., which held 25 per cent of Fairfax’s shares.

On 29 May, Greg Hywood, who had replaced Alexander as editor-in-chief of the *Financial Review* in 1995, was announced as Alexander’s replacement as editor-in-chief and publisher of the *Herald*. In June Michael Gill was appointed publisher and editor-in-chief of the *Financial Review*, to replace Hywood. Gill had been Fairfax Business Online manager for two years and had headed up the development of the *AFR Trading Room* Internet site and other Fairfax business-related information products. He is a former deputy editor of the *AFR* and former companies editor. Gill is also remembered for launching the *Business Daily* which survived only six weeks in 1987.
In June, Muscat launched Project Hercules, a review of the Fairfax operations designed to cut costs by $40 million, or about 5 per cent of its total cost base. Hercules, which brought in management consultants McKinsey & Co. to help make a “thorough review of all the company’s operations”, would pick up on initiatives undertaken at the Age, Muscat said.

In May, John Fairfax reached a one-off agreement with its newsprint and paper suppliers, Australian Newsprint Mills and Tasman Pulp and Paper, to cap the newsprint price increase to 8 per cent. Without the agreement, Fairfax would have faced an increase of more than 22 per cent, with the Australian dollar depreciating 19 per cent against the US dollar in the previous 12 months.

**Murdoch**

On 21 April the *New York Post*, owned by News Corporation, disclosed that Rupert and Anna Murdoch had separated. Rupert Murdoch, previously married, wed Anna Torv in 1967. Mrs Murdoch, a novelist and philanthropist, would remain on the News Corp board as a non-executive director and continue in the Murdoch businesses, wrote Post gossip columnist Liz Smith. The *Australian* ran an 11-par report on page 3 on 22 April. A former Murdoch editor and confidant, Andrew Neil, wrote that one of the strains in the Murdoch marriage was Anna’s insistence in continuing to live in Los Angeles, whereas Rupert wanted to spend more time in New York. Also: “Anna could not get him to reduce his punishing travel schedule and relentless deal-making . . . Anna hopes the separation will concentrate his mind and bring him to his senses.”

In May, News extended the $1.3 billion buyback scheme for its preferred shares for another six months, a move that analysts predicted would continue to bolster the price of its limited voting
shares. The stock had gained more than 45 per cent in value since the buyback was announced in August 1997.

On 30 June, the SMH reported that the value of News Corp shares meant that the company was now $10 billion clear of the next largest company on the Australian Stock Exchange, the National Australia Bank. For 1997-98, News more than doubled net profit to a record $1.68 billion, largely because of the international success of the blockbuster movie Titanic and better-than-expected earnings from Fox Television. The result came after an abnormal loss of $118 million related to Super League charges and early debt retirement. For 1996-97, News had reported a 29 per cent drop in net annual profit to $720 million after a modest gain in income was wiped out by a $575 million abnormal write-off, much of it related to the restructuring of the HarperCollins book publishing operation.

In July, Ken Cowley, at age 62, retired as executive chairman of News Ltd., the Australian arm of News Corp, after 33 years with the company. Cowley, a printer, joined the company to help establish the Australian. Lachlan Murdoch succeeded Cowley as executive chairman. Rupert Murdoch confirmed Lachlan as the heir apparent of the global news and entertainment empire. Although he had no plans to step down, he told media analyst Mathew Horsman, who was writing a book, that Lachlan was shaping up to head News.

In December, News Corp continued its disposal of non-core Australian assets by selling its 14 per cent stake in the Seven Network, for a profit of $135 million. News said it had sold because of the federal government’s decision not to relax cross-media ownership regulations. News had held the stake in Seven since 1993.

The appointment of receivers and managers to pay TV battle victim Australasia Media Ltd. seemed to provide hope for News Ltd. that its half-owned Foxtel would emerge from loss into profit in coming years. Foxtel was committed to pay Australis $4.5 billion
over 25 years for the supply of movies from Hollywood studios (see under “Pay TV”).

After two years and the reported injection of $300 million into Super League, News Ltd. agreed to a merger of its breakaway competition and the old, established Australian Rugby League, creating the NRL, or National Rugby League, with 20 teams in 1998, reducing to 14 by the year 2000. In 1998 Foxtel and Optus Vision shared equally, for the first time, the screening of league matches, both showing eight matches a week.

HarperCollins paid a modest financial sum to former Hong Kong Governor Chris Patten as part of an out-of-court settlement in a breach-of-contract law suit which Patten brought when the publisher dropped his book, *East and West: The Last Governor of Hong Kong*, from its publications list. Macmillan was the new publisher for the book.

In May, Twentieth Century Fox, owned by News Corp, opened its Sydney studio at the old Sydney Showground site. Fox film chief Bill Mechanic described it as “the best” and “most state-of-the-art film studio in the world”. The New South Wales Auditor-General, Tony Harris, said the showground site was delivered to Fox Studios without competition or proper assessment of the economic benefit to the state and was expected to cost NSW taxpayers up to $106.8 million.

News Corp was frozen out of the United States direct-to-home satellite business. The US Justice Department announced it would block Primestar’s merger with the MCI-News Corp joint venture, ASkyB. In June, News Corp sold its US TV Guide business to satellite broadcaster, United Video Satellite Group, for $3.4 billion. TV Guide and United Video were merged into an entity in which News holds a 40 per cent interest.

On 30 June, News Corp announced it would split in two. It unveiled a $25-30 billion spinoff of its American motion picture, tele-
vision and sports divisions. It would create a new company, Fox Group, to house assets including its Twentieth Century Fox film studio, the Fox television network and interests in sporting teams such as the LA Dodgers. Up to 20 per cent of the new company would be floated on the New York Stock Exchange by the end of 1998 in the biggest public share sale in US corporate history. After a legal battle with News Corp, Time Warner Inc gave Fox News access to the United States’ biggest cable pay TV market.

An international task force of tax investigators was set up to examine why News Corp paid virtually no tax. An agreement to begin the inquiry, involving tax officials from Britain, the United States, Canada and Australia, was reached at a meeting in Sydney in December. In the year to June 1999, News Corp provided for tax of $138 million on an operating profit, including abnormal items, of $905 million. At the full corporate tax rate of 36 per cent, $326 million would have been due.

### Packer

On 18 May, James Packer, at age 30, became executive chairman of the Packer group Publishing & Broadcasting Ltd., after the departure of his mentor, Brian Powers, to the John Fairfax board (see "Fairfax" above). There were other changes to the PBL board, but the main one was that finance director Nick Falloon, 40, became chief executive officer.

In Business Review Weekly’s 1998 rich list, Kerry Packer was tops with a personal worth estimated at $5.2 billion, more than $3 billion clear of the second place holder, shopping centre developer Frank Lowy. Kerry Packer reaped $558 million from the sale of his 50.3 per cent stake in US magazine and inserts group, Valassis Communications Inc. A pending marriage, announced in February, between two magazine houses, Australian Consolidated Press and Time Inc.’s Australian magazines, failed at the altar. The centre-
piece of the marriage was intended to be the marketing of Time magazine alongside the Bulletin, via an independent joint venture vehicle, Premier Magazines. Time Inc.’s Who Weekly was to have been enveloped into Premier, along with its fierce Australian competitor, New Weekly. ACP’s Australian Gourmet Traveller and Wine magazine were also to join Premier.

PBL almost trebled its net profit for 1997-98, to $476.44 million, after revaluing its television licences and selling its John Fairfax and Sky investments. It raised the book value of its Nine Network television licences from $554 million to $1.32 billion. In March, the New South Wales TAB bought racing service Sky Channel in a deal that delivered 5 per cent shareholdings in the TAB to both Kerry Packer and Rupert Murdoch. In 1996-97, PBL’s net profit was $182.12 million.

PBL signed a new $175 million, seven-year (from 1999-2000 season to 2005-2006) deal with the Australian Cricket Board, covering all Tests in Australia, the annual triangular one-day series and selected domestic one-day Mercantile Mutual games. The deal excludes pay television rights in Australia and the sale of Australian rights to overseas TV interests. The ACB and Nine agreed to form a joint venture to operate the ACB’s Internet site.

PBL failed in its plan to expand into South Africa. The local regulator awarded the country’s first private free-to-air television licence to a consortium backed by the US media group Time Warner. PBL had formed in 1996 a development company of which it owned 20 per cent, to draft a licence proposal for a television network dubbed Station for the Nation with six South African partners.

News media people

* Tracey Holmes, formerly the host of ABC Radio’s Grandstand sports program, quit in April as media information manager for
SOCOG (the Sydney Organising Committee for the Olympic Games). Her resignation followed months of tension between SOCOG’s media office and the office of the Olympics Minister, Michael Knight. Within days of leaving SOCOG, Ms Holmes was signed by SBS to cover the World Cup soccer tournament in France.

* Paul Kelly, a former editor-in-chief of the Australian and now its international editor, was elected in October as a Fellow of the Academy of the Social Sciences in Australia. Few non-academics are elected to the academy.

* Former ABC-TV presenter Mary Delahunty, a leading spokesperson for the Australian republican Movement at the 1998 Constitutional Convention, joined the Kyneton branch of the Australian Labor Party and was expected to seek party pre-selection for a seat at the next Victorian State election.

* The social affairs commentator, columnist and author, Hugh Mackay, discontinued his association with the Weekend Australian and rejoined the SMH in January to write a weekly column on social issues, as well as a monthly marketing column.

* Professor David Flint, chairman of the Australian Press Council for 10 years, left in October to become chairman of the Australian Broadcasting Authority. He was replaced at the Press Council by Professor Dennis Pearce, the Commonwealth Ombudsman from 1988-1991 and Professor of Law at the Australian National University from 1981-1996.

* The New South Wales Industrial Commission ruled in November that Channel 7 did not victimise reporter Graham Davis after he decided to sue the network over his dismissal from the Witness program. Justice Frank Marks said the relationship between Davis and Amalgamated Television Services had deteriorated to such an extent over time that the network had dismissed him over what it saw as a failure to comply with his contract. Davis joined
Witness at the beginning of 1996, as did Jana Wendt, but was dismissed on 28 April 1997.

* In November, shortly before Jana Wendt was signed by the ABC for a 10-part interview series (see under “ABC”), she attacked Australia’s news media in the 1997 Andrew Olle Memorial Lecture. She accused managing directors and executive producers of worshipping ratings and profit. This had become a faith that discarded all other values.

* Two Australian journalists made the news, even as they were reporting it. Andrew Bolt, the News Ltd. Asia correspondent, was detained by Chinese authorities after he had reported they were detaining a Gold Coast ship captain against his will. Two shots were fired over his head before he was detained while trying to approach a tanker captained by Kenneth Blyth and seized by pirates in the South China Sea. Bolt was released and wrote about his detention. Russell Skelton, the Fairfax correspondent in Tokyo, was the focus of Tokyo news for a day when his pet wallaby escaped. “The small and shy wallaby I had rescued from a Tokyo pet shop as part of an investigation into the illegal animal trade,” wrote Skelton, “was handed back to me by Tokyo police under the glare of television camera crews. My terrified Icpota-chan replaced President Clinton’s visit to China as the lead item on the Asahi national news, his nocturnal exploits featured prominently in daily newspapers and were discussed on afternoon chat shows.”

* In July, Dale Jennings retired as general manager of the Geelong Advertiser after working for the paper for 37 years. He joined as a first-year cadet at the age of 23 when he was studying to be an accountant. He later became a sports and general reporter, chief sub-editor, chief of staff and news editor before becoming managing editor of the Geelong News, shortly after is was acquired by the Advertiser. Jennings, who won a Walkley Award as a journalist and a Commonwealth Press Union scholarship, became general manager

* Paul McGeough (pron. McGoh), of the SMH, was awarded the 1997 Graham Perkin Australian Journalist of the Year Award for his outstanding international reporting. Alan Ramsey, also of the Herald, was runner-up for his consistently high standard of national-affairs columns.

* In the 1997 Walkley Awards, Mary-Louise O’Callaghan, the Australian’s South Pacific correspondent, won a Gold Walkley for revealing the Sandline mercenaries’ scandal in Papua New Guinea. She was chosen from the 28 category winners at the 42nd Walkleys presentation. The category Ms O’Callaghan won was for Excellence in International Reporting. Paul Chadwick was honoured for the most outstanding contribution to journalism.

**Other Walkleys went to:**


RADIO - Best news report, Justin Kelly and Ben Fordham, Radio 2UE (“Thredbo”); best current affairs report, David Spicer, AM, ABC Radio (“Juvenile justice”); best feature or documentary,


GENERAL - Excellence in business reporting, Malcolm Maiden, Age (“Inside the citadel”); in coverage of suburban and regional affairs, Ingrid Svendsen, Melbourne Times (“David Marriner demolition”); in investigative reporting, Paul Daley, Sunday Age (“The Colston affair”); in indigenous affairs, Bruce Belsham and Victoria Pitt, ABC-TV (“Frontier”); in coverage of sport, David Wilson and Patrick Smith, Age (“The Encosta de Lago affair”); in on-line or wire-service journalism, Michael Perry, Reuters (“PNG army revolt”); in commentary, analysis, reviews and opinion, Tony Stephens, SMH; in broadcast presenting, Jim Waley, Nightline/Sunday, Nine Network; in coverage of Asia (broadcast), Ross Coulthart and Nick Farrow, Sunday, Nine Network (“Cambodia: descent into chaos”); in coverage of Asia (print), Rowan Callick, AFR (“Hong Kong”); in news leadership, Stephen Rice, Sunday, Nine Network.

Obituaries

Following is an alphabetical list of key news-media identities who died in 1996-97:

Adams, Geoffrey Coker Arding, died 10/2/98, aged 88; worked in advertising department of various Beaverbrook newspapers in London; after war, bought two Colac (Vic.) newspapers, the Reformer and the Herald,
and merged them to forge a base for a profitable regional company with six mastheads, Western District Newspapers.

Bailey, John, died 25/5/98, aged 63; former television news reader at Sydney studios of Seven and Ten and Melbourne studios of Nine; retired in 1996 as executive producer at Radio 4BC, Brisbane. Survived by his wife, Tanya Halesworth, former high-profile ABC and commercial television presenter and journalist, and their three sons.

Barnao, Tony, died 6/2/98, aged 40; crime reporter, Daily Mirror and Ten network; died in two-seater aircraft which crashed near Burketown, Qld. while chasing a freelance journalism story.

Brennan, Columb Henry, died 9/3/98, aged 84; born into family of journalists and lawyers and became acknowledged dean of Melbourne’s law reporters for nearly 30 years; general president of Australian Journalists’ Association, 1951-55; secretary of Victorian branch of AJA, 1970-71; explained complex legal issues with great clarity.

Busmer, Don, died 29/8/97, aged 61; journalist on the Australian, 1964 until he became editor-in-chief of a chain of Melbourne suburbans and editor of the Melbourne Truth; edited a newspaper in north Queensland; joined Sunday Mail 1987.

Chapman, Kevin, died April 1998, aged 71; read the news on ABC radio and television, was a commentator on Royal tours, sporting editor, broadcast the weather and introduced rural and light entertainment programs; remembered mainly for his insightful commentaries during parliamentary broadcasts from Canberra for 29 years from 1957 until his retirement.

Corbett, Harold Macintosh (Mac), died June 1998, aged 83; last member of an outstanding quartet of Sydney journalists from one family; father was Claude and uncles were W.F. (Bill) and Jack; all worked primarily for the Sun; at one period in 1939, all four were on the staff; became chief make-up and layout sub-editor; in mid-1970s, Mac worked as chief sub-editor and sometimes as editor; worked for the Sun for 45 years; played active role in the Journalists’ Club, including serving as treasurer and president.

Courtney, Michael Charles Palliser, died 28/1/98, aged 67; editor of the Examiner, Launceston, 1976-92; began career with Sun News-Pictorial, Melbourne, in 1949, before joining Sir Frank Packer’s AM magazine in 1952; thence to the Argus, Melbourne; enormously successful as first ghost writer for footballer Lou Richards; moved to Launceston in 1959 as chief reporter and civic roundsman for the Examiner; in 1992 Courtney led his newspaper and his team of reporters in covering the Edmund Rouse scandal in which the proprietor of their newspaper attempted to bribe a state politician and former company employee, Jim Cox, to cross the floor of the State House of Assembly to restore a working majority to the Gray Liberal government.

Cummins, Alan, died 6/4/98, aged 88; chief of staff at the Courier-Mail for 20 years during the Theodore Bray editorship; editor, 1968-69.

Davies, Douglas Morton (Taffy), died 1/1/98, aged 65; born in Swansea, Wales; began career on South Wales Evening Post as a machine room copy
boy, sports cadet and sub-editor; from 1955-61 worked on *Straits Times* in Singapore and Kuala Lumpur as a sub-editor and arts critic; was chief sub-editor and then editor of the *Daily Advertiser*, Wagga Wagga, in 1962-63; joined the *Sun*, Sydney, and was in turn a sub-editor, travel editor, feature writer, columnist, entertainment writer and production editor, as well as a theatre critic; had wonderful grasp of language and was contributing a weekly column, “About a thousand words”, to the *Daily Advertiser* when he died.

**Dixon**, Dave, died April 1998, aged 84; worked for the *Sun* before war; after war, worked a professional fisherman before becoming a member of the famed *Daily Mirror* crime-reporting team led by Bill Jenkings; also covered courts, floods, bushfires, stories about the weather, animals and all manner of humankind.

**Dow**, Hume, died 22/11/97, aged 81; graduated from Harvard after living in the US from age 8 to 22; began journalistic career in Australia shortly before World War II; joined Australian Army Education Service and by 1943 was editing *Salt*, the legendary journal of information, comment and creative writing to which members of the armed services were invited to contribute; after war, worked in Radio Australia and then on the *Argus*, Melbourne; became tutor and then lecturer in English Department at University of Melbourne.

**Hart**, Nigel, died 5/12/97, aged 48; English-born cricket writer who lived most of his life in Australia; enjoyed productive writing partnership with Bernard Whimpress, producing three cricket books, including the privately-published *Australian Eleven* in 1997.

**Kelly**, John, died 16 May 1998, aged 54; general manager of Area News, Griffith, for 20 years; began career as an apprentice hand and machine compositor on the *Murrumbidgee Irrigator*, Leeton, in 1963; became printing foreman at *Area News* in 1969 just as it became a daily for two years; became general manager in 1978; kept *Area News* at forefront of technological change.

**Lockwood**, Frank Wright, died Oct. 1997, aged 78; former manager of *Wimmera Mail-Times*, Horsham, Vic.; on leaving school, joined family-owned *West Wimmera Mail* as the paper’s first linotype operator; played major part with his brother Allan in developing the Mail after their father retired in 1951; amalgamated the Mail with the *Horsham Times* in 1959, with Frank serving as manager until 1984 and Allan as editor.

**Mahoney**, Peter, died March 1998, aged 66; first full-time editor of *Choice* magazine; began career on *Barrier Miner*, Broken Hill, but had been a sports copy boy at the *Daily Truth* since age of nine; worked on papers in Wollongong and Brisbane before joining *Daily Mirror*; covered NSW State Parliament for the ABC; joined *Courier-Mail*, Brisbane, and became the Melbourne correspondent in 1957; a senior writer for the *Sun-Herald*, 1968-85.

**Moore**, Henry Amos (Harry), died 20/4/98, aged 94; editor of *Daily Mercury*, Mackay, 1941-49, and associate editor, 1929-37; began career as a cadet journalist on the *Lone Hand and Fair-Play* magazine in 1919; reporter and sub-editor for *Daily Mail*, Brisbane, and *Labor Daily*, Sydney, and at *Truth* and *Sportsman* in Adelaide, Melbourne, Sydney and Brisbane in
1920s; edited *Australian Sugar Journal*, 1949-71; published news of the end of the war four days before Brisbane dailies, thanks to the powerful shortwave radio American servicemen had given him.

**O’Callaghan**, Francis (Frank), died 20/11/97, aged 73; noted rugby writer and sports journalist for Brisbane’s *Courier-Mail* from 1957-90, and casual writer for the same paper until his death; began his career on the *Downs Star*, the daily launched in 1955 by a journalistic foursome to compete with the long-established *Toowoomba Chronicle*.

**Parsons**, Betty, died 3/9/97, aged 77; joined ABC in Perth in 1944 as a schools broadcasts presentation officer; later moved to Melbourne and Sydney; first woman to be appointed to a senior management position at the Australian Broadcasting Commission; retired in 1983 as controller of Radio 2 (now called Radio National); climbed higher in the managerial hierarchy than any woman in ABC history.

**Riggs**, Patricia, died 12/3/98, aged 77; editor, *Macleay Argus*, Kempsey, NSW, for more than a decade in fact but for only three years in name; became a cadet journalist on the paper at the age of 35, starting the career she had always desired; winner of two Walkley Awards for provincial journalism; fought for Aboriginal advancement long before the cause was popular; Shire Councillor, 1983-1991, after retiring as editor.

**Stevens**, Harold Ross, died 12/7/97, aged 50; broadcast journalist; joined New Zealand Broadcasting Corporation in 1969; TVNZ *60 Minutes* correspondent; taught journalism at the University of Papua New Guinea for seven years from 1975; wrote history of the United Nations; director of NZ international aid agency, Corso, 1983-85, demonstrating his religious and humanitarian commitment.

**Stuart**, Charles James Bishop Grayburn, died 29/1/98, worked as a reporter and editor in Britain, Canada and Cyprus before moving to Queensland in 1979 with his Brisbane-born wife, Monica, whom he had met in London; worked at *Sunday Sun* and on Brisbane suburbs; began teaching journalism at the University of Queensland while studying for an undergraduate degree; was the senior lecturer in journalism at what is now the University of Southern Queensland, Toowoomba, for 11 years; shortly before his unexpected death, he was awarded a PhD by the University of Wollongong for a thesis on the history of tertiary journalism education in Australia.

**Thomson**, Owen Mackay, died 26/1/98, aged 65; started journalistic career in Mount Isa, Qld.; former editor, the *Australian*, and the *Daily Telegraph*; joined Mark Day in buying *Melbourne Truth* from News Ltd.

**Walker**, Isaac Augustin Arthur (Zic), died on 9/1/98, aged 82; owner of the *Gnowangerup Star*, Western Australia; continued to use hot-metal technology, including a 1956 Linotype and a press designed 120 years ago; his family launched the *Star* in 1915; it did not report local court cases. His widow and sons still run the paper.

**Watson**, Harold Douglas, died 16/10/97, aged 83; proprietor of the *Tumut and Adelong Times*, NSW; joined the paper in 1933 as a printer; assumed control in 1949 when his father, Alexander Wilkie Watson, died; deve-
opened one of the most highly mechanised and versatile plants in southern NSW; edited paper for 50 years; lived whole life in Tumut.

**Williams**, Mal, died in Hobart, aged 77; joined the *Mercury*, Hobart, in 1935 as a copy boy and rose to become chief of staff, 1970, the first editorial manager, 1974, and editor, 1982; retired 1984.

**Zanetti**, Jules Terence, died 9/10/97, aged 69; first news editor of the *Australian*; was main recruiter of editorial talent for the paper in its planning stages; began career with West Australian Newspapers after graduating from University of Western Australia; finance editor of *Daily Mirror*, Sydney; established tip-sheet, *Your Money*, for stock market; editor of *People* magazine; publisher of all Fairfax magazines when they were sold in 1987.

**Journalistic ethics**

In April, the Media Entertainment and Arts Alliance (MEAA) invited AJA section members to take part in an “advisory and anonymous” ballot on a revised 12-point Code of Ethics, replacing the 20-point draft code issued a year earlier. The Ethics Working Party developed the 12-point code after consultation with members had indicated that the Ethics Review Committee’s 20-point code needed revising. The ballot resulted in an overwhelming endorsement of the revised 12-point code, with 1110 in favour and 63 against (and two informals). A total of 6,789 ballot papers had been distributed. The appropriate rule changes were to be considered at the next meeting of the Alliance Federal Council. If Council were to adopt the changes, the 12-point draft would replace the old 10-point Code.

In a submission to the Senate Select Committee on self-regulation in the information and communication industries, Mrs Dawn Colston, wife of the Independent Senator Mal Colston, painted a picture of a family under siege from the news media. Her submission argued that the media had harassed, stalked, persecuted and assaulted her family, and unlawfully invaded their privacy in the pursuit of her husband. The Papua New Guinea Prime Minister, Bill Skate, attacked Australian journalists after the broadcasting in Australia of secretly recorded videotapes in which Skate described
himself as the “godfather” of Port Moresby’s raskol gangs. He told a rally that he had been “set up” by his former close adviser, Mujo Sefa, who secretly filmed him at the office of a Port Moresby pipe factory he operated.

A survey in 1997 of 20 regional daily newspapers by the Pacific Area Newspapers Association (PANPA) found that the vast majority of Australian newspapers used “advertorial” as a sales incentive for display advertisers, but there was considerable scepticism within the industry about the overall benefits of doing so. Many senior newspaper personnel were actually opposed to advertorial in principle, but in practice there was an economic imperative to offer it. It was growing steadily by volume in Australian newspapers. The survey was conducted after a wide diversity of opinion about the risks, costs and rewards of advertorial had emerged among delegates to PANPA’s advertising managers’ conference in 1996.

The Nine Network’s *A Current Affair* was under a cloud when a man whom it had accused of ripping off customers in his inner-western Sydney electrical repairs shop committed suicide three days after the segment. Benedicto Mendoza, 45, of Chatswood, was found hanged in his garage. Friends described him to Ten Network’s news as a proud man who had been devastated by the *ACA* program. The Ten report said Mendoza had written a suicide note to his wife, children and friends, saying there was no chance he could clear his name. ACA presenter Ray Martin said that inevitably some would “blame us for this man’s death”. Jane Hansen was the reporter.

The Seven Network won the rights to exclusive interviews with Stuart Diver, sole survivor of the Thredbo landslide disaster in which 18 people died on 30 July, 1997. Seven’s winning card was its proposal to employ Diver as a commentator during its coverage of the Winter Olympics and Diver would help raise money for the Thredbo Family Relief Fund. Diver returned to his ski-instructor role in the winter of 1998.
“The media and the murder”: That’s how the *SMH* headlined an examination of the news media’s reportage of events leading up to and following the bludgeoning murder on 27 June 1998 of the former Wollongong Lord Mayor, Frank Arkell, an alleged pedophile. The *Illawarra Mercury*, Wollongong’s own daily, had campaigned vigorously against Arkell, and other alleged pedophiles. Editor-in-chief Peter Cullen defended the paper’s reportage, saying that the Wood Royal Commission, not the *Mercury*, had brought down Arkell. The *Mercury* published an eight-page “Arkell Murder Edition” on the Monday following his death. Arkell’s barrister, Phillip Boulten, complained about the stridency of reports after Arkell’s death and “inaccuracies”.

“Cashed up tabloids dotty over Di”: That’s how the *Australian* reported The Kiss — between Princess Diana and Dodi Fayed — and the $550,000 the *Sunday Mirror*, London, allegedly paid for its picture of that momentous event. And three weeks later, both were dead as the result of a car smash in Paris, unleashing huge waves of public emotion, and voluminous press coverage. In addition, the media in general and the paparazzi in particular came under attack for the part they was seen to have played in the deaths. One result of the attacks on the media was that the British tabloid, *News of the World*, announced that it would in future stick to the guidelines of the newspaper Code of Practice which forbids long-range shots of people on private property and the “merciless stalking and pursuing” of people in the news. Intensive Australian press coverage of anything related to Diana’s life, however, continued to occur well into 1998, and magazines found a wide range of excuses to sneak Diana’s face on to their cover.

**Legal**

Photographs published by the *Age* and the *Canberra Times* showing Prime Minister John Howard laughing and holding his arms...
wide, allegedly in delight at receiving news of a favourable High Court decision on the Hindmarsh Island bridge controversy, were referred to a parliamentary joint committee by Speaker Ian Sinclair. The photographs were, in fact, taken when Mr Howard was responding to a comment that Treasurer Peter Costello had made about tax deductibility.

A Victorian Supreme Court judge fined Nationwide News, publisher of the *Australian*, $75,000 for printing an article which was found to be in contempt of court. The article, by Mark Westfield, appeared in the business section of the paper on 7 April, 1997, and commented on the trial of former Coles Myer chief Brian Quinn, who was in the midst of giving evidence against a conspiracy charge. Westfield was fined $10,000. Justice Bill Gillard said the article implied Quinn was “a liar, a perjurer and a contemptuously cowardly person”. The offending paragraphs appeared at the foot of a column on page 24.

A new Australian damages record of $2.5 million for defamation was awarded against the *SMH*, almost doubling the previous record of $1.3 million, also awarded against that paper, in April 1994. In the latest case, the jury found a report published by the *SMH* had implied that promoter James Richard Erskine was a vicious person prepared to murder a rival. Erskine, head of the Australian branch of International Management Group (IMG), had sued the John Fairfax group over the report which appeared in September 1992. The story referred to a claim in an affidavit by businessmen Dick Tanner that Erskine had threatened to send two hitmen around to him if he persisted in taking action in a copyright case. A Fairfax spokesman said the company would appeal.

In July, the High Court handed down a unanimous decision in the Lange case, a decision that had commentators puzzled. One said the decision meant that court had abandoned a three-year-old experiment with a constitutional defence against defamation actions from politicians. In its place, the court had created a restric-
Dissociative common-law defence for the mass media that was closely related to a discredited provision (s. 22) of the New South Wales Defamation Act. The provision had been used successfully only three times in 22 years. Another commentator said the court had confirmed the decision of the majority in the 1994 cases (Theophanus and Stevens) that defamation law must conform to the implied freedom of political communication. In Lange it was decided that the common law and federal, state and territory legislation must all conform to the implied freedom of political communication. This means that any of the laws that restrict the publication of material may be read down or held to be invalid if they contravene the implied freedom of political communication. The High Court’s version was described as a form of common-law qualified privilege which had not previously been available for mass communicators. The court outlined the details after the former New Zealand Prime Minister, David Lange — who was suing the ABC for defamation — challenged the constitutional defence presented by the ABC. After accepting Lange’s argument that the defence was “bad in law”, the court sent Lange’s case back to the NSW Supreme Court for determination. The court ruled that whenever the new common-law defence was used by the mass media, the media must meet extra tests that did not need to be met by anyone else. The Lange judgment was praised by University of NSW law professor George Winterton, the chairman of the Australian Press Council, then Professor David Flint and the Hearn professor of law at the University of Melbourne, Sally Walker.

In September, the federal government initiated new efforts to protect national defence and intelligence secrets. The Coalition government decided to seek a introduce a voluntary form of media censorship after backing away from threats by the former government to impose $1 million fines for publication of official secrets. Cabinet’s National Security Committee decided to begin talks with media executives on voluntary censorship.
At the end of the year under review, the appeal case of the four editors of the La Trobe University student magazine *Rabelais* was still listed for hearing before the High Court. It concerned an article headlined “The Art of Shoplifting”. The refusal in September 1995 by the Chief Censor, then John Dickie, to classify that edition of *Rabelais* meant that the editors could be liable criminally for distributing a publication instructing in matters of crime. The four were each charged with three counts relating to distributing an objectionable publication, but their failed appeals have taken them to the High Court where the matter awaits hearing.

**Media ownership**

In September, federal Cabinet scrapped plans to reform Australia’s cross-media-ownership laws after months of speculation and damaging infighting. Until then, it had seemed the Packer family could be in control of the Fairfax newspapers by Christmas 1997. Prime Minister Howard told colleagues the government could not afford to let media policy distract it from the higher priorities of jobs, tax reform and resolving the uncertainty on native title.

**Newspapers**

Victoria became the scene of a price war as the year closed. Seven weeks after the *Age* had undergone a facelift, News Ltd. remodelled the *Australian* and cuts its price from 90¢ to 40¢ in Victoria, while increasing it to $1 in other mainland states and to $1.20 in Tasmania. The announcement of the Victorian price cut led to a 14¢ drop over two days in the share price of John Fairfax Holdings ($166 million). From 9 March, the *Age* adopted the livelier, more reader-friendly format of its Saturday edition, including its bold new “square” middle-of-the-page masthead. As part of the change, the distinctive *Sunday Age*, known for its confrontation with Victo-
rian Premier Jeff Kennett and its investigative edge, disappeared. Now the paper appears each day as the *Age Monday*, the *Age Tuesday*, etc., through to the *Age Sunday*. The move reflects the harder-edged commercial approach of publisher and editor-in-chief Steve Harris. Despite this, the circulation of the *Age* for the six months to 30 June fell slightly.

On 27 April, the *Australian* was re-launched, complete with colour masthead, typographical changes, etc., and its cover price more than halved in Vic.) By the end of June, News Ltd. was claiming that daily sales of the *Australian* and the *Weekend Australian* had risen by an average of more than 40 per cent since the changes (see Table 1 for full six-month circulation figures). There had been an even stronger growth in Monday sales. An additional 10 per cent rise in sales was being attributed to the new 12-page sporting liftout, covering all football codes but with five pages of Australian Football League reports and comments. On the assumption that, before the launch of its Victorian edition (which features Melbourne Extra, a page of state news, opinion and information), the *Australian* sold 25,000 copies each weekday and 60,0000 on weekends, the officially released percentage gain figures indicate the paper has added 10,000 weekday sales and 24,000 on weekends.


Three daily newspapers ditched the broadsheet format in favour of a tabloid format. They were the *Townsville Bulletin* (first tabloid issue on 27 October); the *Advertiser*, Adelaide (3 November); and the *Bendigo Advertiser* (29 June). The *Newcastle Herald* had announced it was about to change to tabloid. The *Australian Magazine* enlarged its format from the issue of 5-6 July (switching from 20.5cm x 27.5cm to 25.5cm x 31cm). And the *Good Weekend* magazine, which
appears in the *Age* and the *SMH* on Saturdays, followed suit on 16 August, but appeared in an even larger size (27.5cm by 35.5cm). It had appeared in the small format (20cm x 27.5cm) since its launch in 1984.

On Sunday night, 1 March, the *Courier-Mail* was printed in Townsville for the first time — at News Ltd.’s new $22.5 million Townsville publishing centre. This enabled News Ltd. to reduce the cover price of the North Queensland edition by 40¢ to 70¢. The *Saturday Courier-Mail*, much bulkier, although still printed in Brisbane, was also cut in the north by 40¢, to $1.20. North Queenslanders will also pay the same price as “southerners” for the *Sunday Mail*.

On 21 May the *Courier-Mail* launched a two-week public journalism project in conjunction with Queensland University of Technology and community groups. The focus of the pilot project, labelled “Reconciliation: Local Solutions”, was the race relations debate. The project culminated in a public forum on 1 June at Caboolture Community Centre. During the fortnight the *Courier-Mail* published articles almost daily and an eight-page tabloid liftout on the Caboolture forum. Channel Nine telecast the highlights of the forum on its *Eye on Queensland* program.

Kerry Stokes placed the *Canberra Times* on the market in May. Three potential buyers, West Australian Newspapers, Australian Provincial Newspapers and Rural Press Ltd., were said to be interested. Stokes reportedly wanted somewhere between $200 million and $300 million.

**Table 1**

<table>
<thead>
<tr>
<th>Newspaper</th>
<th>Circulation six months to 30/6/98</th>
<th>Circulation six months to 30/6/97</th>
<th>Change %*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian (M-F)</td>
<td>126,514</td>
<td>120,433</td>
<td>+5.0</td>
</tr>
<tr>
<td>Australian (Sat)</td>
<td>310,597</td>
<td>310,419</td>
<td>+0.1</td>
</tr>
<tr>
<td>Publication</td>
<td>Daily Sales</td>
<td>Yesterday Sales</td>
<td>Change</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-------------</td>
<td>-----------------</td>
<td>--------</td>
</tr>
<tr>
<td>Australian Financial Review (M-F)</td>
<td>91,000</td>
<td>88,463</td>
<td>+2.9</td>
</tr>
<tr>
<td>Weekend Review (Sat)</td>
<td>77,000</td>
<td>Not published</td>
<td>NA</td>
</tr>
<tr>
<td>Daily Telegraph (M-F)</td>
<td>437,986</td>
<td>440,354</td>
<td>-0.5</td>
</tr>
<tr>
<td>Daily Telegraph (Sat)</td>
<td>367,941</td>
<td>359,280</td>
<td>+2.4</td>
</tr>
<tr>
<td>SMH (M-F)</td>
<td>238,000</td>
<td>237,700</td>
<td>+0.1</td>
</tr>
<tr>
<td>SMH (Sat)</td>
<td>410,500</td>
<td>410,000</td>
<td>+0.1</td>
</tr>
<tr>
<td>Sun-Herald</td>
<td>613,000</td>
<td>561,874</td>
<td>+9.1</td>
</tr>
<tr>
<td>Sunday Telegraph</td>
<td>715,358</td>
<td>710,697</td>
<td>+0.7</td>
</tr>
<tr>
<td>Herald-Sun (M-F)</td>
<td>563,800</td>
<td>566,484</td>
<td>-0.5</td>
</tr>
<tr>
<td>Herald-Sun (Sat)</td>
<td>524,000</td>
<td>523,834</td>
<td>Steady</td>
</tr>
<tr>
<td>Age (M-F)</td>
<td>202,573</td>
<td>209,000</td>
<td>-3.1</td>
</tr>
<tr>
<td>Age (Sat)</td>
<td>354,362</td>
<td>362,000</td>
<td>-2.1</td>
</tr>
<tr>
<td>Sunday Herald-Sun</td>
<td>524,100</td>
<td>522,253</td>
<td>+0.4</td>
</tr>
<tr>
<td>Sunday Age</td>
<td>205,832</td>
<td>206,000</td>
<td>-0.1</td>
</tr>
<tr>
<td>Courier-Mail (M-F)</td>
<td>212,675</td>
<td>215,500</td>
<td>-1.3</td>
</tr>
<tr>
<td>Courier-Mail (Sat)</td>
<td>341,000</td>
<td>335,000</td>
<td>+1.8</td>
</tr>
<tr>
<td>Sunday Mail (Qld)</td>
<td>585,400</td>
<td>579,995</td>
<td>+0.9</td>
</tr>
<tr>
<td>Advertiser (M-F)</td>
<td>204,905</td>
<td>199,874</td>
<td>+2.5</td>
</tr>
<tr>
<td>Advertiser (Sat)</td>
<td>271,751</td>
<td>264,194</td>
<td>+2.9</td>
</tr>
<tr>
<td>Sunday Mail (SA)</td>
<td>344,778</td>
<td>340,625</td>
<td>+1.2</td>
</tr>
<tr>
<td>West Australian (M-F)</td>
<td>227,114</td>
<td>231,182</td>
<td>-1.8</td>
</tr>
<tr>
<td>West Australian (Sat)</td>
<td>389,226</td>
<td>389,490</td>
<td>-0.1</td>
</tr>
<tr>
<td>Sunday Times</td>
<td>346,415</td>
<td>349,084</td>
<td>-0.8</td>
</tr>
<tr>
<td>Mercury (M-F)</td>
<td>50,140</td>
<td>49,762</td>
<td>+0.8</td>
</tr>
<tr>
<td>Mercury (Sat)</td>
<td>63,433</td>
<td>63,433</td>
<td>Steady</td>
</tr>
<tr>
<td>Sunday Examiner</td>
<td>41,777</td>
<td>41,957</td>
<td>+0.9</td>
</tr>
<tr>
<td>Sunday Tasmanian</td>
<td>53,920</td>
<td>53,449</td>
<td>-0.4</td>
</tr>
<tr>
<td>Canberra Times (M-F)</td>
<td>41,631</td>
<td>41,624</td>
<td>Steady</td>
</tr>
<tr>
<td>Canberra Times (Sat)</td>
<td>71,999</td>
<td>71,893</td>
<td>+0.1</td>
</tr>
<tr>
<td>Canberra Times (Sun)</td>
<td>38,939</td>
<td>38,913</td>
<td>+0.1</td>
</tr>
<tr>
<td>Northern Territory News (M-F)</td>
<td>23,033</td>
<td>22,503</td>
<td>+2.4</td>
</tr>
</tbody>
</table>
Magazines

In May former Woman's Day editor Bunty Avieson was appointed editorial director of New Idea. In May, TV Week, with its circulation down around 363,000 (500,000 fewer than a decade earlier), appeared with a new logo, the culmination of six months of design and editorial changes under new publisher Vicky Mayer and editor Katie Ecksberg. In February, Australian Consolidated Press and sister company, the Nine Network, completed arrangements to launch in mid-year a monthly magazine carrying the title of the high-rating television show, Burke's Backyard. The aim was for the magazine to have about 180 pages, with 40 per cent advertising. Publishing and multimedia company PMP Communications reported an 18 per cent fall in net profit for 1996-97 to $47.7 million. In July, News Corp quit its 40 per cent stake in PMP Communications for $325 million.

In the top 20 magazines by circulation (see Table 2), the Australian Women's Weekly (now below one million), Woman's Day and New Idea continued as the top three, TV Hits jumped from no. 15 to no. 8, and Australian Good Taste and Marie Claire made their first appearance, displacing New Woman and Australian Penthouse.

Table 2: Top 20 magazines

<table>
<thead>
<tr>
<th>Magazine</th>
<th>Circulation six months to 30/6/98</th>
<th>Circulation six months to 30/6/97</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Australian Women's Weekly</td>
<td>963,626</td>
<td>1,004,191</td>
<td>-4.0</td>
</tr>
<tr>
<td>2. Woman's Day</td>
<td>892,155</td>
<td>962,442</td>
<td>-7.3</td>
</tr>
<tr>
<td>3. New Idea</td>
<td>570,418</td>
<td>563,782</td>
<td>+1.2</td>
</tr>
<tr>
<td>4. That's Life</td>
<td>523,577</td>
<td>504,277</td>
<td>+3.8</td>
</tr>
</tbody>
</table>
5. Reader’s Digest | 501,059 | 518,312 | -3.0
6. TV Week | 354,481 | 400,923 | -11.6
7. Better Homes and Gardens | 318,751 | 342,462 | -6.9
8. TV Hits | 253,000 | 156,160 | +62.0
9. Australian Family Circle | 243,882 | 265,945 | -8.3
10. Cleo | 234,264 | 247,196 | -5.2
11. Cosmopolitan | 222,351 | 224,816 | -1.1
12. Who Weekly | 210,721 | 234,775 | -10.2
13. Dolly | 195,000 | 177,205 | +10.0
14. New Weekly | 185,176 | 199,259 | -7.1
15. Girlfriend | 176,246 | 150,228 | +17.3
16. Picture | 159,129 | 164,099 | -3.0
17. Australian Good Taste | 150,897 | 97,166 | +55.3
18. Time | 144,153 | 153,515 | -6.1
19. Marie Claire | 121,838 | 113,574 | +7.3
20. For Me | 120,731 | 137,752 | -12.4

**Commercial broadcasting**

For the year to June 1997, commercial television enjoyed an advertising sales rise of 6.7 per cent to $2.4 billion, according to the Australian Broadcasting Authority. Profit rose 4.2 per cent. Radio advertising sales rose only 1.1 per cent to $523 million, resulting in a 4.2 per cent decline in profit. In both TV and radio, the metropolitan stations outperformed their country counterparts. Of the 44 commercial TV stations, the 15 state capital stations contributed 79 per cent of total revenue, with 13 of them profitable. There were 181 commercial radio stations, 14 more than the previous year.

In July, the Government announced five new appointments to the ABA, including a new chairman, Professor David Flint, an academic lawyer who had served for a decade as chairman of the Australia Press Council.
Radio

In November, Reg Grundy’s RG Capital Radio spent a record $2.32 million for the Albury radio licence auctioned by the ABA. The price was $225,000 more than Telecasters Australia paid for the second commercial TV licence in Darwin. RG Capital also paid $1.25 million for an FM licence in Shepparton, Vic. (pop. 41,000). In all, the ABA raised $8.8 million with the auction of licences in November. When the ABA invited applications for commercial radio broadcasting licences in Cairns, Mackay and Townsville (each two licences) and Bundaberg (one licence) in May, prices were lower. RG Capital dominated the bidding, but paid only $2.425 million for five of the seven licences on offer. It obtained both new FM licences in Townsville and one each in Mackay, Cairns and Bundaberg at prices between $325,000 and $600,000 per licence.

DMG Radio Australia — owned and controlled by British media company, Daily Mail & General Trust — bought one FM licence in Cairns for $550,000 and one in Mackay for $400,000. DMG, the largest regional radio network in Australia, already held two FM licences in Townsville and an AM and FM station in Cairns and Mackay. It was going to have to sell its AM stations in Cairns and Mackay to comply with the two-station rule, which prohibits an individual from holding more than two radio licences in the same market.

In June the Federation of Australian Radio Broadcasters (FARB) agreed that deficiencies had been found in regard to sex and language in its industry code of practice. Brisbane station Triple M admitted that a live commentary of a sex act in a brothel early in 1998 had not been suitable. FARB chairman Tony Bell said FARB would redraft its code of practice to include specific reference to language, sex and sexual behaviour and the portrayal of violence. Communications Minister Alston had complained there were virtually no rules in radio and television paid little regard to its rules.
Television

Izzy Asper’s Canwest Global Communication’s was forced to reduce its stake in Ten Group after the Federal Court had dismissed Canwest’s appeal against a ruling by the ABA. The ABA had ruled that Canwest was in breach of foreign ownership rules. Canwest had to reduce its stake from 76 per cent to 57.5 per cent. This triggered a float, with Telecasters North Queensland as the vehicle. This company, renamed Ten Network Holdings, held a 39.14 per cent stake in the unlisted Ten Network.

Ten Group Ltd. announced a 12.8 per cent increase in net profit before tax to $146.9 million. Revenue grew 16.6 per cent as a result of the contribution of stations in Adelaide and Perth, acquired in November 1995 in a settlement with Charles Curran’s Capital Television Group Ltd. On a comparative basis, advertising revenue rose 6.1 per cent. In the nine months to 31 May, net profit jumped 6 per cent to $53 million.

In April, the High Court cast doubt on Australia’s ability to control the amount of foreign content on commercial television when it ruled that New Zealand programs should be treated as if they were Australian. The case was brought by an NZ screen industry group under the banner, Project Blue Sky. The NZ lobby argued that because the Closer Economic Relations Treaty gives Australia and NZ equal access to each other’s markets, NZ films and TV programs should qualify under the ABA’s local content quotas. ABA chairman Flint said the ruling had undermined the industry’s regulatory framework.

In June, analysis based on people meter ratings by AC Nielsen revealed a continuing decline in the number of children and teenagers watching free-to-air TV. Mediacom says the decline, for children aged five to 12, amounts to 18 per cent over the entire day. Pay TV operators were not able to produce figures to suggest the “lost” children were watching pay TV.
Bruce Gordon’s WIN Television overcame fierce competition to secure in April the second commercial TV licence for regional Western Australia with a record bid of $36 million. WIN — a Nine Network affiliate with four regional stations and one metropolitan station — then had 12 months to establish a second commercial station to serve at least 60 per cent of the 500,000 West Australians living outside Perth.

In March, the federal government ignored strong warnings from all its economic-policy departments when it decided to give free-to-air TV stations, in effect, a multi-million-dollar gift of exclusive access to digital broadcasts until 2008. Digital broadcasts are expected to begin on 1 January, 2001. Commentators were amazed at the government’s failure to auction the spectrum to various bidders, arguing that the Government’s comprise was a “recipe for mediocrity”. John Fairfax Holdings and News Ltd. were excluded from a high-level government consultative group that was to begin work on implementing the new digital regime.

For 1996-97, Seven network announced a 22 per cent drop in net profit to $88.9 million after allowing for a big notional tax payout — $48 million more than paid the previous year. Total revenue was up from $676 million to $799.5 million. For 1997-98, net profit slumped 77.1 per cent to $20.4 million. The result came after a net abnormal loss of $62 million related to writedowns on its investment in the former pay TV sorts channel Sports Vision and costs associated with exiting its stake in Hollywood studio Metro-Goldwyn-Mayer.

In July, Seven bought the ABC’s loss-making Australia Television for less than $5 million, ending the national broadcaster’s four-year attempt to run a commercial Asian satellite service. Seven planned to use the service as a springboard into the Asian market, intending to add up to eight channels in the next several years. Seven guaranteed that ATV would broadcast at least 16 hours of predominantly Australian content a day for the next four and a half
years. In September, Seven agreed to cover part of any shortfall in funding for the $350 million AFL Docklands Stadium in Melbourne, in addition to its already announced commitments of $150 million. News Ltd. was part of the winning Seven bid which was tied to obtaining first and last rights of refusal over television rights to AFL matches. The rights, presently held by Seven, expire in 2001.

**Television news**

Fewer and fewer Australians are watching television news each year. Between 1991, when people meters were introduced to measure TV ratings, and 1998, the audience for Sydney's top-rating Nine news fell by 140,000 to 498,000; for Seven news, by 75,000 to 338,000; for Ten, by 34,000 to 198,000; for SBS, by 41,000 to 46,000. For the ABC, however, the audience rose by 38,000 to 341,000. There was a national decline, too, despite Nine increasing audiences in Brisbane and Perth. Current affairs programs have been losing audiences, too. In Sydney, *A Current Affair* lost 218,000 viewers, falling to 473,000; *60 Minutes* lost 114,000, falling to 509,000; *Four Corners* lost 78,000, falling to 183,000.

**Pay TV**

On the pay TV front, the news of the year was the demise of Australis Media Ltd. In October the Australian Competition and Consumer Commission blocked the proposed merger of Foxtel and Australia Media Ltd. Seven months later the end came for Australis. It was placed in receivership in May when its directors moved to protect themselves after the company's crucial $155 million refinancing deal collapsed. Australis had traded on the financial brink for a year. It sacked 140 in November. The demise of Australis left Foxtel free to implement a new programming supply deal with four Hollywood
studios. Foxtel had been contracted to buy its films from Australis for $4.5 billion over 25 years. Significant savings for Foxtel were expected under its direct supply agreement with the studios. Weeks later, Foxtel secured a major strategic advantage over Optus when it agreed to acquire Australis Media’s network of 50,000 satellite dishes and decoders in former Galaxy subscribers’ homes.

Six weeks after the demise of Australis, Optus’s SportsVision programming company was placed in provisional liquidation. The collapse of SportsVision was greeted as another potential trigger for rationalisation of pay TV programming. A day later, Optus Communications signed a fresh sports programming deal with the Seven Network that opens the way for non-exclusive programming deals. Seven thus becomes the major supplier of sports channels to Optus’s pay TV subsidiary, Optus Vision.

Optus Communications, which reported a $411.8 million loss for 1996-97, recovered to lose only $83.6 million for the December half of 1997-98. Chief executive Chris Anderson, who joined the company in October after two years as chief executive of Television New Zealand, claimed a sharp turnaround in earnings and fortunes under his brief tenure and vowed to end the “giddy days” of expansion at all costs in favour of pursuing sustainable earnings growth. By May he was talking of achieving a bottom-line profit in 1998-99.

**Internet and the media**

In June, a $50 million Internet venture jointly owned by Microsoft and Kerry Packer’s Publishing and Broadcasting Ltd. slashed its news service, sacking seven editorial staff and four others. Ninemsn’s original news was replaced with a feed from the Australian Associated Press. On 12 March, the Nine Network Microsoft Web site, ninemsn, was launched. News Ltd. launched an online news service, the Australian News network, on 1 Octo-
Stories from the company’s Australian newspapers became available on www.theaustralian.com.au. The network was constantly expanded during the year. In February, entertainment news, features and reviews were added, and in March, an extensive and constantly updated weather service. APN News & Media Ltd. entered into a joint venture with the Brisbane Internet company, DVP Media, to develop Checkout Classifieds, which can be called up on its Web site, www.checkoutclassifieds.com.au. It contains a compilation of classified lineage from all of APN’s 13 regional daily newspapers. According to a Roy Morgan Research Centre survey, nearly 33 per cent of Australians had accessed the Internet by the end of 1997, up from 19 per cent a year earlier. Nearly 20 per cent accessed the Internet at least once a month.

Other Publishers

Rural Press Ltd. recorded a 15 per cent increase in operating profit to $61.2 million in 1997-98 but its 101.5 per cent increase in earnings was skewed by a $27.42 million abnormal gain from the sale of its broadcasting operations. For 1996-97, Rural Press lifted net profit by 2.1 per cent to $32.2 million. It was its sixth successive year of earnings growth. APN News & Media Ltd. posted a 15 per cent rise in profit to $14.5 million for the six months to 30 June. For the calendar year 1997, APN posted a record $30.4 million net profit. West Australian Newspapers lifted net profit for 1996-97 by 3.3 per cent to $49.3 million. For the first six months of 1997-98, it posted a decline of 14.9 per cent to $21.53 million.

Dr Kirkpatrick is a senior lecturer in journalism at the University of Queensland.
July 1998. New Tissue Chip To Illuminate the Cancer Development Process Scientists at the National Human Genome Research Institute (NHGRI), in collaboration with the University of Tampere in Finland and the University of Basel in Switzerland, are developing a new research tool they call the "tissue chip," which they expect will eventually help clinicians design such individual treatment plans.

June 1997. NIH Researchers Find First Parkinson's Disease Gene Scientists at the National Human Genome Research Institute (NHGRI) at the National Institutes of Health (NIH) have for the first time precisely identified a gene abnormality that causes some cases of Parkinson's disease. May 1997.