

The Australian Media
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The last time I was in this room I was talking about nuns.

From the Sisters of St Joseph to Brian Toohey and Kerry Packer. It makes you appreciate anew the rich diversity of humankind.

Gerard and Anne originally invited me to talk to the Institute about foreign policy and my book *Engagement*. I had given a couple of speeches recently about that subject and didn't want to repeat myself. However, I'd written briefly about the media in the book and I had some other issues I wanted to discuss. Given that Gerard has been one of the handful of commentators in Australia to take the media and its accountability seriously, this seemed like a good forum to set out these views.

The first question I had to ask myself was whether it was possible for a former Prime Minister to talk about this subject without being accused of sour grapes, special pleading, strong-arm attempts to get even with those who have opposed him or of launching a wholesale assault on the fundamentals of Australian democracy?

The answer is, of course, that it is not.

But does this deter one?

Not in the least.

It is a heroic sort of ambition to speak for half an hour or so about an industry that stretches from Australia's Funniest Home Videos to the *Australian Financial Review*.

I have to limit myself for reasons of time to media, culture and accountability and the links between government and the media.

My credentials to talk about the Australian media are those of the specialist observer. I have been a close consumer of, legislator for, commentator on and subject of the media over many years. It's a hobby of mine. I have enjoyed trying to fathom its complex workings, from the motivations of the proprietors through the power plays in the board rooms and editors' offices to the strengths and flaws of the working journalists.

Some time ago, Frank Devine, whose regular column of puffery can be found in *The Australian*, wrote that he doubted that there was even one holder of substantial office in Australia who recognised a free press as an important social institution. It's one of those glib lies that the right-wing punditocracy that dominates the opinion pages of the newspapers and the radio waves use to de-legitimise public life. That this sort of comment tends to screen the democratic defects of the same free press is doubtless accidental, but also true.

Of course politicians, like other members of the public, see the media as frustratingly inaccurate, bone-headed and trivial at times. And of course they try to persuade journalists of their case. Because unless you are prepared, like this government is to rip hundreds of millions of dollars off the taxpayers to get them to subsidise your direct political advertising, the media is the only effective way of getting the message through to the people.

In fact, I have never known an Australian politician from either side who did not believe that freedom of the press is an essential, non-negotiable, part of our democracy.

That does not mean, however, that the media is above criticism. On the contrary, it makes such criticism more important. The media is powerful, and like all centres of power, it needs to be watched. Well watched and prodded where appropriate. Whether or not it is working well matters to every Australian. The large issues in Australian life – economic and social change, constitutional reform, cultural diversity, Australia's view of its role in the world are all worked out through the media. The best journalists are right to think about themselves as having a high purpose in life. But that does not, and must not, put them beyond the reach of the critic in any less a way than those who serve the public directly.

My often-noted telephone calls of complaint or exhortation to journalists – and to journalists, note, not to their proprietors – reflect my frustrated but never abandoned hopes that journos would live up to their own standards.

I always took them seriously.

Let me begin with the culture that underpins the Australian media's behaviour.

On the surface, few other industries have been so profoundly shaken as the media in recent years by the revolution in communications technology. Everything from the tools of trade for the working journalists to the delivery mechanisms for the product have been transformed. Beneath all this turbulence, however, lies a pervasive culture that is tenaciously resistant to some of the most powerful changes at work in our society.

The media world is still one of warring baronies, trying to operate within a nineteenth century craft-based industry structure.

The industry recruits eager young people largely from media courses and then does nothing much to train them in journalism's craft, or in the responsibilities of the profession.

In the decade and a half of reform in Australia through to the middle nineties, it is clear that most sectors of the economy, and indeed society, were subject to substantial and often fundamental change. Whether one speaks about business in general or the unions, the manufacturers, the import competitors, the primary producers, the banks and financial markets, the former government-owned businesses, the state utilities; you name them and they have changed or been obliged to change. Their culture has been pummelled, shaken and inevitably remade. This is just as true of the political system which had to adjust to the imperatives of the global competitiveness and a changing world.

But I am sure it is fair to say, that the estate of Australia that has changed least, that has obdurately clung to the old ways, that has been the most resistant to cultural adaptation, is the fourth estate: the media. It is the last frontier for ideas of transparency, disclosure and accountability.

In its technology, it has changed much, but of its essence and at its core, it is pretty much as it was and quite determined to stay that way. As in most things, this is not true of all of it or everyone in it. The spring winds of change have stirred some. But its old habits, its ingrained thinking, its herd instinct, make it in the modern age of Australia, very much a Jurassic institution.

At the ownership and management level there is, I believe, an enormous chasm between it and the world as it really is outside the boardroom. At its upper reaches, proprietors and boards could scarcely be less representative of the contemporary Australian public.

At the management level we see a truly shocking lack of quality control and a failure to make anything like the investment in human capital that is needed. The industry is often run by journalists who are informed, mainly by their own thinking. While that is often substantial, it all too often lacks the breadth and comprehension and management skills a manager at those upper reaches should have.

It is an industry that operates behind a cloak of secrecy and insider knowledge. It is riddled with nepotism, back-scratching and interlocking interests in a way that would bring snorts of admiration from the members of the Melbourne Club in 1960. For instance, the *Sydney Morning Herald's* internal workings make the International Olympic Committee look like a poster child for Transparency International.

Criticism of the media is invariably met by ritual incantations of the phrase 'freedom of the press' rather than by serious efforts to address its own responsibility. As anyone who has tried to complain about a media story knows, the response is always defensive. Almost any complaint can and will be rationalized away. The quick and graceful acknowledgement of error is a rare event. If the industry is not quite blind to its own failures, it is certainly myopic.

Let me give a couple of examples. They are about me, but that is simply because I know them best. Thousands of others could offer similar evidence.

I received a fax the other day from an American publication seeking to check two facts about me that were to appear as a small part of a story they were printing. This was a surprising approach. It hardly ever happens with Australian journalists.

Here, regrettably, fact-checking is not only foreign to the journalistic culture but antithetical to it. Facts too often lie in the way of a story. If you check them, they may be denied, and where to then?

It is not just the young and inexperienced who are to blame for this. They simply follow the pattern of their seniors.

A couple of months ago, Alan Ramsey in *The Sydney Morning Herald* accused me of petulantly refusing to let Tony Blair stay at Kirribilli House while I was Prime Minister – when Blair had not only stayed there, but we had had several hours of conversation. Ramsey followed this up within weeks with a breathless claim that Graham Richardson and I had been at a mysterious lunch in Sydney. He asked, portentously, what all this meant. Well, it meant nothing at all because neither it, nor anything like it, ever happened.

Such charges are not merely the inevitable factual errors that will slip into the copy of the most punctilious journalist. They were being used by the writer as evidence of certain behaviour on my part. Any journalist ought to have checked them. A phone call to my office was all that was necessary.

When I became aware of the first of these errors, I wrote to the *Herald*, only to be told by the letters editor that as a matter of policy at the *Herald*, all letters about senior journalists including Ramsey were passed to them first. The result is that although corrections might be published in a small box on page two, anything which comments on the behaviour of the journalist or goes to imputations or motive will not appear. The likes of Ramsey can impute and misinform in cinemascope on the opinion page on Saturday; the correction will be in a small box generally at the bottom of the page on Page 2 on Tuesday; with none of the positioning and a fraction of the readership.

Imagine if a government tried this? Imagine the *Herald* editorial, or Ramsey's column, about a decision by the Carr Government or SOCOG to refer all critical comments to the person about whom the criticisms were made before decisions were taken about whether they should be publicised.

Richard Walsh noted in the *Age* recently that this sort of automatic referral often happens with senior journalists.

‘Papers obsessively correct absurdly trivial errors, to give the impression that they have a meticulous eye for self-criticism, but often fail to correct major mistakes, except under threat of litigation.’ How true. He continued. ‘In this collegial world, journalists who are admired by other journalists are given Walkley awards.’

We also find the blurring in the media in Australia, between reporting and comment. Too many journalists seem simply unable to see the difference. I’m not just talking here about the obvious sloppiness of commentators, but the routine use of headlines and placement to imply comment and to denote weight. In one sense, of course, all editing does this by its nature. But Australian editors far less than the best of their American, European and, increasingly, Asian, counterparts, seem prepared to give readers room to make their own judgements.

Sometimes, there is nothing hidden about the agenda. Last year, with the acknowledged approval of Kerry Packer, the Nine Network’s *60 Minutes* program launched an unprecedented attack on me – unprecedented because never before in the program’s history had it devoted an entire hour to one subject, let alone one person.

The program accused me of corruption and treason. It suggested that I had used my official position to generate business opportunities in Asia and that the real reason I wanted to develop better Australian relations with Indonesia was for my private profit. The claims and imputations were as absurd as they were outrageous.

The bulk of their material had been collated by the Liberal Party under the direction of the then President, Tony Staley, and peddled around many parts of the press gallery. Over an eight year period, Staley had been going around telling the business community and anyone else at a loose end in an airport lounge that I was one of Australia’s richest men. A fact that was patently untrue.

The Glebe Point Gulag down at the *Sydney Morning Herald* – Marian Wilkinson, Kate McClymont, Toohey and so on – the group of former lefties who had believed for fifteen years with the monomaniacal certainty of the Manson Family, that I, along with most members of the New South Wales ALP, was corrupt – had previously given it a good run doing Staley’s and their own bidding. Just as in the 1980s their collaboration was with Gary Sturgess against Neville Wran; the ICAC and all that, in the 1990s it was with Staley against me. Always against those Labor leaders who articulate the alternative and who are capable of rendering mortal damage to the Liberal Party. But the impact had not been what those behind it wanted. Packer himself told a management lunch at Fairfax that the *Herald* attack on me was ‘as weak as piss’. The Liberals immediately took the matter into the Parliament itself and the baton was passed to Nine.

The *60 Minutes* program was a disgrace. No mention whatsoever was made of the Liberal Party’s involvement. No effort was made to explore, or even note, the background or motivation of the disgruntled former business partner out for revenge. No serious effort was made to seek my reply to the allegations or innuendo in advance, presumably because a denial would have spoiled the story, and the mud-slinging which

was an essential part of the exercise. An invitation to appear in a kangaroo court on the program without warning of the matters to be raised was the idea of fairness and ethics held by the program's Executive Producer, John Westacott, the producer Peter Wilkinson, and the front man, Paul Lyneham.

But the point was not just the program itself. The allegations were carried fully on the Channel Nine News – from which, as we know from their self-promotion, more Australians get their news than from any other source. They were promoted and covered on the Nine MSN website. My long press release rebutting the claims, with documentary evidence, received not a word of coverage on the channel's news that evening. After the deluge, nothing.

In rich irony, Nine referred the allegations back to their original source – the coalition government. The circus was played out as long as possible, under the general direction of John Howard's henchman, Bill Heffernan, but the government was finally forced to concede that there was nothing that would justify an inquiry. But no mention was ever subsequently made of the government's decision on the *60 Minutes* program.

I'm certainly not arguing that public figures should be exempt from investigative journalism or immune from critical commentary, whatever the motivation. But this behaviour from the Liberal Party and Channel Nine was like that of a corrupt and authoritarian state which seeks to destroy perceived enemies not through argument or debate or any of the normal political channels but through slander, vilification and the deployment of the Big Lie.

Leave aside everything about that *60 Minutes* attack, however, except this one thing. Does a television journalist like Lyneham, who is about to accuse any person of serious impropriety, let alone a former holder of high office, have any sort of professional obligation to put the claims to the person to be accused to enable him or her to rebut them before they are run on national television?

If the answer is yes, then one might have hoped that other parts of the media would have taken up the issue. Unfortunately – with a couple of honourable exceptions, and they were very honourable exceptions, for which I am grateful – there was no such discussion of those basic ethical issues. The insiders knew it was a put-up job. That was enough. They didn't need to get up Channel 9 and Packer's nose. They said: 'Oh well, the most open attack ever on a former Prime Minister. Oh well, we know what that's about – a 'get square'. Oh well, what else is happening.'

In the end, it was not me who was being sent a message by that politically-motivated, proprietarily-approved program but every serving politician in Australia. Better to do as the Packers want. Better to end up as a celebrity interviewer on *60 Minutes* than end up the subject of a Packer-inspired story.

Gerald Stone, who should know about such matters, described Nine the other day as having 'all the advantages and disadvantages of a dictatorship.' I'm not sure what the

advantages of a dictatorship might be, or what relationship they might bear to a free press, but the disadvantages have been made obvious. Packer uses freely the 'political muscle' that Stone records him claiming for *A Current Affair*.

What redress does one have for such behaviour? How can we get the media to meet standards of accountability and transparency we demand elsewhere in society and in the economy?

In the case of defamation, you can go to the courts, of course. But ordinary people can't afford it. And for a public figure, legal action simply provides an opportunity for the perpetrators to run the stories again, while throwing in under privilege any other wild allegation they can get away with. Vindication, when it comes, is blocked from view by flying clods of mud. The small story on page seven is inadequate redress for pages of gossip- and malice-filled columns over the preceding weeks. The opportunity costs of suing rather than getting on with your life are also enormous. The defamed spend months engaged with the defamers' lawyers, not the perpetrators of the defamation. And defamation insurance ensures there is no monetary pain for the perpetrator in a victory.

So I believe there is inadequate remedy available to public figures and others too.

I don't believe financial redress should be abolished. It is nevertheless a much less effective response than a speedy and prominent right of reply.

The New South Wales Attorney General, Jeff Shaw recently put forward some sensible suggestions for defamation law reform involving speedy correction of factual error. These have been greeted by the usual cries of 'It will never work' from the vested interests.

What else is there?

If it's a newspaper, you can think about going to the Press Council.

We can pause here for polite chuckles.

Or with radio or television you could go to the Australian Broadcasting Authority. Under David Flint.

Almost without exception in Australia, the heads of high statutory offices have held the view that their role was to stay above the political fray. But this government, in its reckless politicisation of the Australian public service, has chosen a different breed of statutory office-holder from any we have known in the past.

David Flint, for example, apparently sees no problem with the head of the organisation responsible for monitoring and regulating the broadcast media publishing speeches on the ABA web-site complaining that the press is being nasty to John Howard (or too nice to me). He sees no difficulty being a spokesman for Australians for a Constitutional

Monarchy even though he is forced to stand down from an inquiry into talk-back radio because his impartiality is drawn into question. Surely such behaviour is at least unwise and ill-judged. Just as it is surely unwise for the Chairman of the ABC to participate in a Liberal party fundraiser and eulogise the Prime Minister.

The Senate Committee on Information Technology recently recommended the establishment of a Media Complaints Commission to deal with public complaints about the media, with the power to enforce non-pecuniary sanctions. The media reacted with horror.

I do not favour such an approach, but I can understand exactly why people want it.

But in the end legal or regulatory mechanisms will only get you so far. The only lasting improvement in transparency and accountability will have to come from the behaviour of the media itself and the individuals who call the shots day to day.

That requires the industry to become less self-absorbed and altogether more self-reflective.

Some progress is being made and, of course, there are plenty of examples to draw on of first-rate journalists doing a highly professional job.

The *Australian's* weekly Media supplement provides some sound criticism. The *Age* has taken up debate on some of these issues. The *Canberra Times* takes corrections seriously and debates the questions with its readership. ABC Radio National's media report is an attempt to present serious analysis. However, on television, *Media Watch*, a forerunner in media examination, has turned itself into a current affairs program and suffers the fatal flaw of being run by a Fairfax journalist who is a prominent part of the scene he is attempting to criticise.

But although I believe most of the responsibility for greater accountability must come from the media, the government still has an essential role. Not in controlling reporting but in constructing an effective framework for regulating the industry.

The technology might be complicated, but the issues are simple.

Public policy should be directed towards promoting diversity and preventing any further concentration of media power.

The result might be some arguable economic inefficiencies around the edges, but the Australian polity will be healthier. The principal objective has to be diversity. And the only way to get it is competition. That alone.

You will hear from the cheerleaders for the current media proprietors the view that you can get all the diversity you need within individual publications. But it takes only a flick

through the papers and the talk-back radio stations, let alone commercial television, to see how far plurality, press baron-style, will get you.

I'm a long-standing fan of Gerard's writing, but when he gets held up as the voice of the radical alternative in the media, you know that something is missing.

The last Labor Government's policy approach to the need to prevent concentration and encourage diversity was the cross-media rules. These limit owners broadly to either print or radio or television. Princes of Print or Queens of the Screen. Separate classes of owners. We also imposed stricter foreign ownership controls than in other areas of the economy because of the political, social and cultural importance of the media.

The question now is whether digital technology, which enables all forms of content to be delivered in similar ways, makes these rules out of date. I think this argument is greatly over-stated by the government and the existing media owners.

The rules in Australia do not prevent any proprietor getting into new media. Kerry Packer already controls the most visited internet site in Australia, Nine MSN. Rupert Murdoch is in pay television. They do, however, prevent Murdoch from collecting Channel Seven or Packer from formally adding the Fairfax network to his free television, pay television and internet assets. It may not be everything, given the control interests associated with Packer already exercise over Fairfax, but it is important.

In any case, the rationale given by those who argue for the ditching of the cross-media rules - that convergence is turning all forms of media into one - is the most powerful reason for not making it easier to concentrate ownership.

Given commercial pressures and the easy operation of modern technology, it is inevitable that, if the cross media rules are abandoned, the pressures on media companies to cut costs by merging more and more aspects of news and current affairs collection between print and electronic media will grow. That means fewer journalists, fewer views, less information and more power for media proprietors. Abandoning the cross media rules carries the danger of intensifying vertical integration and concentration without doing anything for horizontal diversification.

It is not the technology which is overwhelmingly important or its fungibility. This is no doubt convenient and opportune, but it is incidental to the media's wider purpose.

And that purpose has to be the pluralist, transparent transmission of news, opinion and entertainment.

The cross-media rules have never been an end in themselves, however. They were intended not to preserve a static media environment but to promote diversification; to facilitate dynamic change. And they have succeeded well by bringing entirely new players into free-to-air television formerly owned by newspapers, and radio, where the whole stable now comprises people outside the print and television empires.

But like all legislation the rules need to be reviewed from time to time. And it is true that technology like audio and video streaming has changed radically since the rules were introduced, and that it will continue to develop in ways we can't foresee.

The Productivity Commission last year issued a report on broadcasting. It was an excellent document and another example of how well Australia has been served over the years by that body and its predecessors. But, unsurprisingly, given what it had to say, it was promptly ignored by the government.

The Commission acknowledged that simply removing the cross-media rules while new entrants to television and radio were barred would be counter-productive. It argued for the removal of cross-media rules only after:

- regulatory barriers to entry in broadcasting were removed and new spectrum made available
- Broadcasting Services Act restrictions on foreign investment ownership and control were abolished, and;
- the Trade Practices Act was amended to include a media-specific public interest test to deal with the dangers of cross-media ownership.

The approach seems persuasive to me. I also believe that the time has come to change the foreign ownership laws relating to the press to make it easier for foreign owners to buy in. As with the banks, the local proprietors have a built-in advantage which provides all the protection they need. The *Australian* reported recently that a Spanish publishing group decided not to go ahead with a new daily paper in Adelaide because of restrictions on ownership which would limit it to 25 per cent ownership after five years of operation. This is clearly absurd.

Competition for the media does not just mean competition from other commercial sources, however. Like education, the media is an area where it is not only legitimate but essential to have a competitive, independent, benchmark service, funded by government.

It's fanciful to think that standards will be maintained by commercial media alone, without competition from non-commercial services like the ABC. We already have a situation in which only one of the commercial networks has any real commitment to current affairs. And as I indicated earlier, that's completely dodgy.

The government's secret agenda, however, seems to be to turn the ABC into some pallid equivalent of the United States Public Broadcasting System.

The agenda is already out there in the right wing think tanks. And we have seen the evidence for it in the constant squeeze on government funding, in the bullying of the institution and in the decision to keep the ABC and SBS out of multi-channelling in order

to protect commercial interests. We've seen it in the tragically short-sighted decision to lease out Radio Australia's Darwin transmitter at a time when it has never been more important to have a clear Australian voice in a rapidly changing neighbourhood. Australia Television was killed off long ago. This is a government that does not believe, fundamentally, in government broadcasting.

The ABC can be – and often is – just as self-absorbed, just as prone to error, just as reluctant to acknowledge it, as any other part of the media. But its freedom from commercial pressures gives it a unique cultural, educational and social role in this country. So I think it is vital that the Senate amend the government's proposed legislation to provide multi-channelling opportunities, including for radio, by the ABC and SBS. And that both institutions are funded to do this.

Beyond funding non-commercial broadcasting outlets and providing a proper regulatory environment for the commercial operators, governments have another, more important role in shaping this industry.

They have a responsibility to use public policy to mould the national future; to create the sort of environment in which as many options and potentialities as possible are kept open. Australia's future depends heavily on how we handle the challenges of the information economy and how we build the highly skilled and educated nation Kim Beazley has been speaking of.

That's why the government's current politically-motivated attempt to buy off its media buddies in order to serve its own rather than the national interests is, truly, a scandal.

It is easy to see why the subject of digital broadcasting and data-casting has received such little attention. The issues are complicated legally and technically, and the debate can be too easily characterized as a simple brawl between the media moguls, to which ordinary Australians reply, understandably enough, what does it matter? But it does matter much to the way this country develops.

You can tell a good policy on digital television through three simple tests.

- Does it return as much as possible to the taxpayers of Australia, as opposed to media company owners and shareholders, for the use of scarce spectrum?
- Does it serve to increase diversity of ownership in the Australian media?
- Does it help position the country for success in the information age by encouraging innovation and technological change?

The government fails on all counts.

A principal issue here is its gift to each of the free to air television proprietors of seven megahertz of spectrum, worth around \$5 billion to the taxpayers of Australia if it had

been auctioned off. There's a lot of new schools, hospitals and roads in that. A lot of investment in anything including, for instance, in the ABC, local software or film and television production.

In an additional bonus, the government then banned any new television licenses until 2007, to give the existing owners time to entrench themselves in the digital world. They have been handed a huge financial advantage over any future competitor, who will have to bid heavily for spectrum the current holders have been given free. As a public policy decision it is unbelievable in this day and age.

We know from a leaked Cabinet submission that the key public service departments – Treasury, Finance, Prime Minister and Cabinet - opposed the approach of giving away spectrum . They wanted it to be handled in a way that gave a better return to taxpayers, and less to Kerry Packer. Their view and that of the Productivity Commission was ignored by the Prime Minister and a Treasurer whose job ought to have been to protect the national revenue.

The ostensible reason for this gift (and that was the word used by the Department of Prime Minister and Cabinet in its Cabinet Coordination comment – gift) was so that the free to air players could prepare for the introduction of something called High Definition Television. This is a standard of television not used anywhere else in the world. Nowhere.

To watch it, Australians will have to buy special television sets worth somewhere between \$5000 and \$15,000, and spend an additional \$1000 or so on a special desk-top box. This standard will do nothing more than ordinary digital television except provide a picture quality used nowhere else in the world. You can see how helpful that will be to Australian content producers.

Understandably nervous about the political impact of these costs, the government changed its position, not by abandoning HDTV, but mandating that television stations also broadcast standard digital in addition to the current analogue for a required period.

This will tie up a large amount of spectrum we could be using for other purposes. Remember this: in the information age, decisions about spectrum are decisions about the future of the economy.

As Elizabeth Knight wrote in the *Sydney Morning Herald* last week, ‘..the Howard government has so clearly shown its bias towards the current network owners and Kerry Packer in particular that it is fanciful for operators to even hope for a remotely level playing field.’

A sop to the new economy was found in the invention by the government of a totally new category of media called data-casting. The Productivity Commission called it, aptly enough, a ‘regulatory artifice’. The government is currently losing itself in definitions about what it might all mean. But the main thing datacasters will be forbidden is to

entertain. They can educate or instruct so long as it is not done in an entertaining way. The Productivity Commission said that this policy 'places considerable and arbitrary limitations on the innovative, interactive and additional services made possible by the technology of digital transmission.'

Why would you bother under these circumstances to try to buy data-casting spectrum? Well only, as some journalists have suggested, if the government tries to claw back some of the money it lost giving spectrum free to the current television owners by bundling the current datacasting service together with an offer of turning this eventually into a broadcast licence. This would be a further corruption of good public policy.

There's no question the television owners know who they have got to thank for their good fortune. The government acknowledged last week that Kerry Packer voluntarily prevented the brewers' anti-GST ads being shown in prime time in conflict with the government's notorious 'chains' ads.

This gift to the coalition was worth, according to the *Sydney Morning Herald*, several hundred thousand dollars.

Packer seems to have been looking earlier for another gift from the government.

After the value of the Nine network had been artificially boosted by the government's gift of spectrum to the current television moguls, we then had the curious affair of the attempted sale of the network to Telstra, a sale which seems to have fallen only at the final hurdle. The Packers, never ones to feel much shame about being on government welfare in one way or another, apparently expected the government, the 51 per cent owners of Telstra, to pay again for a second time for that gift of spectrum by handing over an inflated \$13 billion for the Nine network.

Not least, that would have made the government the largest shareholder in the largest commercial television network, raising extraordinary questions. Perhaps they were intending to keep Nine and sell the ABC.

We know much too little about this whole affair. This is a very legitimate place for some digging.

But what we are seeing in the media area is truly lousy public policy.

If the sleuths in this country want to talk about scandals or a potential one, this is the one to look at.

When and at what stage does any sense of policy duty stop the government attempting to do these things?

In order to protect current free to air television networks the government ties up scarce spectrum, hobbles current and future competition, creates a legal and administrative

nightmare over definitions of how to educate without entertaining, and saddles the Australian consumer with a highly-priced form of television not used elsewhere in the world. They futilely try to corral the internet's on-line content and they seek now to constrain streaming audio and video over the net.

The question should not be what this does to the interest of any of the media proprietors. Their interests are – or at least they should be – secondary here. The question is what the government is doing to the capacity of Australians to adjust to the new world and to shape it.