

# CHAPTER 4

## BALANCED COVERAGE

### The 1992 conversation

4.1 The trigger for the establishment of this committee were the remarks made by Mr Conrad Black in his autobiography *A Life in Progress* regarding a meeting with Mr Keating. Those remarks have been taken out of context, exaggerated in importance and turned into the basis for a futile inquisition into possible 'deals' between Mr Black and the Prime Minister.

4.2 This sensational beginning to the process set the theme for the workings of the committee under the Chair's leadership. The evidence upon which the findings against the Prime Minister have been built, consists mostly of material which should never have been used by a parliamentary committee at all. The key texts used by the Chair have been *Corporate Cannibals* and *A Life in Progress*. *Corporate Cannibals* is a dramatised and highly-coloured account of the 1991 Fairfax takeover. It was written by two Fairfax journalists whose views were coloured by their perspective as employees of a once grand enterprise which had been dragged through the unpleasantness of receivership, takeover and re-adjustment. Their view of events was flavoured with the conspiracy theories which commercial competition generates and with some resentment of the new owners. This book was referred to by the Chairman as a key document in his analysis of events, despite the journalistic licence taken by the authors, who did not appear before the committee to substantiate their numerous assertions.

4.3 *A Life in Progress*, Mr Black's autobiography, was equally inadmissible as evidence but was nevertheless frequently given the status of evidence in the majority report.

4.4 In the process of turning his business dealings and his meetings with world leaders into narrative prose, Mr Black had unfortunately chosen at times to link related conversations and events so as to give his tale continuity. In doing so, he established a false sense of causality to events. While it suited Mr Black's view of his own importance to portray all of his meetings with the notable and the successful as somehow a meeting of like

minds, witnesses have commented that in doing so, his narrative made all other public figures subordinate players to his own interests.<sup>1</sup>

4.5 This extraordinary approach to what constitutes admissible evidence was to continue throughout the workings of the committee and into the majority report.

4.6 The Chair's report includes countless references to newspaper articles which were nothing more than speculation and rumour, even at the time. By selectively including them in his report the Chair has given these reports a status which is undeserved and he has continued to build a clumsy and fantastic version of events which is held together by newsroom gossip.

4.7 The government members of the committee have been shocked by the extent to which wild conspiracy theories and extraordinary suppositions have been given credibility by the committee simply because they were printed in the press or broadcasted by the media.

4.8 Unfortunately, those in public life are often the target of the unstable or the malicious comment and there are many people who enjoy speculating on what may have happened in any major event when the orthodox accounts are not sufficiently exciting for them.

4.9 This committee, for instance, like many others, has had its share of submissions from extremists from the left and the right. We have received letters claiming that the Fairfax takeover is part of an international conspiracy to plunge the world into a new 'dark age' and that it is linked to global attempts to destroy the monetary system and the world as we know it.<sup>2</sup> What has been more disturbing, however, is that in the case of this particular inquiry, with an opposition majority hostile to the government, the Chair has seized on the conspiracy theories which he felt had most credibility and has endorsed them.

4.10 The purpose of this committee, from its very establishment by the Senate on the motion of Senator Alston, has not been to find the truth but

---

<sup>1</sup> See for instance, Malcolm Turnbull's comments on Mr Black's version of events in Evidence p 137

<sup>2</sup> Craig Isherwood, National Secretary, Citizens Electoral Councils of Australia Group, Submission, 27 April 1994

---

to find the most plausible version of the conspiracy theories in the media and to endorse it by whatever means.

4.11 This process began with the terms of reference and that initial willingness to seize on a trivial piece of self-aggrandisement in an autobiography. It has continued through to a report cobbled together from hearsay reports and from anecdotal evidence by media speculation feeding off itself.

4.12 At the time of the publication of *A Life in Progress*, in November 1993, Mr Keating was attending a major APEC meeting in Seattle. When Mr Black's comments from the book were raised with the Prime Minister by journalists, it was during interviews concerning other far more serious matters. Mr Keating's first replies were light-hearted and jocular. Aware that there was no substance to the speculations raised with him, he accurately referred to Mr Black's comments as 'dust in the cracks of history'.<sup>3</sup>

4.13 Mr Keating's comments during a number of interviews at the time reflected the same tongue-in-cheek attitude to the attempts by the media to 'beat up' a controversy. He was aware that the relationship between the government and the media is continually under scrutiny, since as he put it,

... there's no group more self-interested than the Fairfax journalists in the affairs of Fairfax. The only rivals are the ABC and the affairs of the ABC. Outside of these two very articulate and self-interested groupings, the rest of us are bystanders to the general media debate.<sup>4</sup>

4.14 Allegations of a relationship between politicians and Fairfax had always been likely to be beaten up sooner or later, but right up until the release of the book, it could have gone either way. As Mr Keating has many times pointed out, it was actually Dr Hewson who had offered Mr Black the most generous concessions on ownership and had the Liberals won the election, the innuendo would certainly have been laid at their door instead. As early as 24 October 1992, the 'Canberra Insider' column of *The Sydney Morning Herald* carried the comment by Tom Burton that:

---

<sup>3</sup> Conrad Black, 7.30 Report, 22 November 1993

<sup>4</sup> The Hon P J Keating PM, Transcript of interview with the Prime Minister, Seattle, USA, 19 November 1993

Black this week was reported as admitting that he would have a better chance under the Liberals, which no doubt will lead to a conspiracy theory about the direction of Fairfax's political coverage whenever an anti-Keating story gets a big run in the lead-up to the election.<sup>5</sup>

4.15 Mr Keating, responded firmly to the 'deal' allegations when they were put to him in 1993. He repeated his response in the Parliament and in the media.<sup>6</sup> Unfortunately, as they did not fit comfortably with the conspiracy theories favoured by the Chair, the major parts of Mr Keating's remarks have been omitted from the report.

4.16 From the time of its inception, Mr Keating was well aware of the likely composition of the committee and of its predisposition to misjudge even the most straightforward evidence. He chose to respond to its concerns in the Parliament, but not as a witness because he was well aware that the members were likely to do as they have: namely to bring the Senate and the Parliament into disrepute by the abuse of committee powers. There is no precedent for the Prime Minister to appear before a Senate committee, particularly a hostile one which sets out to denigrate the executive. To have appeared would have been to allow the office of the Prime Minister to be brought into the same disrepute. Messrs Black and Hawke were ample evidence that an injudicious control of the privilege of parliamentary committees by a weak Chairman seeking sensational press coverage can lead to an exploitation of insignificant disagreements between public figures. In its eagerness to uncover anything sensational, the committee encouraged witnesses into pointless accusations and counter-accusations over details with little significance.

---

<sup>5</sup> Tom Burton, 'Canberra Insider', *The Sydney Morning Herald*, 24 October 1992

<sup>6</sup> The Hon P J Keating, *Four Corners*, 5 November 1990  
The Hon P J Keating, *PM*, 14 November 1990  
The Hon P J Keating, *Lateline*, 19 September 1991  
Tom Burton, 'Canberra Insider', *The Sydney Morning Herald*, 24 October 1992  
The Hon P J Keating, Transcript of interview with the Prime Minister, Seattle, USA, 18 & 19 November 1993  
The Hon P J Keating, *7.30 Report*, 22 November 1993  
House of Representatives, Hansard, 24 November 1993, p 3548  
House of Representatives, Hansard, 25 November 1993, pp 3697 & 3740

## **'BALANCE'**

### **Mr Black and 'balance'**

4.17 As a prospective foreign owner of Australian newspapers and later as a current owner seeking to increase his share, Mr Conrad Black was understandably sensitive to his image. Through his own research he had no doubt established that there was anxiety in the community about his interventionist tendencies elsewhere and his proclivity to right wing views. It is not surprising then that he should be interested in dispelling such views among the government and the public.

4.18 As the committee's report does show, the term 'balance' was one frequently used by Mr Black whenever in the country to emphasise his belief in fairness.

4.19 In its dealings with government, business naturally tends to seek an advantage by trying to understand and anticipate government policy. Mr Black's initial reference to 'balanced coverage' was, therefore, not in response to any specific request by the government for undertakings. It was rather an attempt to anticipate government's views and run ahead of them.

4.20 The majority report has very selectively used instances of Mr Black's statements on balance and attempted to link them to the government. They have not, for instance, used his interview with the PM program of 25 November 1992, when Mr Black publicly slated Fairfax journalists for their handling of a story of a poll which had disadvantaged Dr Hewson, nor the coverage of the disciplining of the journalist responsible, which was referred to in the Daybreak program of 9 November 1992.

### **Mr Keating and 'balance'**

4.21 Mr Keating has already stated that for him the concept of 'balanced coverage' was one of non-interference by the owner in the freedom of expression of the journalists and editors.

4.22 Mr Black chose to summarise one element of those discussions by using the expression 'balanced coverage'. He later admitted to the committee that the term was his own and that Mr Keating had simply responded to it. This was confirmed by Mr Keating in his own remarks. Mr Keating's only

concern was that there be accurate reporting of news. Mr Keating made no request for favourable treatment.

4.23 As already stated, Mr Black is known for his strongly partisan support of Mrs Thatcher and of Mr John Major in elections and leadership struggles in the UK and for his interference in those issues via his newspaper. He is a conservative newspaper owner and any attempt to link his views of 'balance' with those of the Prime Minister is patently absurd.

### **The federal government and 'balance'**

4.24 The principles of freedom of speech and accuracy of reporting are well expressed in the Report *News & Fair Facts*, prepared by the House of Representatives Select Committee on the Print Media in 1992. This report and the deliberations of the government, as revealed by this inquiry, clearly show that the government values freedom of speech and accuracy of reporting very highly.

### **The public and 'balance'**

4.25 In Australia we have as a community come to expect that newspapers will exert their independence and comment in a forthright way on issues. We are not accustomed to having balance within reports so much as balance between the sum of all reports. But Australia does expect accurate and fair reporting of all issues.

4.26 The Australian public is also aware of and accustomed to the editorial culture of certain newspapers and is able to discount that element by balancing between sources.

4.27 For instance, Fairfax's *The Age* newspaper has an ongoing tradition of small 'l' liberalism, a tradition which has been made more conservative by its new management. Mr Forell, of *The Age* Independence Committee stated that:

Politically, I guess that we have become more conservative, harder line in economic policy. I do not mean that we have become realigned in a partisan sense. I do not think that is true at all. But there is a different feeling about *The Age*. *The Age* has always embraced what you might call

---

small - 1 liberal principles such as concern for the underdog. There is a much harder line these days.<sup>7</sup>

4.28 Mr Kohler agreed that, under his editorship, *The Age* had been conservative:

**Senator Carr:** Have you ever supported a trade union in an industrial dispute, in the time that you have edited *The Age*?

**Senator Kernot:** You mean editorially?

**Senator Carr:** Yes.

**Mr Kohler:** Probably not.<sup>8</sup>

4.29 Mr Hoy, Deputy Chief Executive and Editorial Director at Fairfax, went so far as to say:

Mr Hoy--Not a single Fairfax newspaper supported Labor in the final analysis which is a source of irritation to me because that final decision is not an easy one for editors to make. It is made after substantial consultation with their senior staff. I feel that I would be in a very difficult position now if any one of our newspapers had actually supported the ALP. This is why I tried to explain to Senator Alston, when this inquiry was first mooted, that I felt this was a dangerous inquiry to be forming. As far as any question of balance in our newspapers is concerned, it was a claim that could be completely thrown out with even a cursory examination of the coverage of the election by our newspapers. Certainly the fact that not one supported the Prime Minister at the election must have erased any doubt anybody would have.

Senator LOOSLEY--Why did you use the word dangerous to describe the committee?

Mr Hoy--Because it is a free society and a free media and it should be kept at arm's length from politics.<sup>9</sup>

---

<sup>7</sup> Evidence p 361

<sup>8</sup> Evidence p 304

<sup>9</sup> Evidence, p 195

4.30 In the light of such a conservative stance from Fairfax editors and executives, it is absurd that the committee majority has taken the line that it did. In seeking to establish a conspiracy theory, they have attempted to link the most conservative newspapers in the country with a Labor government. This is in spite of the obvious and glaring difficulty in the theory: that Dr Hewson, the leader of the Liberal Party at the time, had offered a far greater ownership share to their proprietor. Had the editors and executives any strong loyalties to Mr Black's commercial interests, and had they intended to assist him in any way, support for a Labor government would have been the last place to start. Similarly, for Mr Keating to have attempted to change the journalistic, editorial and managerial culture at Fairfax would have been like asking the leopard to change his spots.

4.31 To the extent that the committee did uncover evidence of change at Fairfax, it was of the commercial kind, engendered by a new management focussed on efficiency and return for investment. Whether this change has been for the better will be judged by consumers, and demonstrated in circulation figures for the papers.

### **The Labor party and 'balance'**

4.32 The position of the Labor party on media issues has been strong and consistent. Mr Keating's actions have been in keeping with that platform and directed towards confirming the diversity and independence of the Australian media. Labor's platform includes the following:

#### Print

- |         |   |
|---------|---|
| Rule 41 | Maintain and enhance freedom of the press, which is a cornerstone of democracy  |
| Rule 42 | Promote the public's right to a full variety of views in printed media by ensuring diversity of ownership through:  |
| a)      | strong cross-media ownership limitations;   |
| b)      | limitations on the capacity of dominance in particular markets by utilising all arms of federal government authority including the Foreign Takeovers Act, the Corporations Act and the Trade Practices Act to ensure proper |



restrictions on further print media concentrations;

Rule 45 Provide assistance to those publishers who provide a unique contribution to Australian literature.<sup>10</sup>

## MEETINGS AND DISCUSSIONS

### The propriety of discussions between government and business

4.33 As Prime Minister, Mr Keating is expected to hold conversations with a broad range of persons, including newspaper owners. This committee and the House of Representatives Select Committee on the Print Media have had considerable evidence and comment regarding conversations by politicians with the media and its owners. It is well accepted that such conversations do occur and are part of the free flow of comment and opinion necessary for democracy. At various times most of the editors who appeared before the committee made it clear that they had meetings and/or telephone conversations with politicians from both sides of the Parliament. The most striking instance of this was, of course, the Chairman's own widely publicised telephone conversation with Mr Kohler in which he requested 'balance' in coverage of Liberal policies.

4.34 This behaviour by the Chair led to a rash of newspaper headlines as the media responded to this double-standard:

FAIRFAX CHIEF SAYS SEN ALSTON'S ACTIONS IMPROPER

– *The Australian Financial Review*, 10 March 1994

PRINT INQUIRY CHIEF SHOULD STEP DOWN

– *Courier Mail*, 10 March 1994

MEDIA BOSS ATTACKS INQUIRY

– *The Australian*, 10 March 1994

FAIRFAX CHIEF TAKES ATTACK TO SENATOR

– *Sydney Morning Herald*, 10 March 1994

FAIRFAX BOSS CALLS ON ALSTON TO STEP DOWN

– *Canberra Times*, 10 March 1994

---

<sup>10</sup> Australian Labor Party, *Australian Labor Party Platform, Resolutions and Rules as approved by the 39th National Conference, Hobart, 1991*

FAIRFAX EXECUTIVE CALLS FOR MEDIA INQUIRY CHAIRMAN  
TO STAND DOWN

– *Canberra Times*, 10 March 1994

4.35 *Time* magazine summarised opinion by commenting that the Chair 'made a goose of himself'.<sup>11</sup>

**Dr Hewson and Mr Black**

4.36 At the time of the 1991 ownership decisions and routinely since, Mr Black and other media proprietors have made a practice of meeting with politicians from government and opposition in order to discuss issues of mutual concern. Dr Hewson had such a discussion with Mr Black and it was one in which he indicated total removal of limits to Mr Black's ownership:

The Leader of the Opposition, the rather Thatcherite and intelligent Dr John Hewson, had already promised that if he were elected he would remove restraints on our ownership.<sup>12</sup>

I met Mr Conrad Black on three occasions - July 1991, February 1992 and August 1992. The last two meetings were essentially informal social occasions. At these meetings I said to Mr Black nothing more and nothing less than what I have said publicly many times concerning the coalition's approach to the issue of foreign ownership of the Australian media. In relation to that issue, I have said that the coalition parties do not believe in specific foreign ownership limits simply because they do not work.<sup>13</sup>

4.37 Whereas Dr Hewson made it plain that he set no limits on foreign ownership, Mr Keating made a non-committal comment that the Government would re-examine Mr Black's position if it were still in office.

4.38 This aspect of liberal party policy was elaborated upon by Alexander Downer, the then Hon Shadow Treasurer when in a letter to the committee he stated:

---

<sup>11</sup> Kerry O'Brien, 'Bunfight of the Vanities', *Time*, 11 April 1994, p 13

<sup>12</sup> Conrad Black, *A Life in Progress*, Random House, Sydney, p 453

<sup>13</sup> Evidence p 719

---

The Coalition believes that each foreign proposal ought to be assessed on its merits, on a case by case approach, rather than through the application of specific percentage limits on foreign ownership.<sup>14</sup>

4.39 The lack of detailed policy on foreign ownership provides a totally inadequate framework for international investors to work within and allows for maximum discretion at a political level.

4.40 It provides no security to the Australian people as to what level of foreign ownership will be allowed under Liberal policy and does not refute the open slather policy that Mr John Howard introduced in the 1980's.

4.41 It is easy to understand how Mr Conrad Black, after discussion with the Liberal leadership, was assured that in his case, the Liberal party was quite relaxed by foreign ownership levels without limit. In this context, government senators on the committee can only be cynical about new found and politically opportune Liberal concern about the operation of FIRB.

#### **Whether there was an attempt to strike a deal**

4.42 Several hundred pages of oral testimony and 35 written submissions later, there is no evidence of Mr Keating striking a deal with Mr Black.

4.43 The Chairman has repeatedly attempted to pre-empt the findings of this committee by publicly referring to a 'deal', so much so, that Mr Black was forced to respond directly to his behaviour:

I would be remiss if I did not say, Senator Alston, that I looked at what purported to be a transcript of a radio interview you gave approximately a month ago in which you referred routinely to a deal between Mr Keating and myself. There was no such deal. There has been no such deal. I do not raise these points in any spirit other than to say that this issue has, to some degree, been prejudged and it has been unfairly judged. To imply or to assert that there has been any deal, much less that I confessed to or proclaimed the existence of, such a deal or that the Prime Minister confirmed it in his remarks in Seattle or elsewhere - any such implication, assertion or inference is mistaken and, indeed, wrongs the individuals involved.<sup>15</sup>

---

<sup>14</sup> Submission 22 , 10 February 1994

<sup>15</sup> Evidence p 646

### **Mr Keating's actions**

4.44 Mr Keating's statement on 18 November 1993 referred to a commitment to reconsider Mr Black's application. That remark has been widely misconstrued, as that commitment was no more than an undertaking that the government would do its job. Mr Black, as a part owner of an Australian enterprise, had asked about increasing his ownership. Mr Keating, as the Prime Minister, had given an assurance that the government would look at an application from Mr Black if it were forwarded through the correct procedures. His undertaking was to do so without being tardy, not an undertaking to deliver a specific outcome.

4.45 Regarding ownership it is obvious that the caucus allowed an ownership level much less than Mr Black either then or since would have liked. As Mr Keating put it on 26 November 1993:

... let me just put the hypothetical. If you were right, I broke the promise, didn't I? Because when the statement came out in April, on 20 April, it was 25 per cent, after a full Cabinet discussion. The fact is I never told Conrad Black that I would consider his 35 per cent. He wanted 35 per cent, he wanted 50 per cent, he wants 50-plus, he wants whatever number gives him complete certainty, and he particularly wanted them because he thought John Fairfax and Sons shares were cheap.<sup>16</sup>

### **Mr Black's actions**

4.46 Mr Black's references to 'exercising discipline' have been construed as providing evidence of action to carry out a deal. In fact, however, while he may have had some personal view that his was a strong line on propriety and subsequent conversations with staff could have had some other meaning, actual events and the evidence of his own editors and managing editors, Messrs Hoy and Mulholland, indicate that no pressure was exerted and no control exercised on the matter of editorial freedom. Mr Black's only communication to the staff had been that they had the freedom to take whatever line they chose.

---

<sup>16</sup> The Hon P J Keating, AM, 26 November 1993

---

## FAIRFAX NEWSPAPERS

### Non-interference and the role of the ownership

4.47 The allegations of a deal regarding balance and election coverage are refuted by events as they transpired. Regarding balance, it is plainly evident that the newspapers were in fact left free by Mr Black to indulge the views of their editors and did do so.

4.48 The committee has had clear and well-corroborated evidence from a number of witnesses that the newspapers' stance in the election was solely the responsibility of the individual editors.

**Mr Hickie:** I will say one thing on the record: I have been in an executive position on several of the Fairfax newspapers now for the last decade, and I would say that since Conrad Black became the principal shareholder in the Fairfax group there has been, as a matter of fact, the least interference, as in none, in editorial matters that there has been - I have been at Fairfax for 18 years in total, and Conrad Black's period of involvement in the share register of Fairfax has coincided with absolutely no interference editorially with what the papers are doing. That is in significant contrast perhaps with the past under the old Fairfax regime.<sup>17</sup>

Similarly:

**Chairman:** Could I perhaps for the record, seeing you are all representatives of journals of record, ask you what your comment is on Mr Black's submission where he says:

As Fairfax's ultimate principal shareholder, my only initiative in respect of political coverage in the Fairfax press was to ask the managing director to ask the editorial director to request to the editors of all the papers that they endorse whichever party they wished but that they ensure fair, professional and impartial coverage in the best Fairfax tradition.

---

<sup>17</sup> Evidence p 301

Were any of you asked to speak to anyone in those terms?

**Mr Hickie:** It was never conveyed to me.

**Mr Cockburn:** Nor to me.

**Mr Kohler:** I think I was told once to support whichever party I felt like supporting. I think I was probably told that.

**Chairman:** Was that gratuitous?

**Mr Kohler:** Totally gratuitous. But it was worth hearing. It was great, it was good to hear.

**Chairman:** Positive reinforcement.

**Mr Kohler:** It is not something that would have been conveyed to editors in the past at Fairfax. Editors in the past at Fairfax would have been told who to support in their editorials. Before the election during perhaps the last couple of weeks of the campaign, the board would have met and would have decided and would have handed down the tablet to the editors and told them who to support. Not only does that not occur, but we were specifically told that it was not going to occur and that we did not even have to tell them who we were supporting if we did not want to.

**Senator Carr:** And you all supported the conservative parties.

**Mr Kohler:** As it happens, that is true, yes.<sup>18</sup>

And again:

**Senator Carr:** Mr Hickie, you indicated that there is less interference now in the editorial decisions than there has been in the past. What was the nature of the interference in the past?

**Mr Hickie:** I indicated, to be specific, that there is no interference now, as opposed to there were regular discussions under previous managements about why certain stories had appeared in certain places, how

---

<sup>18</sup> Evidence p 307

---

editors had justified them, general discussions about placement of stories, the relative importance of them et cetera. These were things that took place in hindsight, where my line always was, if you have a problem with how the editor has done something, then get another editor. The current management obviously believes that you put the editor in place and you get the editor to edit. This is something that indeed allows editors to do that. And there is, among all the people who are in these sorts of positions, common agreement that there is a significant change in what might have been the case half-a-dozen years ago.<sup>19</sup>

4.49 This freedom to comment was also verified by Mr Matthew Moore, President of the Fairfax House Committee, on behalf of Fairfax journalists:

I guess one thing we would say at the outset is on one of the principal issues before this inquiry, as to whether journalists were instructed to cover the election in any particular way. We agree precisely with what Mr Mulholland and the editors have said, that there was no such instruction to any journalists as far as either of us are aware.<sup>20</sup>

#### *Written evidence*

4.50 In addition, in the evidence submitted by the executive directors of the Fairfax companies prior to the hearings, each categorically denied ever attempting to interfere with or influence the coverage of federal politics or the election. Similarly, the editors of the Fairfax newspapers stated that none of the directors had ever approached them concerning their coverage of election or political events:

Since 1988, successive editors of *The Age* have been bound by a charter of editorial independence - signed by editors, staff members, management and board members - that requires the affairs of the city, nation and state and the world to be reported fully, fairly and regardless of any commercial, political or personal interests, including those of any proprietors, shareholders or board members.

Michael Smith

---

<sup>19</sup> Evidence p 303

<sup>20</sup> Evidence p 345

Group Executive Editor  
John Fairfax Group Pty Limited<sup>21</sup>

In response to yours [letter] of January 27, 1994, I wish to state that I have at no stage asked any editor to take any particular political line and have left this to their individual judgements. At no stage has Mr Conrad Black or anyone else associated with him asked me to try to influence our editors in their approach to political issues.

Stephen Mulholland  
Chief Executive  
John Fairfax Holdings Limited<sup>22</sup>

In particular, I had no conversation or communication whatsoever with Conrad Black about either federal politics, or the *Sydney Morning Herald's* coverage of it, at any point. That remains the case to this day.

David Hickie  
Editor-in-Chief  
*The Sydney Morning Herald*<sup>23</sup>

### *Independent study*

4.51 The role of the owner was not so much apparent in this by his presence as by his absence. Conspiracy theories regarding Australian newspapers do not sit well with the facts. Australian journalists are well known for their independence. The proprietor of the newspaper is one of the influences least likely to shape their views. An independent study by the Australian Centre for Independent Journalism in January 1992 surveyed one hundred and five Australian journalists who cover economic, business or policy issues across a range of publications. The study found that their proprietors rated only tenth in importance of sources in providing guidance of what to cover. This rated proprietors lower than academics, public relations firms or think tanks in their ability to influence the journalist. Plainly it is mischievous and misleading to build a conspiracy theory around proprietorial intervention under the current regime at Fairfax or indeed most Australian newspapers.

---

<sup>21</sup> Submission No 20, 8 February 1994

<sup>22</sup> Submission No 14, 31 January 1994

<sup>23</sup> Submission No 9, 20 January 1994



---

## Election coverage

4.52 Beyond the understanding that there was no interference on the part of the ownership, it has been well recognised in the evidence to the committee that Fairfax newspapers largely supported the Opposition in the last Federal election. This anti-Labor stance clearly does not constitute what any person seeking a deal for bias would regard as satisfactory.

**Mr Hickie:** Well, all the Fairfax papers, except for the *Sun-Herald* in Sydney, advocated a vote for the federal opposition. The *Sun-Herald* in Sydney advocated no vote for either party; nobody advocated a vote for the Labor party.<sup>24</sup>

4.53 So strong was the bias in some cases that the editors themselves had misgivings. On 25 February 1993, the morning after Mr Keating's official campaign launch, the headline 'Pork Barrel Republic' was printed across the early edition of *The Sydney Morning Herald*. The anti-Labor slant in this was so blatant that the editor changed it outright. The later edition hit the streets announcing 'Keating's \$1bn Gamble'. This was actually just as loaded, but less openly so.<sup>25</sup>

### *Headlines and political momentum*

4.54 Mr Hickie, editor-in-chief of *The Sydney Morning Herald* agreed in evidence to the committee that the momentum of the last days of an election campaign is strongly influenced by newspaper headlines and editorials. The effect of the Fairfax coverage can only have been negative for the government and could not in any way have been construed as supportive.

4.55 In the days leading up to the election all three of the Fairfax newspapers featured articles with strong anti-Labor and pro-Liberal sentiment. On the 12 March 1993, the day before the election, there was a

---

<sup>24</sup> Evidence p 294

<sup>25</sup> Evidence of Mr M Cockburn, p 288, 'When I saw the page proof at about 11 o'clock that evening, in discussion with various other people such as the night editor, various page 1 editors, we made judgement that the headline which we had thought earlier in the evening was a very clever headline was perhaps a little bit too clever by half, a bit too "commenty".'

clear bias towards the Liberals in the editorials. The headlines of the editorials of the three papers read as follows:

IT IS TIME FOR A CHANGE

*The Sydney Morning Herald*

WHY HEWSON SHOULD WIN

*The Australian Financial Review*

WHY THE COALITION SHOULD WIN TOMORROW

*The Age*

4.56 Mr Hickie agreed that a growing number of Australians make up their minds just before polling day.<sup>26</sup>

### *Editorials*

4.57 Beyond the headlines, in the weeks approaching the election, Dr Hewson and his party were either favourably mentioned or directly supported numerous times in the editorial pages of the Fairfax Press:

Dr Hewson, for his part, has united a party which had been debilitated for most of the past decade by the rivalry between the former leaders, Mr Howard and Mr Peacock. No-one can now argue, as was the case in the last few elections, that the Liberals stand for nothing. *Fightback*, an unmistakably Hewson program, has unified the party and has also cemented relations within the Coalition.<sup>27</sup>

In this election, we are recommending a vote for the coalition, precisely because Dr Hewson is more prepared than Mr Keating to press vigorously with that crucial reform process.<sup>28</sup>

4.58 In contrast, the editorials were critical of both Mr Keating and the government for a perceived lack of national progress:

Since he became Prime Minister, Mr Keating has been much less committed to the program of reform than he was during the years when he

---

<sup>26</sup> Evidence p 297

<sup>27</sup> *The Sydney Morning Herald* (editorial), 12 March 1993

<sup>28</sup> *The Australian Financial Review* (editorial), 12 March 1993

was federal Treasurer and the intellectual driving force of the Government. The recession brought about a loss of nerve, an uncertainty about the direction in which Australia should be headed.<sup>29</sup>

In his economic statement in the first week of the campaign, Mr Keating proclaimed the Government's commitment to continue micro-economic reform. However, the Prime Minister's 'forward agenda' was just a restatement of the very modest initiatives of the preceding 12 months.<sup>30</sup>

Although he [Keating] has tried hard to rejuvenate the Government, it is showing signs of fatigue. It is time for a change.<sup>31</sup>

4.59 *The Australian Financial Review* even went as far as to run a series of editorials featuring Dr Hewson's positions on several key issues:

#### HEWSON'S PRUDENTIAL INQUIRY

John Hewson is considering holding a Campbell-style inquiry into prudential supervision if the coalition wins the elections ... another inquiry, carefully focused on the difficult issues of prudential supervision is a good idea - and not just because it would re-examine the painful failures of the 1980's.<sup>32</sup>

#### HEWSON'S STRONG POLICY LAUNCH

The real strengths of Dr Hewson's campaign launch was its strong emphasis on building the economy's productive capacity and the absence of any new spending promises.<sup>33</sup>

... Dr Hewson has been much more disciplined than Mr Keating in his spending and taxing promises, and has mainly confined himself to 'one-off' measures that would boost spending in the short term, but make little or no addition to the structural deficit in the medium term.<sup>34</sup>

---

<sup>29</sup> *The Age* (editorial), 12 March 1993

<sup>30</sup> *The Australian Financial Review* (editorial), 12 March 1993

<sup>31</sup> *The Sydney Morning Herald* (editorial), 12 March 1993

<sup>32</sup> *The Australian Financial Review* (editorial), 23 February 1993

<sup>33</sup> *The Australian Financial Review* (editorial), 2 March 1993

<sup>34</sup> *The Australian Financial Review* (editorial), 2 March 1993

## DR HEWSON AND THE STATES

The financial markets will be relieved to hear Dr Hewson's assurance that there will [sic] no new spending promises in today's campaign speech.<sup>35</sup>

## HEWSON VERSUS THE ECONOMISTS

... there is little doubt that Dr Hewson's tax reform would encourage saving and help growth in the longer run.<sup>36</sup>

### *Written evidence*

4.60 In their written evidence, the editors of the Fairfax papers also openly acknowledged their support for the Liberal party in the elections:

On the day before the March, 1993 Federal election, the *Age* recommended that its readers vote for the Opposition ... Editorials during the campaign generally favoured the Opposition.

Alan Kohler, Editor, *The Age*<sup>37</sup>

On Thursday, 11 March 1993 I rang Michael Hoy to inform him that, as a matter of courtesy, he should be aware that the Herald was printing an 'Election eve' editorial on the Friday morning which, while avoiding any strong support for either party, concluded that 'on balance' we were mildly advocating a vote for the Federal Opposition.

David Hickie, Editor in Chief, *The Sydney Morning Herald*<sup>38</sup>

## SUMMARY

4.61 From the strong statements made by Mr Black, Mr Keating and numerous witnesses, it is clear that the informal conversations between the two men were unnecessarily blown out of proportion by the media and the Opposition.

4.62 The 'evidence' used by the committee to judge what was said and intended by both men has been largely hearsay and media speculation,

---

<sup>35</sup> *The Australian Financial Review* (editorial), 3 March 1993

<sup>36</sup> *The Australian Financial Review* (editorial), 4 March 1993

<sup>37</sup> Submission No 9, 20 January 1994

<sup>38</sup> Submission No 10, 21 January 1994

which was not taken in hearings by the committee, but gathered from news reports. It is unsound and untested material which does not bear close scrutiny and which has been selectively chosen by the Chair on the basis of its attractiveness for conspiracy theorists.

4.63 Both Mr Keating's and Mr Black's understandings and use of the term 'balanced coverage' were in reference to fair and independent news journalism. Their definition of the term is in direct accordance with both the public's and government's understanding as well.

4.64 Mr Keating and Mr Black have firmly denied that any sort of a 'deal' was made between them. Mr Keating responded firmly and unequivocally to the Parliament and to the media at the time. The committee has deliberately selected from his responses on the basis of the majority predisposition to find fault regardless of the evidence. Evidence given by executives and editors of the Fairfax newspapers supports this claim. Mr Black was described many times as an owner not given to interfering in his newspapers' inner workings. The 1993 Federal election coverage, which was overwhelmingly in favour of the opposition in the Fairfax newspapers only supports this claim further.

4.65 This inquiry has been a pointless and expensive exercise in deliberately misunderstanding the trivia of public life at the taxpayers' expense.