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## Fairfax Media And Liberal Party Face Same Survival Dilemma In A Changing World

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Two great and venerable Australian institutions are facing profound challenges.

Each is suffering from a combination of circumstances beyond their control as well as from their own mistakes.

Each is confronted by a range of competitors eager to erode their once-assured market dominance. Each has a long and proud history embellished with significant achievement. Yet each has lived for too long off its past glories.

Finally, each will eventually have to answer a fundamental question about its future. Whether the interests of their [shareholders in one case](#), and [members in the other](#) are best served by them continuing to exist as the single entities or whether they should be broken up.



Those two institutions are of course Fairfax Media Limited and the Liberal Party of Australia.

The internet has decimated print journalism, but for decades Fairfax directors have acted as if there's nothing they can do about it, and their only role is to manage the graceful decline and fall of the company.

Similar thinking prevails in the Liberal Party. Malcolm Turnbull and Scott Morrison claim that their high-spending, high-taxing budget of a fortnight ago is their second best option and they're powerless to act any other way in the face of a hostile senate and an electorate that seemingly wants ever-bigger government. But the make-up of the senate is the result of the Liberals' own decision to call a double dissolution election.

In any case, the Liberals spend little time these days trying to change or lead public opinion. After all, the Liberals have held the federal government treasury benches for 14 of the past 20 years. The only people to blame for the Liberal Party coming to [more and more resemble the Labor Party](#) are the Liberals themselves.

## Poor decisions

The predicament of Fairfax and the Liberal Party has been made worse by some poor management decisions made over the years.

Fred Hilmer, the Fairfax CEO from 1998 to 2005 ran the company precisely the way you'd expect from a management consultant. In his book *The Fairfax Experience* – which contains four pages of the organisation charts – he revealed his frustration at not being able to accurately calculate the minimum production cost of each story in a newspaper. It's easy to understand why so many observers believed Hilmer's commitment to quality journalism was limited.

Scott Morrison is acting as treasurer in the manner expected of a former immigration minister. Given his claim that freedom of speech is unimportant, and his aggressive campaigns for retrospective superannuation laws, higher income taxes, and a "levy" – read tax – on banks paid for the banks' customers and shareholders, it's easy to understand why it could be argued Morrison's affinity with the principles of liberalism is limited.

Fairfax believed its print classified advertising, the "rivers of gold", would last forever. The Liberal Party leadership acts as if it believes the party's "base" can be treated with contempt, but somehow that same "base" will continue indefinitely to donate to the party and vote Liberal. In the years to come we'll see whether the Australian Conservatives Party, the Liberal Democratic Party, and even One Nation are to the Liberals, what REA Group, Carsales.Com, and Seek have been to Fairfax.



In this regard the Liberals do have one advantage over Fairfax. The government forces people to vote. As yet the government doesn't force anyone to buy a newspaper. (Although, of course, the government does force people to pay taxes to fund the ABC.)

It's as hopeless for Fairfax to wish for the rivers of gold to return as it is for the Liberals to yearn for John Howard to come back. The truth is that Fairfax and the Liberals have to face the future on their own.

The future is for both organisations is uncertain.

Regardless of whether the [current takeover proposals](#) for Fairfax [succeed](#), hopefully the company's major mastheads – in whatever form they continue – will be more than merely a placard for real estate advertising. Some of the best bits of Fairfax, such as this newspaper, might have a more secure future as a standalone entity owned by a proprietor committed to the crafts of reporting, analysis and explanation.

For the Liberal Party the question is whether its progressive liberal, conservative, and libertarian wings have anything in common with each other anymore.

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