

The rise and fall of Edmund Rouse

Stephen Tanner

In 1989 Tasmanian media magnate Edmund Rouse attempted to bribe a newly elected ALP member of parliament to support the minority government of then Liberal Premier Robin Gray. Rouse's naive and badly planned attempt not only had ramifications for democracy, but ultimately also for control of Tasmania's major media company, ENT Ltd. The last scenes in that drama were played out recently when ownership of ENT Ltd, the company Rouse had previously controlled, passed to Bermuda-based media owner Bruce Gordon. This paper looks at the emergence of ENT Ltd as the major player in the Tasmanian media market under Rouse's stewardship, at his attempts to shore up the company's corporate interests through the bribery attempt, and at the consequences thereof, namely the dismantling of the state's largest media empire.

FOR many years ENT Ltd was the dominant player in Tasmanian media, with considerable interests in newspapers, television and radio. It has also owned or held interests in a number of non-media assets, and during the 1980s was regarded as Tasmania's largest non-resource group, with a market capitalisation of around \$120 million (*Business Review Weekly* 1989, p.160).

From 1951 until 1993 the company's fortunes were closely linked with those of its flamboyant former chairman and managing director, Edmund Rouse. Rouse became involved in the com-

pany after marrying Dorothy Rolph, daughter of the company's then managing director, Sir Gordon Rolph. In the highly parochial and regional Tasmanian media market, Rouse quickly developed a reputation for being outspoken and brash. It was an image which he nurtured. For example, he is reputed to have said when asked about his decision to drive a Rolls Royce, "I bought it for its effect on pedestrians. In Launceston it makes them spit; in Hobart they throw up" (*Business Review Weekly* 1989, p.160).

The company he joined had been in the Rolph family since 1897, when his wife's grandfather, W.R. Rolph, purchased Tasmania's oldest newspaper, the Launceston-based *Examiner*, in partnership with A.T. Young (Shaw n.d.). When Young retired in 1916, Rolph formed a partnership with his son, Gordon, who managed the newspaper until his death in 1959 (Shaw n.d.). Edmund Rouse then took over as managing director.

Before Rouse assumed the helm of the company, its principal interests had been in newspapers, mainly the *Examiner*. First printed in 1842 by three Congregationalists – James Aikenhead, the Rev. John West and J.S. Waddell – it was initially called the *Launceston Examiner and Commercial and Agricultural Advertiser* (*Australian Dictionary of Biography* 1968, p.3). The *Examiner* began life as a weekly, although within six months it was printed twice weekly, with editions on Wednesday afternoon and Saturday (*Cyclopedia of Tasmania* 1900, p.78). From 1853 it was published three times a week – on Tuesday, Thursday and Saturday (*Cyclopedia of Tasmania* 1900). It became a daily on December 21, 1877 (*Examiner Jubilee Booklet* 1892, pp.13–14). The *Examiner* underwent a number of format changes over the years, beginning as a small tabloid (measuring just 27cm by 42cm). The page size was doubled in 1854 and in 1868 it became a full broadsheet, although it reverted back to a tabloid format in 1948 (Lockwood 1980, p.78).

During the early years, the *Examiner* faced considerable opposition from other Launceston-based newspapers, including the *Telegraph*, the *Cornwall Chronicle* and the *Launceston Advertiser* (Morris-Miller 1953, pp.37–38). The *Examiner* absorbed the *Ad-*

vertiser in 1847 and the *Chronicle* in 1880 (Morris-Miller 1953, p.37). This set in place a competitive spirit which Edmund Rouse was to further develop in later years.

Despite a number of changes in ownership, the *Examiner* continued to expand. In January 1872 the *Weekly Examiner* was introduced. This was renamed the *Tasmanian* in 1881 when the *Examiner* bought a publication of that same name and merged the two weeklies (Morris-Miller 1953, p.37). The *Tasmanian* was published until 1895. From 1901 to 1935 the *Examiner* published the *Weekly Courier*, and for 60 years, from 1924 until 1984, the *Saturday Evening Express*. The latter was replaced in August 1984 by the *Sunday Examiner* (Tanner 1990, p.89). During the 1980s the *Examiner* published a free weekly newspaper, the *Tasmanian Mail*, which circulated statewide. The competitive nature of Tasmania's newspaper market also saw the *Examiner* publish small localised inserts which were directed at communities along the edge of its prime circulation area. These were intended to stave off competition from both the Hobart-based *Mercury* and the north-west coast-based *Advocate*.

Under Rouse's stewardship the company expanded quickly. In 1959 the company was granted one of Tasmania's two television licences and formed Northern TV Ltd to run the new station called TNT Channel 9, which began telecasting in Launceston in May 1962 (ENT Ltd 1988, p.2). The granting of the television licence and the formation of Northern TV Ltd marked the beginning of the company's diversification phase. In July 1965 Northern TV Ltd and the Examiner Newspaper Pty Ltd were merged to become Examiner-Northern TV Ltd, now ENT Ltd (ENT 1988, p.2).

Whilst developing its electronic media interests, ENT Ltd was also keen to expand its Tasmanian newspaper holdings. Its target was the Burnie-based *Advocate* newspaper, owned by the Harris family. For nearly a century, Tasmania's media market had been dominated by three families – the Davies family, owners and publishers of the *Mercury* newspaper in the south; the Rolph and Rouse families in the north, owners of the *Examiner*;

and the Harris family in the north-west, owners of the *Advocate*. The Davies family had controlled the *Mercury* from its establishment in 1854 until 1986 when it was taken over by the Herald and Weekly Times Group, later News Ltd. The *Advocate* was established by the Harris family in 1890, although under the name the *Wellington Times and Mining and Agricultural Gazette*.

Over the years competition between the three organisations was fierce, with the *Examiner* and *Mercury* each trying to eat into the *Advocate's* prime circulation areas – the *Mercury* along the west coast and the *Examiner* along the north-west coast. However, neither was successful. In the *Examiner's* case, not even the establishment of offices at Devonport and Burnie or the production of a special replated north-west edition of the *Examiner* enabled it to make any significant inroads into *Advocate* readership. This was due to the highly regionalised nature of Tasmania's newspaper market and the clear loyalties Tasmanians have to a regional newspaper. For example, research conducted by the Roy Morgan Research Centre found that the three newspapers enjoyed virtual market saturation in their respective circulation areas. This ranged from 75.3 per cent during the week for the *Mercury* to 80.1 per cent for the *Advocate* and 89.2 per cent for the *Examiner* (Morgan 1987, p.1–2). The *Examiner* enjoyed the highest out-of-region readership, with 17.4 per cent circulation along the north-west coast (Morgan 1987). It was on the basis of this research and private polling undertaken by the *Examiner* that ENT concentrated its efforts on the north-west coast.

ENT's 1988 annual report described the company's principal activities as television, newspapers, radio, commercial printing, motels, travel agencies, picture theatres, property development and investment (ENT Ltd 1988, p.10). The 1980s certainly saw ENT Ltd move further away from a dependence on newspapers as its major source of income to a greater involvement in the electronic media. In 1982 ENT Ltd bought all the shares in Hobart's television station, TVT6 (ENT Ltd 1982), a move which was not well-received in southern Tasmania, given the parochial rivalries which existed between the two cities. These rivalries had their origins in an 1804 decision to divide the then colony of Van

Diemen's Land into two separate counties, each under the authority of a Lieutenant Governor; however, in the years since they have been fuelled by the various media organisations (Taner 1990).

ENT continued its expansion in 1985 with the purchase of Melbourne radio station 3UZ for \$9.2 million, although it has since sold the station (*Examiner* October 31, 1986, p.37). However, in 1988 the company underwent a major reconstruction. In a somewhat surprising move, given its regional focus, ENT sold Channel 9 in Launceston to comply with the federal government's regional television aggregation policy, but retained Hobart station TVT6. ENT Ltd used the \$40 million from the sale of TNT9 towards the purchase of Associated Broadcasting Services Ltd in Victoria for \$76 million (ENT Ltd 1988, p.2). This purchase gave ENT Ltd two new television stations – BTV6 in Ballarat and GMV6 in the Goulbourn Valley, now known as VIC TV – as well as a 40 per cent interest in Filmpac Holdings Ltd, a distributor of motion picture programs and home videos in Australia, South-East Asia and New Zealand (ENT Ltd 1988). It also acquired two Victorian radio stations – 3SR and 3UL – with the purchase but on-sold those for \$9.5 million (ENT Ltd 1988, p.2.)

In July 1988 ENT Ltd acquired indirect control of six radio stations in the USA – four in California and two in Oregon. These were added to the two Tasmanian radio stations it already owned – 7EX in Launceston and 7HT in Hobart (ENT Ltd 1988, p.5). During the year ENT Ltd gained control of miller and vehicle distributor Holyman, Monds Affleck Ltd and, through that acquisition, increased its holding in timber and hardware group Gunns Kilndried Timber Industries Ltd (ENT Ltd 1988, p.11). In May 1988 *Australian Business* rated ENT Ltd 55th among Australia's top share market performers during the previous 10 years, with its share price showing compound annual growth of 32.91 per cent (1988, p.62). By the end of 1988, the company's expansion interstate and overseas meant that ENT Ltd no longer relied on its Tasmanian operations for profit. In fact, according to a report presented to shareholders in December 1988, the company

derived 58 per cent of its profit before interest and tax from its mainland operations (ENT Ltd 1988b; Clarke 1989).

The bribery attempt

During the 1980s, Tasmanian politics were in a volatile state, with the political agenda being dominated by the development-versus-conservation debate. This was highlighted first by the Gordon-below-Franklin dispute – a proposal to construct a large hydro-electricity scheme in the south-west – and then by the Wesley Vale dispute – a proposal to build a \$1 billion pulp and paper scheme on the north-west coast. Both projects were ultimately halted after enormous community pressure and the intervention of the federal government.

Not only did these represent major defeats for the pro-development Liberal government led by then Premier Robin Gray, but they also provided a launching pad for the political careers of a number of Green Independent politicians. The political career of long-time Greens leader Dr Bob Brown had its genesis in the Gordon-below-Franklin debate, and that of his successor, Christine Milne, in the Wesley Vale dispute. Not only that, but in a state dominated by personality politics (Sharman 1977, p.15), their popularity was such that they were able to bring other lower-profile people into the parliament on their electoral coat tails.

This was highlighted in the 1989 state election, which saw the Liberal government of Robin Gray lose its majority in the 35-seat House of Assembly, and five Green Independents win the balance of power. The Liberals were reduced to 17 seats, compared with the Labor Party's 13. During the election campaign, both major parties had argued that in the event of a hung parliament they would not negotiate with the Greens to give them government.

Gray, who commanded the largest single block of seats after the election, said he would form a minority government and allow it to be tested on the floor of the house. He also said that in

the event of the ALP (which had suffered its worst electoral defeat since 1922) and the five Green Independents doing a deal to form government, he would advise the Governor, General Sir Phillip Bennett, to call a fresh election. Speculation that there would be another election mounted when the Greens and the Labor Party hammered out an historic Accord. Gray had earlier refused to discuss the possibility of forming a minority government with the Independents and at the same time publicly criticised the ALP for dishonouring a similar pledge which it had made during the election campaign.

Gray believed that the government's case for a fresh election was a strong one. The government had sought opinions from a number of prominent interstate QCs and the Attorney-General, John Bennett, had follow-up meetings with them which suggested that the Governor could accept such advice. However, the Premier's plans were thrown into disarray when news leaked out that there had been an attempt to bribe a newly elected Bass Labor MP, Jim Cox, to support his minority government if a no-confidence motion was moved against it when parliament resumed.¹

The bribery attempt had been engineered by Edmund Rouse, who had returned from an overseas trip shortly after the election. Rouse, who later said that his decision was prompted by a concern over the state of the Australian economy, and in particular the prospect of the Greens holding the balance of power in Tasmania, arranged to meet Gray on two occasions over the Queen's Birthday long weekend in June 1989 (Royal Commission, transcripts of in-camera evidence 1991, pp.38-39). He later told the Royal Commission set up to investigate the bribery attempt that he had tried to convince Gray to offer Cox the Speakership or a ministry to support his government (Royal Commission, transcripts of in-camera evidence 1991, p. 49). When Gray declined, believing that his party would not accept

1. News of the bribery attempt broke on June 23, 1991. However, there had been rumours of a proposed bribery attempt circulating in political circles for some days before that.

such a solution, Rouse then embarked on his plan to bribe Cox by offering him \$110,000.

Rouse believed that of the Labor members of parliament, Cox was the most likely to accept the bribe. He was aware that Cox, a former radio announcer and DJ and a one-time ENT employee, had recently separated from his wife and believed him to be in some financial difficulties. Accordingly, he arranged for a second former employee, Tony Aloï, a sales executive with 3UZ, to telephone Cox at home and offer him the money. Aloï became involved in the plan when he rang Rouse seeking work experience for a friend. Rouse believed that Aloï would provide him with a solution to his problem – that if Aloï would act as the middle-man then Rouse could remain at arm's length. Having decided to proceed with the bribery attempt, Rouse contacted Aloï and asked him to meet him at Melbourne Airport, where he outlined the plan (Royal Commission, transcripts of evidence 1991, p.184).

Aloï telephoned Cox, identified himself as “John Chrome”, and offered him \$110,000 over five years if he was prepared to vote with the Liberals in defeating a no-confidence motion which was expected to be moved against the government when parliament resumed.² Cox immediately contacted Labor leader Michael Field and his deputy Peter Patmore, advising them of the conversation. The first calls were dismissed as hoaxes, however, when the first instalment of \$5000 arrived at Cox's home he contacted police, who placed a tap on his telephone and also advised him to cooperate with the caller. In return for the first instalment, Cox was expected to telephone Gray and offer his support. Cox rang the Premier's home but was told by Gray's son Ben that his

2. There was some speculation in the media that the \$110,000 represented the difference between a backbencher's salary and that of a minister over the life of the parliament. However, Rouse denied that, saying that it was a figure which he believed would appeal to Cox, and one which he could afford. The payment was to be in a number of instalments – \$5000 as a show of faith, \$5000 when Cox contacted Gray, \$25,000 when he supported the government in the expected no-confidence motion and \$25,000 a year for three years. See Royal Commission, transcripts of in-camera evidence 1991

father was on his way home from Sydney and would not be in until later that night, June 23.

Aloi was arrested later that same night in a public telephone box in Melbourne while talking to Cox (Lester 1989, p.1). He later confessed to police that he had rung Cox on behalf of Edmund Rouse. He said that he had done so because of his admiration for Rouse, whose company ENT Ltd had previously owned 3UZ (Royal Commission, transcripts of evidence 1991, p.181). However, as his later testimony to the Royal Commission established, he did not appreciate the seriousness of his actions.

Rouse's involvement in the bribery attempt was not publicised in Tasmania for some days after Aloi's arrest, despite speculation to that effect and a mainland radio news bulletin which identified him as the businessman believed to be involved. The rumours created a dilemma for ENT Ltd, inspired to a large degree by concerns that the company's right to hold broadcasting licences would be reviewed in the event of a conviction against Rouse (*Report of the Royal Commission* 1991, p.406).

ENT executives were reluctant to tackle Rouse on the question of his involvement. According to David McQuestin, the managing director, they "wanted to think that it wasn't correct" (*Report of the Royal Commission* 1991, p.407). Nonetheless, they decided that the *Examiner* and Tas TV "had to treat it as a normal story and that there was to be no protection [for Rouse or his family, given his position within the company]" (*Report of the Royal Commission* 1991, p.498). That they did, with the *Examiner's* coverage of the bribery affair, in particular, proving a good case study in objective journalism. Rouse ultimately pleaded guilty to the criminal charge of attempting to bribe Cox and was jailed for three years (Tasmanian Criminal Code, s. 72). He was also fined \$4000 for improperly using his position as a company officer (s. 229 (4) of the Companies Tasmania Code) and barred from holding a company position for five years after his release from jail. Aloi was sentenced to 12 months in jail, with eight months suspended. The managing director of ENT, David McQuestin, was also charged with attempting to obstruct the due course of jus-

tice by concealing and destroying evidence, but these proceedings were later discontinued by the DPP (*Report of the Royal Commission* 1991, pp.47–73). Soon after being charged, Rouse resigned from the chairmanship of ENT Ltd, giving up control of the company he had dominated for nearly 30 years. At that time, however, the Rouse family maintained its 20 per cent share holding in ENT Ltd, making it one of the major shareholders.

Rather than end, as one would presume, with Rouse's conviction, the bribery affair developed a life of its own. When Robin Gray heard of the attempt to bribe Cox, he abandoned plans to petition the Governor for a fresh election. Instead, he handed the Governor his resignation after his government was defeated in a no-confidence motion when parliament resumed on June 28. The incoming Labor government, believing that it could gain political mileage out of the corruption issue, established a Royal Commission to determine whether other people were aware of, or involved in, the attempt to bribe Cox.

In particular, the government was keen to draw a link between Gray and Rouse. The latter was widely acknowledged as having had direct influence over Tasmanian Premiers of both political persuasions. In this case the supposed connection was provided by the two meetings between Rouse and Gray over the Queen's Birthday weekend, especially a "particular coincidence between the timing of the second meeting and the commencement of Rouse's attempt to bribe Cox", and a \$10,000 donation Rouse had given Gray for the Liberal Party.³ Not surprisingly, the Royal Commission wanted to know whether Rouse had told Gray of his plans at either of the meetings.

This line of inquiry was followed because Gray, as leader of the Liberal Party, was the man most likely to benefit if Cox did cross the floor. The connection was never established, however,

3. The \$10,000 came from a safety deposit box which ENT used for contingencies. It was this same box from which Rouse asked McQuestin to draw the \$10,000 used for the first two payments to Aloï. McQuestin was not aware of the purpose to which the Aloï money was to be put and later asked Rouse to repay the money. The existence of the security box and its contents were unknown to ENT's other directors and became the subject of a Corporate Affairs investigation.

with both Rouse and Gray denying that the Premier was aware of the bribery attempt. Even so, the Commissioner concluded that the Premier had acted improperly in that he should have suspected, if not known of, Rouse's intentions following their meetings (*Report of the Royal Commission 1991*, pp.768-769).

The Commissioner's findings highlighted the naivety of Rouse's bungled bribery attempt. Evidence to the Royal Commission confirmed that it was an ill-conceived plan. Neither Rouse nor Aloï really thought out what would be said to Cox; and Rouse indicated that he was keen for Gray to know that he had had a part in Cox's decision to support him if that eventuated. Rouse also openly discussed with people the fact that there was "a loose cannon on the deck of the Labor ship of state", while behind the scenes seeking to engineer such a result himself. Finally, he involved other people in his scheme – namely Aloï; his secretary, who helped to wrap and send the money to Aloï in Melbourne by overnight courier; and McQuestin, his friend of 30 years. Each of these people ultimately suffered because of his arrogance.

There is no doubt too that Gray's career suffered as a result of the inquiry. Both the Commission and the media focused on the fact that he had not passed the \$10,000 ENT donation on to the party's treasurer, preferring to keep it in freezer bags at his home. Gray's explanation was that the party was not working hard enough at fundraising for the first election, and that he had earmarked the \$10,000 for a second campaign if it were necessary (*Report of the Royal Commission 1991*, pp.139-140). The parliamentary Liberal Party obviously felt that Gray had been wounded by the inquiry, because it subsequently dropped him as Opposition leader, opting instead for his one-time deputy and now Premier, Ray Groom. This didn't appear to have any impact on the electors, however, with Gray topping the poll statewide at the election which was called one month after he had been deposed as Liberal leader, outpolling the next best vote winner, Groom, by three votes to two. The real victim of the inquiry in a political sense was Jim Cox who, despite his honesty, was defeated at the next election. Although, even Gray's reputation may have been

scarred by the experience, for recent attempts by him to seek Liberal Party endorsement for a switch to the federal arena have been blocked.

The impact on ENT

Rouse's arrest and eventual conviction had an immediate and long-lasting impact on the company. The value of ENT shares fell slightly at the time of his arrest. On June 23, 1989, the day on which Alois was arrested and Rouse's possible involvement in the bribery attempt was first mooted, ENT shares were sitting at \$4.00 (Pringle-Jones 1994). However, on June 28, the day he appeared in court, they fell to \$3.75 (Pringle-Jones). They stayed at that price the following day, when Rouse's resignation as chairman of ENT was announced. Rouse was eventually charged on November 3, 1989, but pleaded not guilty. ENT shares continued to fall in value. On April 30, 1990, the day he pleaded guilty, the shares hit \$2.55, recovering to \$2.65 on May 7, the day he was convicted (Pringle-Jones). By September 1991 the company's share price hit a low of 76 cents (ENT Ltd 1994, p.7).

Whether the fall in ENT shares can be attributed entirely to Edmund Rouse's fall from grace is a moot point. Whilst it appears that his actions and subsequent conviction did have some impact on public perceptions of the company, it can also be argued that the decline in support for ENT was a reaction to the company's expansion program during the 1980s. ENT responded by embarking on a debt reduction and consolidation program. In 1990, whilst Rouse was in jail, ENT Ltd sold the company's flagship, the *Examiner* newspaper, for \$28 million to John B. Fairfax's Rural Press group (60 per cent) and Harris and Co., owners of the *Burnie Advocate* (40 per cent). This sale signalled a major break with the company's print media origins. Between 1990 and 1994 asset sales recouped almost \$70 million (ENT Ltd 1994, p.5). These included its local radio stations, 7EX in Launceston and 7HT in Hobart (\$1.8m), and its US radio interests (\$4.3m). The timber industry interests which Rouse was trying to protect in 1989 were sold for \$9m (ENT Ltd 1994, p.5).

Certainly this appears to have had a positive impact on the company's shares, with ENT's share price having increased at a compound rate of 30.2 per cent per annum over the past 3 years (ENT Ltd 1994, p.7).

In its advice to shareholders, ENT said that it had managed to reduce its net borrowings from \$139 million at June 30, 1990 to \$48 million at June 30, 1994 (ENT Ltd 1994, p.7). Furthermore, this was achieved despite the company having to spend \$27 million for aggregation in Victoria and Tasmania (ENT Ltd 1994, p.5). Non-core assets had been reduced to \$10.9 million, with plans to dispose of them (ENT Ltd 1994: 5).

Whilst embarking on a sell-off of non-core assets, the company had also increased its television interests. It purchased STV Mildura for \$18 million in 1989, and a 20 per cent stake in Perth's Sunraysia Television in 1994. Directors pointed to the fact that VIC TV was the highest-rating television network in Australia and that its rating of 37.6 for the 15 weeks to July 30, 1994 placed it more than five points ahead of most Nine Network metropolitan stations (ENT Ltd 1994, p.6). They also pointed to the fact that TAS TV had held the number one position in Tasmania since aggregation, according to mid-year AGB McNair Anderson results, as further evidence to support their argument that the takeover offer should be rejected (ENT Ltd 1994, p.6).

Until WIN's successful takeover, ENT Ltd was essentially a Tasmanian owned and operated company. Whilst its share register included such major investors as AMP, National Mutual and Commercial Union, it was controlled by Tasmanian shareholders. According to the company's 1989 annual report, in February that year local investors owned 20.15 million shares, representing 64.56 per cent of the voting capital. The largest single block of shares was controlled by the Rouse family, with 6.885 million shares (20.07 per cent of issued capital). By 1992 the Rouse family's share holding stood at 19.8 per cent, and was watered down to 13.5 per cent when it decided against taking up a 1-for-3 renounceable rights issue. This put the family's holding just under the 15 per cent limit set by the Australian Broadcasting Tribunal.

Shareholders with a 15 per cent holding in a company must make an annual return to the ABT, which can then determine whether they are fit and proper people to hold a licence or not. The impact of the Rouse Bribery Royal Commission had previously been of concern to the company in that regard. Under the rights issue, the family had three options: it could have sold them, as it did; forfeited them to the underwriters; or purchased them by August 10 for \$2.8 million (Caples 1992).

In hindsight, the family's decision not to take up the rights issue and in the process to water down its own share holding should probably have been regarded as a warning of its future intentions. Ultimately, Edmund Rouse signalled those intentions when he, his wife Dorothy, and their daughters sold 7 million shares to WIN Television for \$13 million, thereby providing the trigger for the eventual takeover bid. Rouse said that the family had decided to sell its shares because it no longer had any managerial input into how ENT was being run (Polonsky 1993b, p.1). Although his son David was general manager of TAS TV in Hobart, the family's control of the company had been removed. Rouse explained the decision in the following terms:

We decided to sell because it was a very considerable investment in one lump, and an investment in which we had no managerial input at all. That was too risky a situation to continue forever. We thought about it off and on for a long time. Once the *Examiner* was sold it was certainly a lot easier to come to a decision to sell. (Polonsky 1993b, p.1)

His wife Dorothy agreed that the sale of the *Examiner*, the flagship of the media company controlled by her grandfather and father respectively, had been a deciding factor (Polonsky 1993c, p.10). The Rouse family's decision to sell their shares marked the end of a 96-year association with the company.

WIN's takeover came as a surprise to ENT senior management, given comments by WIN Television managing director John Rushton at the time of the Rouse share sale that the company had no intentions of a full bid for ENT, saying that the share holding was an investment (Clark 1993b). However, the *Mercury* reported media analyst Bob Peters of ANZ Capel Court

as saying that a takeover bid was likely. He pointed to the fact that WIN television was wholly owned by Bruce Gordon and suggested that Gordon was likely to move for full control of ENT Ltd (Clark 1993b). Even so, ENT chairman John D'Arcy welcomed WIN's share holding at the time of the Rouse sale, arguing that it made sense for a fellow Nine affiliate which was involved in regional television to hold a stake in the Tasmanian company (Clark 1993a, p.2).

However, D'Arcy and the ENT board advised shareholders to reject the WIN bid, arguing that it undervalued the company and was "neither fair nor reasonable". Directors argued that the initial offer of \$1.55 a share was well below the price WIN had paid for a strategic interest in the company when it purchased the Rouse family share holding and did not include a premium for control and ownership of ENT (ENT Ltd 1994, p.1). They also argued that it was well below the valuation of \$2.04 to \$2.23 a share put on the company by Potter Warburg and Co. (ENT Ltd 1994, p.1). The revised offer at \$1.68 a share valued ENT at \$105 million, but was still below the market high point of \$2.05 during the preceding 12 months (ENT Ltd 1994, p.1). Despite the board's efforts, WIN was able to increase its holding to 91 per cent when the major institutional investors sold out, thereby pushing it over the threshold required to compulsorily acquire the remaining shares. If those final shares are purchased, Rushton has indicated that ENT will probably be delisted. He also indicated that the company's corporate headquarters would probably be transferred to Wollongong, where WIN Television's headquarters were situated (Standen 1994, p.4).

Conclusion

It is that fact which spells the end of an important era in Tasmanian media ownership, one which might not have occurred but for Edmund Rouse's decision in 1989 to try to bribe a newly elected member of parliament, and an outcome which he certainly would not have foreseen at that time. That Rouse had considered such action necessary and achievable was a sad in-

dictment of his attitude to the use of media power to influence the democratic processes. It was an action with potentially widespread ramifications, which could reflect both on the democratic processes of government and the media's role therein.

Rouse's decision had the potential to further undermine community attitudes towards politicians, political institutions and the media. As a number of recent public opinion polls have shown, all have credibility problems.⁴ However, Rouse's actions, in a media context, do need to be clarified. His intention was never that his actions be associated with ENT; that is, they were the actions of a private citizen, rather than of the chairman of a multi-million dollar company, difficult though it may be to separate the two. That was reflected by his intention to reimburse the company for the \$10,000 and to pay the \$100,000 out of his own resources. Admittedly, he was keen for Robin Gray to know that his was the guiding hand behind Jim Cox's decision to defect. And this points to the naive, almost farcical nature of the whole bribery attempt. It also points to the arrogance of the man. On the one hand he wanted to remain at arms length, hence his decision to use Aloï as an intermediary. On the other hand, he wanted Gray to know that he was working to secure the government's fortunes. Furthermore, he was prepared to talk about a "loose cannon" while undertaking to prise that cannon loose himself through illegal means. In the process, his actions impacted directly and indirectly on a number of other, innocent people, and for that alone he should probably be condemned.

Edmund Rouse's conviction, the subsequent sale of the *Examiner* and the takeover of ENT Ltd brought to an end the second phase in the move away from family-based media empires in Tasmania which began more than a decade earlier with the end of the Davies family's involvement in the *Mercury* and its eventual takeover by the Herald and Weekly Times Group. In some respects it could be argued that the trend began when the federal government moved to limit the ownership of regional television

4. See, for example, Morgan Research Centre Report No. 2577, 1994 which compares the honesty and integrity of politicians with other professions. Attitudes towards journalists have been widely documented.

licences, a decision which forced ENT Ltd to sell one of its two Tasmanian stations.

On a personal note, it undermined the tremendous contribution which Rouse had made to the Australian media industry over many years, through his involvement with the Newspaper Advertising Bureau, the Australian Press Council, the Regional Dailies Association and the Media Council of Australia. It also undermined the major contribution Rouse had made to Tasmania over the same period.

On a lighter note, it also marked the end of a tradition which Rouse had set in train during his time as ENT chairman. Each Christmas, Rouse, in his own inimitable way, would walk through the *Examiner* news room in Launceston and present the staff with their annual bonus – an all-day sucker lollypop. Such was his sense of humour.

References

- “ENT partner rules out takeover bid” (1993), *Advocate*, December 15: p.3.
Australian Business (1988), May 4: p.62.
Australian Dictionary of Biography 1, (1968), Ed D. Pike, Melbourne: Melbourne University Press.
“Rich 200” (1989), *Business Review Weekly*, May 12: p.160.
Caples, J. (1992), “Rouses’ holdings ‘reduced’”, *Examiner*, July 8: p.4.
Cyclopedia of Tasmania (1900), Vol. 2, Hobart: Maitland and Krone: 78.
Clark, Nick (1993a), “Rouse’s \$15m exit”, *Mercury*, December 14: pp.1,2.
– – – (1993b), “Speculation on ENT takeover lifts share price”, *Mercury*, December 15: p.2.
Clarke, B.J. (1989), Letter to the author, February 28.
ENT Ltd (1982), *Annual Report*.
– – – (1988a), *Annual Report*.
– – – (1988b), *Report to Shareholders for the half year ending December 31, 1988*.
– – – (1994), *Advice to shareholders*. August 11.
“ENT writes off Richardson’s holding” (1986), *Examiner*, October 31: p.37.
Examiner Jubilee Booklet (1892), Reprint, *Examiner*, March 12: pp.13, 14.
Ferrall, R. A. (1992), “ENT Rights Issue will save \$6 m”, *Examiner*, June 23: p.22.

- Lester, M. (1989), "MP bribe scandal", *Mercury*, June 24: p.1.
- Lockwood, D. ,ed. (1980), *A Brief History of the Regional Dailies of Australia Ltd.* Melbourne: Regional Dailies of Australia.
- Morris-Miller, E. (1953), "A Historical Summary of Tasmanian Newspapers", in *Tasmanian Historical Research Association Papers and Proceedings*, part 2 (2) March: 34-39.
- Polonsky, Mark (1993a), "Rouse sell-off", *Examiner*, December 14: p.1.
- — — (1993b), "Rouse: I'm not ashamed", *Examiner*, December 15: p.1.
- — — (1993c), "Sadness over sale of paper", *Examiner*, December 15: p.10.
- Pringle-Jones, R. (1994), Undated interview with the author. (Mr Pringle-Jones is managing director of Hobart stockbroking firm Shadforth's Ltd.)
- Report of the Royal Commission into an Attempt to Bribe a Member of the House of Assembly* (1991), Hobart: Tasmanian Government Printer.
- Royal Commission, transcripts of evidence (1991), April 22 - July 11.
- Royal Commission, transcripts of in-camera evidence (1991), March 13-14.
- Sharman, G.C. (1977), "Tasmania - the politics of brokerage", *Current Affairs Bulletin*, 53 (9) February: 15-23.
- Shaw, N. (n.d.), Unpublished two-page history of the *Examiner*.
- Standen, Rachel (1994), "Dozen jobs may go in ENT sale", *Mercury*, September 14: p.4.
- Tanner S.J. (1990), "Parochialism, Politics and the Tasmanian Press: A Study in the Politics of Journalism", M.A. thesis, University of Tasmania.

Stephen Tanner is a former Tasmanian journalist who teaches political science at the University of Tasmania. He is currently working on a PhD which looks at the media's treatment of political corruption.
