

From: Connie Godwin
Sent: Wednesday, 7 December 2011 4:40 PM
To: Stephen Jones (NSW); DL - Media Ownership Diversity
Subject: RE: Crikey on Lachlan [SEC=UNCLASSIFIED]

From: Stephen Jones (NSW)
Sent: Wednesday, 7 December 2011 2:12 PM
To: DL - Media Ownership Diversity
Subject: Crikey on Lachlan [SEC=UNCLASSIFIED]

4. The Power Index: media maestros, Lachlan Murdoch at #8

[Paul Barry of The Power Index writes:](#)

It's a puzzle why Rupert Murdoch remains so keen for his eldest son to take over the family business, because Lachlan has never really looked like he would make a great fist of it.

But, considering his lack of brilliance, the 40-year old enjoys remarkable power and influence. And, thanks to his money and connections, he remains a mogul in waiting.

The Sun King's son was recently [asked by Rupert](#) to take over the family's Australian newspapers, although we doubt this would have been allowed under Australia's latest cross-media rules, unless the young man got rid of some of his other commitments.

Lachlan is currently managing director of Channel Ten, and a 9% shareholder in the commercial TV network, (thanks to his old mate, James Packer). He also owns 50% of the Nova/Classic Rock radio group DMG Australia, which he bought for \$110 million in 2009, and nearly 10% of regional TV player, Prime. On top of these, he remains a director of News Limited, despite having quit the race to be Rupert's heir in 2005.

There's no doubt he also has a big say in what Australia's media looks like. It was Lachlan who dumped Channel Ten's struggling news show *6.30 with George Negus*, along with the early news bulletin, and cut 60 jobs from the network. And it was Lachlan who hired right-wing warrior Andrew Bolt for Sunday mornings, to the delight of fellow shareholder and mining billionaire Gina Rinehart.

It was Lachlan, too, who [hired ex-TVNZ host Paul Henry](#) to front Ten's new breakfast show -- planned for 2012 - phoning him to offer a salary of NZ\$1 million a year. Henry famously resigned in October 2010 after referring repeatedly to Delhi's Chief Minister Sheila Dikshit as "dick shit" and "dip shit" [on his show](#), in between bursts of high-pitched laughter.

Murdoch Minor has now been at Channel Ten for more than a year, and running the show since February. In that time, the share price has fallen from \$1.45 to below 90c, profits have slumped by 90%, and ratings have flat-lined (with a sharp decline in the second half of this year).

Meanwhile, the apprentice has hardly shown his father's sure touch. First, he and the board sacked experienced CEO Nick Falloon in favour of Grant Blackley. Then, two months later, they sent Blackley packing. Next, Lachlan wooed Channel Seven wunderkind James Warburton to "join the Ten family", only to be blocked by the

Supreme Court, who said Ten's new boss couldn't start until January 2012 because his contract handcuffed him to his old employer.

We're not quite sure why Lachlan and his lawyers didn't read the small print. But the Warburton fiasco has meant he is still doing the MD's job himself, and giving a "[lacklustre performance](#)" according to *Crikey's* TV correspondent Glenn Dyer.

It's also why James Packer has quit Ten's board. He was so pissed off by Lachlan's move in poaching Seven's sales director -- because it upset his new best friend Kerry Stokes -- that he quit in protest.

While running Channel Ten, Lachlan has found time to commute to London and New York to give his father advice on the *News of the World* phone-hacking scandal. We're not sure how valuable his counsel has been, but it certainly hasn't stopped the train crash.

However, it's not just the mini mogul's recent form that fails to convince. Lachlan's failure to keep an eye on the ball at One.Tel -- where News Ltd lost around \$400 million when the company collapsed in May 2000 -- is famous, as is his failure to remember anything about it when questioned.

At Jodee Rich's trial in 2009, Lachlan and his buddy James Packer notched up nearly 3000 instances of "I don't recall" between them. And at the liquidator's inquiry in 2001, when memories were fresh, he was no better. The impression he gave was that he had little or no idea what was going on at the company and had rarely if ever asked questions. Put simply, he looked like a chump.

[*Read the full profile at The Power Index](#)



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