

PJ KEATING

Nine Entertainment Co Holdings Limited takeover of Fairfax Media Limited

Statement by Paul Keating

The kind of merger announced today between Channel Nine and Fairfax was bound to happen the moment the cross-media legislation introduced by the Hawke government thirty years ago was suspended.

The so-called cross-media rule gave Australia thirty years of media diversity, especially between Australia's major television networks and its capital city print.

Those barriers in the wholesaling of news, underwrote diversity of opinion, guaranteeing an altogether better informed and livelier public debate.

The absence of those legislative barriers, in the media free-for-all, the Turnbull government is permitting, will, because of the broadly maintained power of those outlets, result in an effective and dramatic close down in diversity and with it, opinion.

It is true that the technology has brought myriad voices to a public eager for diversity of information. But the atomisation of web-based content, much of it other than local, cannot in terms of impact, be compared with the big local media players, particularly in consolidations of the kind announced today.

News of today's announced takeover of Fairfax by Channel Nine will change the news landscape of Australia altogether.

Notwithstanding the obvious disruption that international platforms like Google and Facebook have made to advertising and traditional media revenues, the answer for Australia is diversity of income streams for Australia's majors and not a closedown in news and content with major print being taken over by major television.

This is an exceptionally bad development.

Fairfax spent decades missing all the signals about the rise of the digital economy when it could have put itself in a position of relative commercial independence. That notwithstanding, the current management has, in the circumstances, done a better than reasonable job in creating income sources to allow the company to preserve its editorial independence, especially in print.

But, if in the announced arrangement, Channel Nine has a majority of the stock, Channel Nine will run the editorial policy.

The problem with this is that in terms of news management, Channel Nine, for over half a century, has never, other than displayed the opportunism and ethics of an alley cat.

There has been no commanding ethical or moral basis for the conduct of its news and information policy.

Through various changes of ownership, no one has lanced the carbuncle at the centre of Nine's approach to news management. And, as sure as night follows day, that puss will inevitably leak into Fairfax.

For the country, this is a great pity.

And, of course, if the government really had its way, Australia would face this much closed down and managed landscape without an ABC other than it is today – an independent national broadcaster.

On competition grounds and that of the imperative of local diversity, the Competition Commissioner should put this proposal under high scrutiny.

Of course, the current managements of Nine and Fairfax will scream enhanced media diversity via the web – news and views everywhere. And, of course, some of this is true.

But what the BBC says about Britain or internationally, or on the other side of the Atlantic, the likes of CNN or *The New York Times*, has mostly but a tangential impact in its relevance to Australia, its national interest and most particularly, its polity.

The big wholesalers of news and information in Australia have always had the dominant impact. They have been the big dogs on the block. Today's announcement means that in future, they will operate as a pack.

The cross-media rule at least split that dominance, giving the community various streams and alternatives within which to think. And now, for a very long time.

Today's announced takeover of Fairfax by Channel Nine brings the big wholesalers back with a vengeance. And with it, were it to be permitted, a major shutting in of diversity.

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