

Australia:

Media magnates call for scrapping of ownership restrictions

Mike Head
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While much is being said in the Western media about the tightly-controlled character of the news outlets in Yugoslavia, moves are afoot to tighten the stranglehold that two multi-billionaires—Rupert Murdoch and Kerry Packer—already have over the news and information industry in Australia.

For the first time, the two have come together, joined by a third media group, in calling for the abolition of all restrictions on media monopoly and foreign ownership. Their calls came last week in written submissions to the Productivity Commission, which was several months ago appointed by the Howard government to review the broadcasting laws.

Murdoch and Packer were joined by Fred Hilmer, the recently-installed chief executive of newspaper publisher Fairfax Holdings, in urging the dumping of the existing laws, under which owners of TV stations cannot hold more than a 15 percent stake in daily newspapers in cities where they broadcast, and foreign companies cannot own more than 25 percent of a mass circulation newspaper.

This marks a major realignment. Until recently, the three groups were divided over the media laws. Packer, who owns the country's top-rating TV network, strove for some years to block Murdoch's attempts to acquire a television network. Murdoch, who controls two-thirds of the major daily newspaper circulation, endeavoured to prevent Packer taking over Fairfax. For its part, Fairfax, the publisher of the *Sydney Morning Herald*, the *Melbourne Age*, the *Australian Financial Review* and regional newspapers, sought protection from takeover.

Fairfax's reversal of its previous opposition to the dismantling of the media laws was not unexpected.

Hilmer was appointed to head Fairfax last year with Packer's support, as part of a creeping coup by Packer to circumvent the rules and take control of Fairfax via his former chief executive, Brian Powers. Hilmer is the architect of the federal government's National Competition Policy, which has unleashed the full forces of the market in fields such as financial services and power and water supply, leading to giant corporate takeovers at the expense of jobs and services.

Explaining Fairfax's about-face, Hilmer said the need to generate higher profits took priority over concerns about ever-greater concentration of control. "It would clearly improve shareholder value if we lifted those [media ownership] rules because we would have a chance to buy people, people would have a chance to buy us and there would be jockeying for positions in the oligopoly," he said.

The existing rules, cobbled together by successive Labor Party and conservative governments over the past two decades, were designed to protect the national market while juggling its control between Murdoch and Packer.

Under these rules, the degree of diversity in the media has contracted sharply. Since the mid-1980s, eight metropolitan daily newspapers and six Sunday papers have closed down, mostly victims of Murdoch's empire-building. The three commercial TV networks have taken over most local stations and replaced locally-produced news and other programs with network-wide products. Crippling cuts have been made in the budgets of the two impoverished government-run TV and radio operators, the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service (SBS).

These processes have dramatically shrunk the number

of journalists working in Australia. According to research conducted by the Communications Law Centre, a third of journalists' jobs have disappeared over the past decade, including half of the jobs in the metropolitan areas. Of course the incomes and careers of the remaining journalists are highly dependent upon the needs and desires of the handful of owners.

Now immense technological advances bound up with financial and economic globalisation have made it impossible for even moguls like Murdoch and Packer to shield their national niches from international rivals.

In their submissions to the Productivity Commission, Fairfax, Packer and Murdoch each referred to the far-reaching impact of digital technology, arguing that it made imperative for them to expand their operations into new fields. They pointed to the convergence between television broadcasting, satellite and cable TV, the internet, mobile and other telephone services and various forms of print media. Newspapers are increasingly available on the worldwide web, as are video news, sport and entertainment broadcasts.

All three conglomerates demanded the removal of licensing regulations protecting the highly-profitable activities of the national TV networks, which between them made profits of almost \$800 million in 1997-98—more than double the figure for 1993-94. The networks were “cosseted from competition,” charged Murdoch's News Limited, which wants a lucrative TV licence as another cash cow for its global operations.

Naturally, the owners of the lesser-rating Seven and Ten networks objected strenuously in their submissions. For their own reasons, they commented that new technologies were accelerating the trend toward concentration of media ownership. The TV networks “may not be able to compete or survive the extraordinary costs in the transmission [sic] to digital [technology],” warned the Seven Network, which is owned by a smaller tycoon, Kerry Stokes. It urged the Howard government not to allow internet “datacasters” to become de facto broadcasters.

The big three also insisted on the abolition of the national duopoly given to telecommunications companies Telstra and Cable & Wireless Optus in providing cable access to TV and internet services. These companies are, in turn, expected to fiercely defend their market in their submissions to the inquiry.

In its submission, Fairfax regurgitated the standard

nostrums of “free competition”. It listed the economic benefits of competition as “diversity, access, quality, efficiency, low prices and innovation”. In practice, the logic of the private profit system leads to monopoly, restricted access to independent sources and poor-quality mass-produced material. Far from being efficient, it features the wasteful destruction of corporate rivals, together with the jobs and livelihoods of journalists and production workers.

New internet-based media forms and the crumbling of national restrictions open up immense possibilities for more diverse, democratic and independent production of, and access to, news, information and analysis. The existing media magnates are, however, determined not to let that happen. They are in a global race with other conglomerates to establish control over the new media.

Some 80 years ago, in an article entitled “‘Democracy’ and dictatorship,” Lenin commented on the claim that capitalism provides “freedom of the press”. He described the slogan as “false and hypocritical, because in fact it is freedom for the rich to buy and bribe the press, freedom for the rich to befuddle the people with the venomous lies of the bourgeois press”. These words are even truer today, both in relation to the corporate domination of the media and its coverage of the Balkans war.



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