



In Just Spring

Kerry Stokes' winter came to an abrupt end on 1 September.

Channel Seven Chairman Kerry Stokes had been fighting two fights. In Canberra, the federal government's review of media ownership rules seemed focussed entirely on one objective - how to deliver Fairfax to Packer. The problem for the government was that not too many people thought it was such a great idea. The Coalition hated it, the Senate hated it, key journalists hated it and other media proprietors hated it. Quite an Opposition to line yourself up against.

None of these opponents, alone, would probably have been enough to stop the juggernaut trying to proceed, but together, there was a real chance that the government would spend months locked up in the kind of 'circus' Richard Alston feared when he first announced that the promised review of media ownership rules would not be the sort of public exercise described in the 1996 election platform *Better Communications*. And even then, the Senate numbers meant it might prove impossible to get new rules through anyway.

So the Prime Minister pulled the plug. Cross-media was going 'on the back-burner'. The government 'still has strong concerns' about the existing rules, but it is time to focus 'on things of more interest to mainstream Australia' like employment, tax reform and native title. Media ownership rules 'were unlikely to be revisited in this term'.

Two days later, Packer's PBL announced it had had enough and was getting out of Fairfax. It would offload its 15% stake into a unit trust which would in turn offload the shares over time so as to minimise the impact of

a one-off sell-down on the price obtained. It was familiar ground for Packer, who had walked away from a tilt at Fairfax with Conrad Black in the Tourang consortium in the early 1990s.

Melbourne

Stokes' other fight was in Melbourne, where he has been battling for his Seven Network to hold onto the rights to televise AFL football. This year, the code has further strengthened its position as the most lucrative sport for Australian television. A flurry of activity had followed the story a month or so ago that Nine was also bidding for the rights.

On 1 September, the same day the government announced its decision to put the media ownership review on hold, a decision was announced about the construction of the proposed Docklands Stadium on the western edge of Melbourne's CBD. Seven's consortium found itself part of the winning bid in a contest with the consortium which included Kerry Packer's PBL - a contest which can't have hurt the price the AFL was able to command.

It's all part of the price of the football. Seven will be a major contributor to the building of the new stadium, although it has indicated it is not there for the long term. It will also move its Melbourne studios from South Melbourne to the Docklands complex, giving the network a critical role in the commercial success of the whole Docklands project. The Network was needing, in any case, to do a lot of upgrading by installing digital equipment to handle the 2000 Olympics and as part of the likely

introduction of digital television transmission in Australia.

It's a complicated way to go about getting the rights to the footy, but it, together with the dollars, has got Seven the first and last shot at them.

On the Back-Burner?

Although the government says it's unlikely to revisit the media ownership issue this term, it's unlikely that all media operators will be as comfortable with the focus on issues 'of more interest to mainstream Australia'. Retransmission rights, amendments to the program siphoning rules and the huge issue of who will get access to the spectrum for digital terrestrial television broadcasting, are certain to keep the networks and pay TV operators talking in Canberra, and quieter planning for another shot at the ownership rules will never be far from the agenda.

For the moment, it's an important reprieve. Australia's already extraordinary levels of media concentration should not get any worse, at least in the major cities where the cross-media rules bite.

The task now is to make sure that the opportunities provided by new media are used to encourage new and diverse voices in the Australian media landscape. For the longer term, while ever the business case for bigger, consolidated media conglomerates remains, anyone interested in maximising the competition, diversity and plurality which was supposed to be driving the government's review of media ownership rules should be wary of nodding off.

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