



Foreign Ownership

Chance to Develop a Coherent Policy

The value of the proposed Senate select committee on foreign ownership of the print media may lie in how well it tackles the term of reference that might seem to be an afterthought: 'the significance and effectiveness of the guidelines of the Foreign Investment Review Board'.

It's the nub of the public policy issue: why does Australia restrict foreign ownership of the media at all? If there are rational reasons, why doesn't the system work?

The answers would be applicable far beyond the press. Legislative foreign ownership restrictions are inconsistent for broadcasting (20 per cent total; 15 per cent individual) and pay TV (35 per cent total; 20 per cent individual). CanWest at the Ten Network has already given the Australian Broadcasting Authority cause to puzzle over the issue of control. Although shrouded, the results so far of the bidding process for the satellite pay TV licences would appear to mean that the major economic interests in the licensees will be foreign.

It is virtually common ground that foreign investment policy in relation to media desperately needs review (see, for instance, Conrad Black, *Fairfax papers* 26 November; Kerry Stokes, *Canberra Times* 27 November; *CU* issue 73 Dec 1991, & issue 88, May 1993).

If restrictions are based only on xenophobia, let's drop them. If we have rational grounds, let's articulate them and see them applied consistently and openly by FIRB and governments of any political complexion.

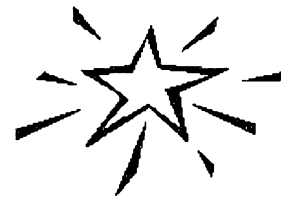
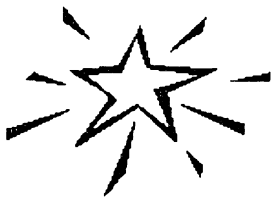
If through a Senate Inquiry we also discover what Conrad Black said to Paul Keating, how the PM replied and whether John Hewson made any promises to Black, so much the better. It is always nice for the public to get a glimpse of the reality of political-media relations.

Certainly there are intriguing questions. Why did Conrad Black disclose anything at all about these conversations in his biography and in TV interviews? Why did Conrad Black add to Keating's discomfort in his own party by writing in the *Fairfax papers* that when he and Keating met before the March election the PM promised to support an increase in Black's *Fairfax* holding to 25 per cent and said he might support an increase to 35 per cent after the election? Keating wanted 'balance' in the *Fairfax papers*. Did Conrad Black do anything to try to achieve it, and if so, how does that square with the charter of editorial independence?

Were any of the recent events connected to Kerry Packer's increase in his *Fairfax* stake to the 15 per cent currently permitted under the cross-ownership rules? It was fascinating to see how many players and commentators linked the foreign ownership limits with reconsideration of the cross-media limits. If the former are eased, Conrad Black may consolidate his control of *Fairfax*. If foreign limits are tightened and cross-media rules relaxed, Mr Packer may be able to increase his *Fairfax* holding. If both kinds of restrictions are diluted, the scene is set for a struggle for supremacy between the co-founders of *Tourang*. (Such a dual policy change across the board would also permit Rupert Murdoch a bigger slice of the *Seven Network*).

Government policy on cross-media, a 1986 creation of Treasurer Keating, is also relevant to the unfolding satellite licence bidding. With *Australis Media* apparently in control of the only licence which existing media players could bid for, pressure may go on the Government to adjust the rules governing the other licence, which is currently restricted to newcomers. □

Paul Chadwick



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ALL THE BEST FOR THE HOLIDAY SEASON AND A GREAT YEAR IN 1994.

FROM GIL APPLETON, EDITOR OF *COMMUNICATIONS UPDATE*,
ON BEHALF OF THE PUBLISHERS.

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