

## Grattan on Friday: When schmoozing the PM gets you a black eye

Written by Michelle Grattan, Professorial Fellow, University of Canberra

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It was all gain for Scott Morrison when he took a bunch of senior colleagues to [Nine's Monday fundraiser](#) which reaped mega dollars – the exact amount is unclear - for the Liberal party. Maximum productivity for minimum effort.

The pain was worn by Nine and its chief executive Hugh Marks, who faced a backlash from staff at the company's recently acquired former Fairfax newspapers, the Sydney Morning Herald, The Age and the Australian Financial Review. The journalists were appalled, as they should have been, to see such compromising behaviour from their management.

As the papers' house committees pointed out, "Our mastheads have done much to expose the corrupting influence of money on politics. It is vitally important that we remain independent of the political process."

Questioned later, Morrison avoided being drawn into the row. Asked on 3AW whose idea the function had been he said, "I couldn't tell you, I was just invited". Did he see anything wrong with it? "Well it's not really for me to say. I mean they were happy to host an event and I attended an event."

The money-raising hosted by Nine had none of the sleaziness and claimed illegality of the \$100,000 donation a Chinese property developer allegedly delivered to the NSW ALP in that now-notorious Aldi bag. (Incidentally, the assistant minister for financial services, Jane Hume, produced an Aldi bag at the Nine function to make a joke about Labor's woes.)

But while the Nine gathering was above board and nobody will end up on any witness stand, it was, according to those trying to explain it away later, a bid to get into the prime minister's ear. Just as Huang Xiangmo, the Chinese billionaire, was always [attempting to get into](#) (multiple) Labor ears.

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James Chessell, executive editor of Nine's newspapers, said in a note responding to staff anger that Marks had told him hosting the function had been a mistake. "Hugh made the point Nine's primary motivation was to engage with the government on issues of importance to the newsroom – such a press freedom and the ACCC's inquiry into digital platforms – which is a valid argument for management to make. But he agrees it could have been handled better."

Well indeed it could have. There is something bizarre in arguing that a good way to engage with the government on press freedom is to rake in funds for it.

The Nine journalists and the management are at one in wanting to try to guarantee media freedom after it has come into question with the recent raids on a News Corp journalist and the ABC.

But this should be pressed without opening the organisation to criticism on other fronts, by appearing as if it is kowtowing.

If the company wants to make its case with the PM on its own turf (the function was held at Nine's Willoughby studios), then invite him to a board room lunch, a common practice. By all means give him a free meal, but don't generate a wad of money to go with it.

Anyway, one wonders how much Morrison will be influenced on media freedom by such lobbying. He sounded hard line this week in comments about everyone being subject to the law. The impression he gives is that he will only cede what ground he absolutely has to.

It's also difficult to judge whether Nine's assertion about wanting to use the occasion for representations on press freedom was in part just "spin", after it emerged Nine hosted a fundraiser for Malcolm Turnbull too.

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Relations between media companies and powerful political figures are often murky. At least this ill-judged effort was out in the open. The first report of it came from Joe Aston, gossip columnist in the AFR, shortly before the event.

Post the fundraiser debacle, media observers will have an even closer eye on how the journalism works out in the merged Nine organisation (which is chaired by Peter Costello, formerly treasurer in the Howard government).

The Nine takeover of Fairfax brought into the fold newspapers which had behind them decades of tough independent editorial cultures. Chessell in his message to staff made the point that nobody at Nine had attempted to influence editorial coverage since the merger.

But it's early days and whether the newspapers' cultures will remain in future years as they are now has to be an open question. Remember it was not all that long ago that the Age and the Sydney Morning Herald had competing federal political coverage. Now it is all one, a major change that would have seemed unlikely a few years before.

More immediately, the current focus on political fund raising is a fresh reminder of how distorting – and at its worst, as in NSW Labor, corrupting – this can be for the democratic system. Combined with the professional lobbying industry, it has made access and influence expensive tradable commodities. Vested interests are literally buying the time of political leaders.

On the other side of the coin, occasionally the threatened withdrawal of funds can be invoked to try to twist arms. The CFMEU Victorian branch has warned it would cut off funds to the ALP if its official, John Setka, is expelled (a threat that fortunately does not appear to faze Anthony Albanese).

Legislating various rules around donations hasn't deterred wrongdoing. In NSW the laws have been flouted over the years by both sides of politics.

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The most drastic solution is total public funding of election campaigns, which are already partly paid for by the taxpayer.

Moving to full funding should be a last resort, because it raises issues of cost, fairness (how to treat emerging parties), and people's rights to use their resources to promote their views.

Short of that solution, the shocking story unfolding in NSW emphasises the need for real time disclosure of donations and tighter enforcement of rules.

The lesson of the Nine affair is actually less about donations and more about the importance of those managing a media empire imbibing a central principle of journalism. Its sharp message is that, while it might often seem otherwise, the media must keep a fence between themselves and the politicians.

*Michelle Grattan previously worked for The Age, The Sydney Morning Herald and The Australian Financial Review.*

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