

'Tizer, and the way they each strive to serve their readers.

I believe narrow-mindedness – disguised as high-mindedness – risks making its media irrelevant, instead of being as diverse and valuable to as many people as possible. We all have to expand our capabilities to encompass the changing world, its growing diversity and, indeed, its complexity. And we all have to avoid the perils of that narrow-mindedness that threatens to narrow our future – to restrict our opportunity – at a time when that future and opportunity is vast.

It seems that those who criticise the larger media companies for their reach and diversity are those who have time and again been unsuccessful in their efforts to mimic them. Their criticisms, ironically, identify the factors for our success and their failure.

I think a point of pride for companies like our own is our ability to cater to all members of society; to all demographics and everyone who demands and deserves their own quality media. Our lack of loftiness is a point of distinction. We do not patronise our readers and audiences. We believe there's no "high culture" or "low culture". No media is more worthy than any other because of the age, income or status of its target audience.

We at News find no disparity in publishing a Nobel Prize winning book, as we did this year, at the same time making profitable movies such as "Titanic", or even, "Dudé, Where's My Car". There is no room for dictating taste in the diverse and dynamic world of media. To limit taste only limits the role we play for people of all kinds. Intelligent media companies strive to provide both intellectual and comedy programs, groundbreaking and reflective articles, art house and popular movies. Not to be open minded in providing a full range of quality media would be a failure to serve the breadth and depth of the communities we live in.

But in order to serve these diverse communities, we must be profitable. The profit motive is not only fundamental to our ability to reward shareholders and pay employees; it's fundamental to excellent journalism. Far from corrupting the craft, profits enhance it. Expansion drives diversity and diversity protects and strengthens our craft. As Baz Luhrmann once put it: "*Our currency is not dollars*

and cents. Our currency is stories. Dollars and cents are the by-product". A by-product that allows us to constantly improve the real currency, the story. Our profits enable us to grow as we seek to meet the increasing demands of an increasing number of readers and viewers in a challenging and fragmented marketplace. It is the profit factor that has underpinned the enormous advances made in newspaper technology in such a relatively short time.

Only fifteen years ago newspapers were printed in black and white with occasional spot colour. Our image reproduction was terrible, and full colour coverage was an impossibility. While we employed the very best photo-journalists and artists in the world, their work was drastically undermined by the industrial limitations of the printing process. Every successful newspaper company has now invested hundreds of millions of dollars in new colour plants, all paid for out of profits. Today Australian newspapers reproduce better than any in the world, and our photographs and associated artwork more accurately represent the images that they capture.

But the investment has not been limited to physical production alone. The earnings from our most popular media products enable us to take editorial and artistic chances that may not make a lot of money – but make the media industry more exciting and again more diverse.

Take *The Australian*, for instance, created because we believed a national newspaper was essential for the nation but at first entirely supported by the profits of our state-based newspapers. It's no secret that *The Australian* once struggled for profitability. In those days, it was the profits from elsewhere in the group that supported the paper.

At the other end of the spectrum, we launched a sexy newspaper in Melbourne last year, called *MX*. This paper is designed specifically for younger, urban people who are not regular newspaper readers. It has been a great success and is internationally renowned for its groundbreaking design and unique perspective.

The important point here is that both *The Australian* and *MX* were launched out of the profits of our other newspapers, with whom they now compete vigorously. *The Australian* competes against all our

metropolitan dailies and *MX* with *The Herald-Sun*.

The profits of those papers have thus allowed for greater diversity and a greater range of quality journalism in Australia. Profits have increased competition, not lessened it, and made our media landscape far richer.

Another manner in which the health and ultimate growth of our company has broadly benefited our industry is in the sharing of something very powerful: human talent. The ability to move individuals and intellect from all over the globe has given Australia an enormous benefit, as Australians now populate many key positions in the media overseas.

The oldest continuously-published paper in America is headed by an Australian editor, Col Allan. Les Hinton, who runs our British newspapers, started his career as a copy boy on the Adelaide News, BSKyB's Richard Freudenstein hails from here too as does Fox Sports CEO, David Hill. And it was a *cause célèbre* when we appointed Robert Thomson editor of *The Times*. It is not possible to mention each Australian reporter, photographer, sub-editor and cadet that we have posted overseas.

I am amused that in Australia, News is often referred to as a US company, while in the US and in the UK we are seen, culturally and legally, as very much Australian. And we are proud that as a globally profitable company we can offer Australian journalists and media executives opportunities to compete on the world stage, gain invaluable experience, and perhaps one day bring that experience home.

THE CRAFT AND THE BUSINESS OF JOURNALISM: A MUTUAL INTER- DEPENDENCE

Above all else, profits underwrite our most important work without any regard for the bottom line. For news organisations world-wide, this was the case on September 11, 2001, and just one week ago when we all scrambled to cover another act of terror... this time on our own doorstep.

My first reactions on September 11 were, like everyone else, of horror and bewilderment. My next thoughts were those of a newspaper publisher. Where

were our journalists and other staff? Were they OK? Could we in these extreme circumstances even hope to publish a special afternoon edition of the Post to better inform our frightened readers?

But first, I had a more immediate problem : how to get from downtown Manhattan to the Post's editorial offices in midtown. Subways were closed, public transport shut down. The streets in my neighbourhood were blocked by thousands of people staring up in disbelief. From that moment on and for many months, the emotions in the city went from one extreme to the other. Shock, grief, anger, and fear.

Much the same emotions we Australians feel today.

But through all of this, all of us at the Post and Fox News – almost alone in an eerily empty midtown Manhattan – published and broadcast continuously. We added editions, and jettisoned advertising. Every resource devoted to a common end. Not once was cost mentioned or considered and they didn't have to be because these efforts were all supported by the underlying health of our company. To work in journalism on that morning, and ever since, is to know with renewed certainty the importance of what we do.

The events of September 11 tested, both personally and professionally, every reporter, editor, producer and employee of every newspaper and television channel around the world – but none more so than those in New York. For those journalists working to deliver the news from Ground Zero, the challenge was particularly daunting. Our journalists were among the firefighters and rescue workers who arrived on the scene moments after the first plane hit. Our print and television news teams worked around the clock, in an anthrax contaminated environment, conscious of the likelihood of further attacks.

It has been the same in Bali. Emotion-charged, exhausting work from our teams of reporters, and photographers.

These all-out efforts not only entailed great personal commitment but also substantial costs and sacrificed revenues. Ceaseless operations and nonstop programming inevitably result in many millions of dollars lost. But, thankfully,



we are in a position where we can make that right choice. It is here, where the craft of journalism and the business of journalism most clearly display their mutual inter-dependence.

And it is here where the media elite, who so stridently would build a great wall between so called serious journalism, narrow-minded and supported by charity, and so-called, commercial, popular journalism, are proven wrong. Without media companies driving for profits Australians would be bereft of many of the advances and services they now rely on. Not only would newspapers and other media outlets rely on old and obsolete technologies, but great papers such as *The Australian* and *MX* would simply not exist. Media choices would be limited, if you left it up to the elite, and the blanket coverage of important stories would be impossible but through the lens of the ABC.

People say Australians are the most egalitarian people in the world. I certainly believe we are. But why then is it so hard for the media elite in this country to be open-minded and encourage all the good that we as an industry do?

A case in point is the baseless attack on the Farmhand Foundation. About a month ago John Hartigan called me to discuss a million dollar donation from News Ltd to create a foundation aimed at supporting our drought devastated farming communities and nurturing a wide ranging debate about our water policies. A number of other media and business representatives were joining us in this timely effort. How something so simple could be turned into a grand conspiracy to sell a phone company, I have no idea. But again, out of narrow mindedness disguised as high mindedness, rooted in jealousy as the idea was not their own, our media elite launched a disgraceful and biased attack.

I wonder if things are getting worse in our country.

In 1994 News Ltd and Channel Nine launched a drought appeal that raised 19 million dollars for the bush. It was a great and successful appeal that helped many Australians in need. I wonder if it too, was connected to selling Telstra? Those among us who would dissuade the media from having a go to help people should be ashamed.

My grandfather, in his will, said that he wanted his children to "have the great opportunity of spending a useful, altruistic and full life in newspaper and broadcasting activities". All of us here tonight share that great opportunity of a full life in newspaper and broadcasting. And this week, journalists around the country proved their usefulness and yes, their altruism in reporting to a shattered nation. In doing so, we regained an appreciation for the role we play in people's lives.

Media is much more than an outlet for news; it is a forum for opinions, emotions and shared convictions that strengthen us all when we need strength most. This is why the providers of media must focus so hard on the pursuit of profits: because that enables us not to focus on profits at the times when our best and most important work has nothing to do with them. This is true not just in the case of monumental global events but all the time

and in all our businesses. Profits fund the excellence of our media services and the high quality of our products. They also provide a measure of our success that is critical to our desire to improve.

Our hard work to maximise revenues at our newspapers and TV stations year-round means we won't be forced to compromise the quality of those papers and stations in the event of a worldwide advertising slump, a price war declared by a rival, or the kind of event we saw last year or last week. At News our three fundamental beliefs – the good use of profit, the importance of international diversity, and the dangers of elitism – are what drive the value, in my opinion, of all modern media providers.

Great journalism needs profits, it needs to be broad minded, and it needs to always steer clear of elitism.

You know, when I was 6 years old standing in *The New York Post's* loading

dock, amongst the papers I loved then as I do now, I didn't really think about all this stuff. I only cared about the paper, its words and its images and I instinctively, I guess, understood its unique ability to relate to and inform its readers. I'd love to be back there now, in that headspace, and not be concerned about the realities of the world.

But none of us can do that. We've all grown up and don't have that luxury anymore.

Lachlan Murdoch is the Chairman of News Limited and Deputy Chief Operating Officer of News Corporation

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Olympic TV Rights

Toby Ryston-Pratt, in this highly commended finalist of the 2002 CAMLA essay competition, reviews the ever-evolving saga that is Olympic broadcasting rights.

In the lead up to the Melbourne Olympics, then International Olympic Committee ("IOC") President, Avery Brundage, commented that "*the IOC has managed without TV for 60 years, and believe me, we are going to manage for another 60*".¹ Brundage could not have been more wrong. Now the Olympics are supported by the sale of TV rights which account for 50% of Olympic revenue.² Although the Olympics have clearly moved on since Brundage's comment, broadcasting the Olympics continues to cause legal complication.³ In this paper, I first consider the historical origins of the sale of Olympic TV rights. Second, I analyse the legal infrastructure of Olympic TV rights, focusing mainly on the Sydney Olympics. Finally, I consider the future of Olympic broadcasting.

HISTORICAL ORIGINS

Olympic TV rights were first sold for the 1948 London Olympics when the BBC reportedly paid 1000 guineas for exclusive rights - approximately AUS \$4,000 using current exchange rates.⁴ Despite this development, the IOC did not

rush to embrace television and expressed concern that allowing payment for TV rights would be contrary to the Olympic ethos.⁵

Regardless of the IOC's conservative approach, by the time of the 1956 Melbourne Olympics, the progress of television internationally meant that the market for rights was a growth area. Sensing an opportunity, the Melbourne Olympic Committee ("MOC") looked to capitalise on the sale of TV rights. The MOC reached agreement with Britain's principal broadcaster, Associate Rediffusion, who offered £25,000 after securing a US\$500,000 sponsorship deal with Westinghouse.⁶

Despite the Rediffusion offer, international interest was limited. Wealthy US networks refused to pay for rights claiming that the Olympics were a news event, not entertainment. They appealed to the constitutional rights of free press and demanded free and equal access to the Melbourne Olympics.⁷ As a compromise, the MOC offered the networks three minutes of footage per day, but maintained that any more would damage the commercial distribution of

the official Olympic film. The US networks were not satisfied with the offer and demanded up to nine minutes per day. Amidst the furore, Rediffusion cancelled their contract and aligned with the US networks in arguing that the right to televise the Olympics should be free.⁸

The stalemate between the MOC and the international networks resulted in the networks boycotting the Olympics. *The New York Times* remarked that "*the Olympic Games as an institution, Australia as a nation and television as a medium of the free world...all have suffered from the consequences of the extensive black out*".⁹ Local stations, principally Channel Nine who secured a sponsorship deal with Ampol, did broadcast the Olympics, but only within Melbourne.¹⁰

Despite the negative impact of the Melbourne boycott, 1956 proved a key turning point in the history of Olympic TV rights. The IOC launched an investigation into the role of television in the Olympic Movement which resulted in amendment of the Olympic Charter to recognise the sale of TV rights.¹¹ Even so, Brundage remained sceptical and in