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A new broom for News Limited as Hartigan exits, but what now for Murdoch’s empire?

Was John Hartigan pushed or did he leave his position as CEO of News Limited just in time? It’s likely that only a handful of people know the real answer to this question; among them will be “Harto” and the boss himself, Rupert Murdoch. Anyone who’s followed the fortunes and misfortunes of News Corporation…

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Murdoch is taking more control of his Australian interests now John Hartigan is gone.

AAP/Rob Hutchison

Was John Hartigan pushed or did he leave his position as CEO of News Limited just in time? It’s likely that only a handful of people know the real answer to this question; among them will be “Harto” and the boss himself, Rupert Murdoch.
Anyone who’s followed the fortunes and misfortunes of News Corporation will know that when Rupert’s in town things can change in an instant. Several of his former editors, including Bruce Guthrie, have recounted how fear and loathing would presage Murdoch senior’s arrival like a cold, damp fog. His reputation for brutal and decisive firings, executive shuffling and bursts of temper is well known.

But it could be that Hartigan has simply walked after 41 years of climbing through the ranks to become a hardened executive with ink running through his veins. As we hungrily pick through the entrails of a career replete with many highs and lows, perhaps it is the recent lows that offer the most clues to Rupert’s thinking and to Harto’s state of mind in the last few weeks of his tenure as chief head-kicker for Murdoch’s Australian operation.

Hartigan was known as an old-style “newspaper man” who inspired equal measures of loyalty and terrified acquiescence among his colleagues and employees. Some, like Bruce Guthrie, have felt both sides of Hartigan’s personality; one moment your star is rising, the next you are shown the door and showered with the boss’s strong language. He was never one to back away from an argument either and in recent years he has, maybe, picked a few too many fights that News Limited may not ultimately win.

Controversial reign

On his watch News Limited was caught up in the Melbourne Storm ARL salary cap scandal that cost the club two premierships. As this debacle was playing out, Hartigan labeled Storm CEO Brian Waldron “the chief rat,” which at the time seemed to be a case of blame-shifting. Rob Moodie, former Storm chairman and public health expert, later said News Limited’s tactics and approach to ethics mirrored that of the big tobacco companies.

News Limited’s well publicised stoush with Victoria’s most senior police officers is still unravelling and some threads are pointing to the Herald and Weekly Times. Heads are rolling in ministerial offices and the Victorian government is in damage control as the stink spreads. Questions have been raised about close and unethical ties between senior police, politicians and News Limited journalists.

The Federal Court’s finding in September that star Herald Sun columnist Andrew Bolt breached the Racial Discrimination Act in two 2009 articles about “light-skinned” Aborigines was an embarrassment to the paper which, after much bluster in its opinion pages decided not to appeal the court’s order that it publish prominent apologies.

The current court case involving allegations that a senior Victorian police officer leaked information on a terror raid to The Australian’s Cameron Stewart is also causing headaches for News.

When former Herald Sun editor Bruce Guthrie successfully sued the company for unfair dismissal in the Victorian Supreme Court, Hartigan gave evidence and the judge was unimpressed. In his decision Justice Kaye said of Hartigan: “I do not accept the evidence given by Mr Hartigan in this respect. In my view, Mr Hartigan was an unreliable witness in respect of the negotiations which preceded the formation of the contract.”
No one is suggesting that John Hartigan is to blame for all these problems, but as chairman of the board and CEO, he must shoulder some of the responsibility. Certainly he has been working hard to repair News' reputation. The Conversation understands from sources inside News that Hartigan wanted to retire last year, but agreed to stay on to deal with the Australian response to the News of the World phone-hacking scandal.

Now, while things are getting progressively worse for News International in the UK, it seems that the Australian operation has a clean bill of health. At least there is nothing untoward that has yet surfaced in the public discussion; so perhaps there really is “nothing to see here”.

The corporate successor

Williams' business acumen is respected by Murdoch. For now. AAP/Tracy Nearmy

Whatever the ultimate reason for Hartigan leaving, perhaps equally surprising is the choice of replacement as News Limited CEO. The former Foxtel chief Kim Williams now has the top job and many are seeing this as a break with tradition. Williams is said to enjoy a good relationship with Rupert Murdoch – but most do, until the dinner, or the phone call, or the boardroom coup which ends their career. The former bureaucrat has already signalled he’ll step up for his boss. Less than 24 hours into the top job he told politicians to “harden up”, already creating controversy. Maybe he’s as tough as Harto, but he’s not from a print background and has never worked as a journalist. Murdoch obviously admires his business acumen though; Williams has turned around Foxtel in the decade or so he’s been there.

He’ll have a challenge on his hands. The well-canvassed debacle of awarding the coveted Australia Network contract – a two horse race between the ABC and News Limited’s Sky Australia – has been further delayed amid investigations of leaks and allegations of ministerial interference in the tender process.
On the upside, one could see the shift from inky-fingered tough-guy to the smoother and urbane television executive as a process of generational change and renewal inside News Limited. Williams is respected in the industry and, like his boss, is regularly on the speaking circuit where he spruiks Foxtel, but also makes considered interventions into the debate about the future of digital media, television and the news industry. If his brief is to make News Limited into a truly convergent media player, he just might be the right person for the right job at the right time.

**Chairman Murdoch**

On the other hand, it is difficult to know what to make of Murdoch’s decision to resume the chairmanship of News: perhaps it signals his desire to be more “hands-on” in the Australian operation. It is difficult to see how he’s going to manage this given the number of bottom-line threatening battles News Corporation is fighting in the UK and in the USA.

Some estimates suggest that News Corporation’s global value of $US 41 billion could be a lot higher – closer to $US 60 billion without Rupert in charge. On the other hand, the decision could be yet more hubris from the octogenarian who recently had the “most humble” day of his long and rich life. Whatever the reason, it is clear that the days of newspapers dominating the News Corporation balance sheet are over and that the digital wave has crested for the Murdoch empire.

Rupert has been a leading figure promoting a convergent future for newspapers for nearly a decade. He has made many speeches about the need for the print industry to give up on trees and embrace tablets. He is a pioneer in erecting paywalls, but with mixed success. Now The Australian is leading the way in general newspapers putting up the paywall in Australia. It is far too early to tell if this is going to be successful, but I took out a cross-platform subscription because News Limited is almost giving away its six-day print edition for $7.95 a week.

**Future of newspapers**

The death of newspapers within 10 years has been predicted. I’m not so confident this is right. They are steadily adapting: News is breaking on the web, that’s obvious, and there’s competition from what I call “user-generated news-like” content (blogs, citizen journalism, YouTube and social media like Twitter); but print newspapers still have a role. The Australian has – for better, or worse – become a “viewspaper” rather than a “newspaper”. While this may be attractive to the bottom line, it has not endeared Murdoch or his senior news executives to ALP politicians.

News Limited’s conservative commentators have collectively condemned the government’s Media Inquiry as a “witch-hunt” against the Murdoch press in Australia. I don’t think it is a witch-hunt, but the inquiry will achieve very little. The Gillard government has neither the stomach, nor the inclination, to embrace the more ridiculous suggestions of licencing newspaper owners and journalists.

Rupert Murdoch didn’t take an opportunity to face the inquiry this week. It would have been a media circus and highly entertaining for the small crowd in the public gallery. Perhaps he thought it was pointless and he may have been right. It certainly would have opened another
front in a war of position that has seen many battles erupt in the last couple of years; some of which Murdoch must be quietly wondering if he can still win. Harto’s last “hurrah” may be his scheduled appearance before the judge and the professor next week in Sydney.