OCTOBER

- 1-4 October The International Naval Review took place on Sydney harbour as part of the Bicentennial Naval Salute, hosted by the Royal Australian Navy. HRH the Duke of York reviewed the fleet, comprising more than 50 warships from sixteen nations. The fleet also visited Melbourne, Hobart, Adelaide and Fremantle where public inspections, demonstrations and displays were held to commemorate Australia's maritime heritage.
 - 1 October 1788 'With regard to myself, I have only to observe that this country is by no means a place that I wish to continue in, nor do I think that any constitution can stand long against the scorbutick attacks natural to a salt diet, and I see not the most distant prospect of our being able to get any other.

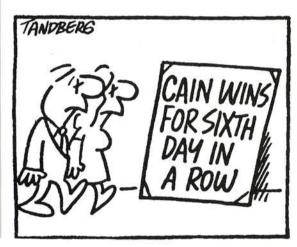
Yet, nevertheless, should their Lordships think it necessary to continue me in the command for a year or two longer than their first intention, I shall be happy in obeying their commands.'

MARINE COMMANDANT MAJOR ROSS

- 1 October A state election was held in Victoria. The ALP secured a narrow majority in the assembly despite a 1.1 per cent swing against Labor. In the assembly Labor won 46 seats, the Liberals won 33 and the Nationals won 9 seats. In the half council election Labor won 9, Liberals 10, National Party 3, giving the Liberals power in the Legislative Council, having already held 9 seats, Labor 8, Nationals 3, and Independents 2. Premier John Cain became the longest serving Vic ALP premier.
- 2 October Tony Longhurst won the Bathurst 1000 motor race driving a Ford Sierra.
- 2 October President of the Federation of Ethnic Communities Councils of Australia Bill Jegorow called for an amnesty for illegal immigrants during the bicentennial year. The last amnesty was granted by the Fraser government

in 1980 when 10 000 illegal immigrants came forward from an estimated 40 000 in the country. There are now an estimated 70 000 illegal immigrants.

3 October The Duke and Duchess of York departed Townsville for Mt Isa and for Cloncurry, the original base for the Royal Flying Doctor Service. Quoting part of a letter from the Reverend John Flynn who founded the service in 1928, the Duke of York said in his speech, 'At last I have got away from Sydney — and it is a relief.'



Above. Tandberg's comment on the election cliffhanger in Victoria. Sydney Morning Herald, 7 October 1988.

Right. Premier John Cain is questioned by the media during the Victorian election campaign. Photograph by J. Houldsworth.



- 4 October A 25-year-old Aboriginal man, of the Gunwingu people, surrendered to police in Maningrida, southeast of Darwin, and was charged with the murder of six family members, including his father-in-law Aboriginal artist Dick Nguleingulei Murrumurru at Malgawa outstation, near Oenpelli, Arnhem Land, NT, on 26 September.
- **5 October** Amnesty International released its 1987 *Annual report* on human rights violations. It was the first time Australia has been mentioned in the report, in relation to Aboriginal deaths in custody.
- 5 October Foreign Affairs Minister Gareth Evans addressed the General Assembly of the United Nations in New York and pledged that Australia would do all it could to end 200 years of discrimination, cruelty and oppression against Aborigines. He told the UN: 'Australians today cannot reverse that history, but nor are today's Australians responsible for it. Our duty today is to acknowledge the truth of our history and to redress it. We have undertaken to the descendants of our original inhabitants and I repeat that undertaking to the United Nations that we will leave undone nothing that can be done to right this great wrong of our past.'
- 5 October The sixth edition of the Australian Government Publishing Service's *Style manual* was published. For the first time it contained a chapter on non-sexist language commissioned from the Federal Office of the Status of Women.
- 5-8 October Tasmanian Governor General Sir Phillip Bennett opened the Royal Launceston Show, 'Tasmania on parade', at the Elphin Showground. Attractions included livestock and homecraft exhibits, sideshows, motorbike and parachute displays, and cultural events. The Royal Hobart Show was held from 19 to 22 October at the Royal Showground, Glenorchy.
- 6 October In the NSW Supreme Court Tom Domican was sentenced to fourteen years' gaol with a ten-year non-parole period for shooting at 'missing hitman' Christopher Dale Flannery and his family with intent to murder them.

- Domican fired approximately 30 shots at Flannery, his wife and daughter. Flannery received minor injuries, but his wife and daughter were not hurt.
- October Melbourne coroner Hal Hallenstein handed down his finding at the inquest of the Queen Street massacre. He found that 22-year-old Frank Vitkovic caused the deaths of the eight office workers with his military style M1 carbine rifle in the Australia Post building, Queen Street, Melbourne, 8 December 1987. Vitkovic, a psychotic and schizophrenic, his diary wrote in 19 November 1987: 'I don't care if you make public the contents of this diary. I wrote it in part for myself, in part for society to understand how these things happen and why and how you can pick out people who might [be] able to do such things. Look for people with a history of rejection, loneliness and illtreatment who also have a fascination for guns and you won't go wrong.' The eight dead were Judith Morris, Julie McBean, Warren Spencer, Annunziata Avigone, Michael McGuire, Marianne Van Ewyk, Catherine Dowling and Rodney Brown. Vitkovic committed suicide after the shooting.
- 7 October NSW and Qld miners voted to accept changes to their award announced by the Coal Industry Tribunal after an application by NSW and Qld coal companies. Changes to the award include the introduction of six-days-aweek production, an increase in shifts from seven to eight hours and an end to the traditional Christmas shutdown. Miners, who will receive a \$33-a-week pay rise, opposed the coal tribunal's decision to allow companies to increase shifts to nine hours if there is common agreement among workers at individual mines. The changes are aimed at making mines more efficient and competitive on the international market.
- 7 October The federal government released the second stage of a report *The portrayal of women in advertisements*, following a content analysis of 901 advertisements undertaken in July 1987. The project's consultation with 407 women throughout Australia was convened by the National Women's Consultative Council. The report concluded that a majority of women

of varying ages and backgrounds found the portrayal of women in advertising offensive. They objected to being shown as submissive, sexually available or frivolous. They expressed concern that advertising reinforced physical appearance and portrayed stereotypes that might effect the behaviour and social conditioning of their children. A random telephone survey of 1002 women supported these findings. Senior personnel from six leading advertising agencies were also interviewed. Their views conflicted with women's perception of the role and power of advertising: they believed that their portrayals of women were not offensive to a majority of women; that advertising merely reflected existing social values and that advertising had less impact than program material.

7 October The WA Industrial Relations Commission laid down procedures aimed at addressing the concerns of Burrup Peninsula workers on the North West Shelf LNG (liquefied natural gas) Project, who were striking over possible exposure to asbestos material on site. Joint venturers Kellogg–JGG–Raymond agreed to the commission's order but refused union demands that letters be sent to all employees regarding their exposure. The strike ended on 18 October.

7 October CSIRO's Tropical Forest Research Centre at Atherton, Cairns, Qld, completed a nine-month pilot study on the future of the endangered cassowary, a large, three-toed flightless bird unique to Australia and Papua New Guinea. The study found that urban and agricultural development is causing the decline and possible disappearance of the cassowary from its coastal environment. The species, found in the remote Cape York Peninsula and a narrow 1100-kilometre strip of rainforest between Cooktown and Townsville in north Qld, is essential to the dispersal of large fruited trees in rainforests.

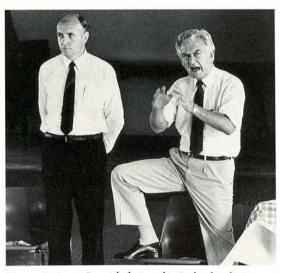
8 October In the Oxley by-election former union official Les Scott retained the federal seat for the ALP although, on a two-party preferred basis, the party's vote dropped 11.8 per cent. The by-election resulted from the retirement of Governor-General designate Bill Hayden who had held the seat for 27 years.

8-11 October The Australian men's cricket team drew the third test match against Pakistan at Lahore.

9-16 October Severe bushfires burned through the Royal National Park, south of Sydney. A state of emergency was declared in Sutherland Shire on 12 October and extended to the City of Wollongong on 14 October when the NSW Bush Fire Council requested help from the army to control the shifting blazes. Alan Randell, a 35-year-old firefighter, died on 16 October when a tree fell on the Illawong Fire Brigade water tanker that he was driving.

9 October Australia defeated New Zealand 25–12 in the rugby league world cup final at Eden Park, Auckland, New Zealand.

10 October Jill Blewett, SA academic and chairperson of the SA State Theatre Company, died from electrocution aged 50 in Adelaide. She is survived by her husband, Health Minister Neal Blewett, and two children.



Campaigning at Ipswich during the Oxley by-election, Prime Minister Bob Hawke with ALP candidate Les Scott. Photograph by Peter O'Halloran.

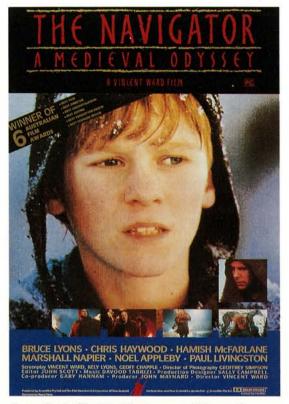
10 October At the opening session of the Synod of the Anglican Church in Australia, the Sydney Anglican Synod tabled a report, which argued that Freemasonry is fundamentally incompatible with Christianity because of the apparent absence in Masonic ritual of specific references to Christ.

10 October Ian Temby QC became Commissioner-designate of the NSW Independent Commission Against Corruption following his retirement as Federal Director of Public Prosecutions. His successor is Melbourne criminal lawyer, Mark Weinberg QC.

10 October Winners of the 1988 Australian Film Institute Awards were announced. The navigator, a medieval odyssey directed by Vincent Ward, won six of the eight categories in which it was nominated, including best feature film and best direction. Other award winners included John Waters for best actor in Boulevard of broken dreams and Nadine Garner for best actress in Mullaway. Cane toads — an unnatural history won the award for best documentary and best editing.

11 October The Royal Commission into Former Chelmsford Private Hospital and Mental Health Services in NSW began hearing evidence before Justice Slattery. The commission is investigating the practising of deep-sleep therapy at the former Chelmsford Private Hospital in the northern Sydney suburb of Pennant Hills in the 1960s and 1970s. Psychiatrist Dr Harry Bailey, who committed suicide in 1985, advocated the use of deep-sleep therapy in conjunction with electro-convulsive therapy as a treatment for schizophrenics. The commission heard evidence that 33 people had died after receiving the treatment. The first known death was an eighteen-year-old girl who committed suicide in October 1963, eight months after Dr Bailey opened the hospital. It was taken over in 1979 by Somers Pty Ltd and the name of the hospital was changed to Pennant Hills Community Hospital.

11 October The NSW Legislative Council voted in favour of a motion that Philip Arantz be reinstated to the NSW police force. Arantz was dismissed in 1971 following the publication in the Sydney Morning Herald of confidential crime figures, supplied by Arantz, which showed that senior police had falsified the figures for crimes solved. On 26 November 1971 (the day that the report was released) Arantz was committed to a psychiatric hospital after Dr Amoury Vane certified that Arantz had paranoid and obsessional traits. Three days later



Poster for the film The Navigator, which won the Australian Film Institute award for Best Feature Film.

Arantz was declared sane and dismissed from the force. An appeal to the Crown Employees' Appeal Board in 1972 and subsequent appeals for reinstatement failed. On 10 October 1988 Dr Vane alleged that as a young police surgeon, he was manipulated into signing the papers, which led to Arantz's admittance to a psychiatric hospital. Although the Legislative Council voted that Arantz be fully reinstated, when the legislation was returned to the Legislative Assembly, it was withdrawn by the government.

11 October Suspended Qld Police Commissioner Sir Terence Lewis submitted a 41-page statement denying allegations made against him at the Fitzgerald Inquiry. During his evidence, Sir Terence named as his 'special friends' former premier Sir Joh Bjelke-Petersen, National Party trustee Sir Edward Lyons, Justice Pratt, Justice Vasta and former cabinet minister Don Lane. He told the inquiry that he had no idea why Sir Joh selected him as police commissioner in 1976 and that punting wins were one of his sources

of income. His mother (now dead) placed many successful bets on his behalf. Sir Terence was the inquiry's first witness when it began public hearings on 27 July 1987. Confessed corrupt policeman Harry Burgess made the first allegations of corruption on 31 August 1987.

- 11 October A report The future structure of higher education in NSW, prepared by Ron Parry of the Office of Higher Education within the NSW Ministry of Education, was tabled in state parliament. The report recommended seven university 'networks' to comprise the 21 existing universities and colleges. The proposals are in line with the federal government's white paper on higher education, entitled Higher education, a policy statement.
- 11 October Prime Minister Bob Hawke outlined a program of industry reforms in a speech to the Business Council of Australia in Canberra. The reforms included setting up a 'request and response' mechanism under which the government would act within two months on business requests for reviews of specific regulations; deregulating liquefied petroleum gas prices; reviewing research and development in science and technology with the likelihood of increasing funding and ensuring efficiency in coastal shipping to increase the Australian-flag share of international cargo.
- 12 October Former SA premier, Don Dunstan, opened the *Art for AIDS* exhibition in Adelaide, featuring the works by fourteen men and eleven women artists.
- 12 October Constable Steven Tynan, aged 22, and trainee Constable Damien Eyre, aged 20, were ambushed and shot dead in the Melbourne suburb of South Yarra, while inspecting an apparently abandoned car.
- 12 October The High Court began hearing the test cases of two fathers, identified as M and B, who have been denied right of access to their daughters on suspicion of child sexual abuse. The two men are appealing against decisions by the Full Bench of the Family Court which confirmed the refusal by the Family Court to grant further access after the mothers had sought sus-

SY.	DNEY
12 October 1788	12 October 1988
Temperatures	Temperatures
9am 21.3 deg	9am 22.0 deg
Noon 24.4 deg	3pm 28.7 deg
4pm 21.7 deg	8pm 25.1 deg
Barometer	Barometer
9am 1007.5	9am 1013.2
noon 1007.5	3pm 1007.7
4pm 1006.4	8pm 1009.4
hectopascals	hectopascals
Wind speed and	Wind speed and
direction	direction
9am calm	
noon 15 km/h	1.20 p.m. 45 km/h
ENE	NW
4pm 24 km/h	
ENE	

The data for 12 October 1788 is based on the meteorological report for 1788 in the journal of Lieutenant William Dawes, who began compiling records on Observatory Hill from September 1788. Dawes' barometer was faulty, and the values may therefore be incorrect; changes in the pressure, however, are most likely correct. The figures in the report were converted by NSW Bureau of Meteorology.

pension of the original access orders, alleging that sexual interference had taken place during access visits. The judges had 'lingering doubts' over whether sexual abuse had occurred and discharged the access orders.

12 October Foreign Affairs Minister Gareth Evans met deposed Fijian Prime Minister Dr Timoci Bavadra in Nandi, Fiji. He said that Australia would oppose any move to readmit Fiji to the Commonwealth unless a proposed new constitution was fair and equitable and 'broadly acceptable' to the people of Fiji. Fiji was voted out of the Commonwealth in 1987 when Brigadier Rabuka declared the country a republic following his second coup. Readmission requires unanimous support from member countries. Brigadier Rabuka, head of the mili-

tary and minister of home affairs, failed to attend two meetings scheduled with Evans on 10 and 11 October.

- 12 October The Australian Film Television and Radio School was officially opened at North Ryde, adjacent to Macquarie University, Sydney. Student demonstrators protesting against a range of educational issues forced Prime Minister Bob Hawke to abandon his address.
- 12 October The NSW minister for industrial relations, John Fahey, announced the sacking of the five members of the State Compensation Board following a Cabinet decision on 11 October to replace the board with a new body, the Workers' Compensation and Rehabilitation Authority. The board had overall control for workers' compensation, managing compensation funds, providing legal aid and advising the minister on policy.
- 12 October The WA opposition spokesman for heritage, Phil Pendal, introduced legislation into the Legislative Council aimed at preventing the auction of ten vintage cars by the West Australian Museum in England. The cars, built in Europe and imported in the 1960s, are not considered by the museum to be of historical significance to Western Australia.
- 12 October Governor-General designate Bill Hayden, accompanied by Dallas Hayden, met Queen Elizabeth II at Buckingham Palace to discuss his appointment. The Hayden's planned 39-day overseas trip prompted considerable criticism as an unnecessary 'junket' and it was not resumed after they returned home on 14 October for the funeral of Jill Blewett.
- **12–16** October A five-day international reunion of Vietnam veterans and their families was held in Melbourne. It included a dawn memorial service at the Shrine of Remembrance.
- 13 October The controversial film *The last temptation of Christ* directed by Martin Scorsese opened in Sydney with an M-rating (recommended as suitable for persons 15 and over but not legally binding). The Film Censorship Board had given the film an R-rating on the

- grounds that 'some depictions would probably be offensive to some members of the Christian faith' but its decision was overturned by the Films Board of Review on appeal by the film's distributor United International Pictures. The board considered the film to be 'a reverent, sincere and frequently moving account of aspects of the life and crucifixion of Jesus, providing original and meaningful insights into the Christian faith'.
- 13 October Chen De Hong, deputy director of China's national Antarctic research committee, joined the Australian-chartered ship *Icebird* for the first 1988–89 voyage of Australian National Antarctic Research Expeditions. Chen De Hong will reconnoitre land in the Larsemann Hills on the shores of Prydz Bay, 3000 nautical miles southwest of Melbourne, for a Chinese base to be built in Australian Antarctic Territory.
- 15 October The British aircraft carrier Ark Royal and the supply ship Fort Grange were unable to berth in Melbourne's Port Phillip Bay due to bad weather and a resolution by the Seamen's Union of Australia banning tugboats from assisting US and British ships believed to be carrying nuclear weapons. The two warships were due to take part in the Bicentennial Naval Salute in Victoria the following day.
- 15 October The Bicentennial Air Show, which opened at the Richmond air base, northwest of Sydney on 12 October, began its two-day program for the public with the theme 'Aviation yesterday, today and tomorrow'. Highlights included performances by the Russian Antonov An–124 Ruslan, the biggest aircraft in the world, the Royal Air Force's swing-wing Tornado strike aircraft and the US Air Force's F–15 Eagle. Australia's Roulettes and New Zealand's Kiwi Red gave displays of precision flying techniques.
- 15 October Italian President Francesco Cossiga officially opened the exhibition Renaissance in Venice at the Art Gallery of NSW, Sydney. Thirty-one masterpieces of the sixteenth century went on display including Lotto's Portrait of a young man in his study, previously not seen outside Italy.

15 October 1988 BICENTENNIAL AUSTRALIAN EXPORT AWARDS

National Industry Extension Service New Exporter Award

Greencare Industries Pty Ltd, Caringbah, NSW

Greencare markets turf aerators, top dressers and deep slicing equipment. Export sales account for 80 per cent of total sales.

Commonwealth Bank Small Manufacturer Award

GBC Scientific Equipment Pty Ltd, Dandenong, Vic

The company has grown from a small atomic absorption spectrophotometer manufacturer to one of the top five companies in the scientific equipment industry. Since 1983/84 export sales have increased more than sevenfold.

Medium Manufacture Award

Cochlear Pty Ltd, Lane Cove, NSW

Cochlear manufactures the 'bionic ear' implant system which restores a degree of useful hearing to profoundly deaf patients. Exports comprise more than 90 per cent of total sales, a tenfold increase in the past four years.

Large Manufacturer Award

Hawker de Havilland Ltd, Bankstown, NSW

Hawker de Havilland is involved in the design, development and production of international aerospace manufacturing programs. Over the 1983/84 to 1987/88 period the company's export sales increased by 480 per cent.

OTC

Services Exporter Award

Moldflow Pty Ltd, Kilsyth, Vic

Specialising in computer-aided engineering for plastics, Moldflow's exports have increased significantly especially in the technologically advanced West German market.

Commodities Exporter Award

Ashton Mining Ltd, Melbourne, Vic

Ashton Mining, through its interest in the Argyle Diamond Joint Venture, produces rough and polished diamonds. Export sales have increased sixfold over the last three years.

Australian Trade Commission

Individual Achievement in Export Award

Maggie Shepherd, director, Shepherds of the Strand Pty Ltd, Canberra, ACT Maggie Shepherd began her clothes designing business at home. Today she runs a factory and sells under her own label through her eight Australian and five US retail outlets.



Crowds watch the Soviet Union's giant Antonov An—124, the world's largest aircraft, at the Bicentennial Air Show.

MIRROR AUSTRALIAN TELEGRAPH PUBLICATIONS



Poster designed by Thomas Le from a painting by Gino Severini, 1922.

MELBOURNE LYGON ARTS FESTIVAL

15-30 October The eleventh Italian Arts Festival and the two-day Lygon Street Festa were held together as the Melbourne Lygon Arts Festival. The festival, opened by Italian President Francesco Cossiga, officially celebrates the Italian-Australian contribution to Australian life. It presented a diverse program of community and artistic events including street performances, cinema, concerts, opera, crafts, literature and a street fair. Among the highlights was 'Italy on stage', a series of cultural events organised during October by the Italian government for the Bicentenary. It featured conductor Giuseppe Sinopoli, soprano Katia Ricciarelli and the Orchestra of the Academy of Santa Cecilia.

- 15-24 October The paralympics, games for athletes with disabilities, were held in Seoul, Korea. The Australian team finished in eighth position with 85 medals 22 gold, 30 silver and 33 bronze.
- 16 October Leading white South African political activist and vice-president of the South African Council of Churches, Sheena Duncan, held a media conference in Melbourne at the start of her Australian lecture tour. She claimed that sanctions against South Africa should be 'strategically placed and well targeted', if Blacks were not to be adversely affected. Joyce Mokhesi, sister of Francis Mokhesi who is one of the six sentenced to death over the murder in September 1984 of a Sharpeville town councillor, also attended the conference.
- 16 October A choir of 125 Russians from Brisbane, Canberra, Melbourne and Sydney, accompanied by the Western Sinfonia, performed a concert of Russian music at the Sydney Opera House to celebrate the millennium of Christianity in the Soviet Union.
- 16 October The Anglican Perth Synod voted to admit women to the priesthood. Of the 24 dioceses in Australia, four favour the ordination of women (Perth, Melbourne, Canberra-Goulburn and Newcastle), seven are opposed, including Sydney, and thirteen are undecided.
- 16 October The federal government announced the establishment of a National Committee on Violence to investigate the causes of increased violence in Australia. The ten-member committee, supported by all state governments, will be headed by the director of the Australian Institute of Criminology, Professor Duncan Chappell. Its report is due before December 1989.
- 16 October The Flying Scotsman, the first train officially to record a speed of 100 mph, arrived in Sydney on the start of its Australian bicentennial tour. The 65-year-old Gresley A3 Pacific engine travelled the non-stop London-Edinburgh route until 1968 when it was decommissioned.
- 16 October Teams in the Commonwealth Bank Bicentennial Cycle Classic departed from Brisbane. The event finished in Melbourne on 30 October and was won by Poland.

- 17 October John Elliott's Elders IXL Ltd launched a bid for the Edinburgh-based Scottish and Newcastle Breweries of which it already owns 9.6 per cent. Elders wanted a UK base for its brewing division, Carlton and United Breweries—makers of Fosters beer—to expand in Europe and the US. In May, John Elliott, president of the Liberal party, claimed that the Australian tax system forced companies to consider moving offshore. Scottish and Newcastle rejected the bid.
- 17 October The Conciliation and Arbitration Commission ruled that a five-member crew should be employed on Ansett's new A-320 Airbus when there were 28 or fewer first-class passengers and a six-member crew when more than 28 first-class seats were occupied. The new staffing levels would be included in the Flight Attendants (Domestic Airlines) Award 1985. The Australian Flight Attendants Association argued for a six-member crew.
- 17 October The Metal Trade Industry Association's Annual report 1987/88 outlined plans to overhaul industrial relations and job structures in the metal and engineering industries. The plans included a reduction in the number of job classifications from 349 to about 10 and the provision of adult apprenticeships and new traineeships under a new metal industry award that would be binding on unions and employers. Metal unions would undertake to make no additional claims.
- 17 October Federal Treasurer Paul Keating made a public pledge of support for Prime Minister Bob Hawke after continued leadership speculation. He told parliament 'The fact is that the position in our party is quite clear, that my friend and colleague the Prime Minister will remain Prime Minister as long as he chooses.'
- 17 October The Industrial Relations Bill was passed by federal parliament. The new Act, which replaces the 84-year-old Conciliation and Arbitration Act, includes changes to the industrial relations framework and the implementation of an Industrial Relations Commission in place of the Conciliation and Arbitration Commission.
- 18 October The New Zealand Cabinet decided to reopen tenders for its national carrier

Air New Zealand under new guidelines: New Zealand is to retain 65 per cent of shares, with 30 per cent being offered to Air New Zealand staff and the public and 35 per cent to institutions. On 19 September Qantas was named as the preferred tenderer.

18 October Australia's first test tube triplets grown in the womb of a surrogate mother were delivered by in-vitro fertilisation specialist, Dr John Yovich, at King Edward Memorial Hospital, Perth. The surrogate mother is the children's aunt. The biological mother, who was born without a uterus, is married to the biological father.

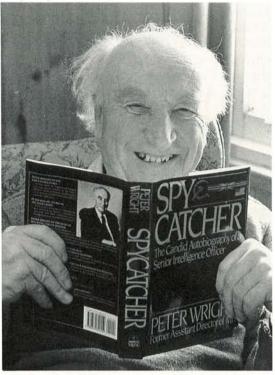
19 October The two-year battle by the British government to suppress Peter Wright's Spycatcher published by Heinemann ended with the decision by the Law Lords to reject an appeal against a court ruling last February in favour of British newspapers that published two articles summarising Wright's main allegations. The international fight is believed to have cost the British government \$6.5 million.

The announcement of the British government's failure to obtain the permanent injunction it sought coincided with an interview on the BBC 'Panorama' program in which Peter Wright retracted some of his most controversial claims.

19 October The Gold of the Pharoahs exhibition opened at the Art Gallery of Western Australia, Perth. The exhibition, on loan from the Egyptian Museum's Tutankhamen collection, includes Psusennes I's gold funerary mask with its symbolic cobra emphasising the pharoah's protection by the sun god Ra. The burial chamber of Psusennes, who ruled during the XXI Dynasty, was discovered by archaeologist Pierre Motet just before World War II when Psusennes had been dead 2930 years.

20 October The Australian Broadcasting Tribunal (ABT) announced that it would broaden its inquiry into the fitness of businessman Alan Bond and his associated companies to hold broadcasting licences by including allegations that Bond intimidated the Australian Mutual Provident Society on or about 11 May. It is alleged that Bond wished to ensure that the society co-operated with Bond Corporation's moves to take control of the board of Bell

Resources Ltd through a takeover of its parent, the Bell Group Ltd. The ABT is already investigating aspects of a \$400 000 out-of-court defamation payment made by Bond to former Qld premier Sir Joh Bjelke-Petersen.



Peter Wright at his Tasmanian home. Hobart Mercury, 17 October 1988.

20 October-20 November Australian prospectives, an extensive program of contemporary Australian cinema designed to explore the creative and thematic patterns of Australian film and television, was held at the Melnitz Theatre of the UCLA Film and Television Archives, University of California, Los Angeles.

20 October The national conference of the Australian Chamber of Commerce opened in Newcastle, NSW. John Collins was elected president after Andrew Hay, a key figure in the New Right movement, stood down. Hay said that he would be 'actively canvassing' for federal Liberal party preselection.

21 October The first of nine Indonesian fishing boats, arrived in Darwin harbour under Royal Australian Navy (RAN) escort. In a joint operation by the RAN, the Customs Ser-

vice and Australian Fisheries, the boats, which included the *Kmn Setia*, *Setia*, *Charles Jaya*, *Andry Java*, *Andry Java 2*, *Maranatha* and the *Baruna*, were intercepted off the coast of northeast Arnhem Land, NT, after they had allegedly been discovered fishing in the Arafura Sea, about fifteen nautical miles within the boundary of the Australian fishing zone. Since 29 November 1987, 31 Indonesian boats have been caught fishing illegally in Australian waters.

- **22 October** French golfer Caroline Bourtayre won the Australian Women's Amateur Championships at the Australian Club, Sydney.
- 23 October The Bicentennial steam train exhibition Aus Steam '88 opened in Melbourne. Eight steam engines, including The Flying Scotsman, and seventeen diesel locomotives went on display. Steam shuttle rides operated between Spencer Street and Flinders Street railway stations.
- **23 October** Australia defeated New Zealand 3–0 in the women's softball Bicentennial Challenge Cup final at the State Sports Centre, Homebush, Sydney.
- 24 October The federal government's Social Security Review Unit released its discussion paper *Towards a national retirement incomes policy* by Professor Bettina Cass. The report accepts the dual structure of retirement incomes being provided by a combination of age pensions and superannuation. It provides a range of options for reducing the effect of income tests and tax arrangements on pensioners' investment incomes.
- 24 October Justice Angelo Vasta, a Qld Supreme Court judge, stood down after being named before the Fitzgerald Inquiry into Police Corruption in Qld. On 30 October Qld District Court Judge Eric Pratt, head of the Qld Complaints Tribunal, also stood down following allegations before the Fitzgerald Inquiry. On 1 December an inquiry began into allegations by Vasta and Pratt of improper conduct by Chief Justice Andrews, Attorney-General Paul Clauson and Commissioner Tony Fitzgerald. It was headed by former Chief Justice of

- the High Court Sir Harry Gibbs, former Vic Supreme Court judge Sir George Lush and former NSW Supreme Court judge Michael Helsham. The Inquiry is due to hand down its report on Vasta's allegations by 30 March 1989 and on Pratt's allegations by 27 May 1989.
- 24 October Victorian Premier John Cain announced that the Victorian Economic Development Corporation (VEDC), which was set up to lend money to entrepreneurs unable to obtain finance elsewhere, would be absorbed by the Rural Finance Corporation (RFC), a state lending institution with assets of about \$150 million. The announcement followed several failed business ventures which were an important issue during the state election campaign, after which the new state cabinet made the decision to 'scrap' the corporation.
- **24 October** Queen Beatrix and Prince Claus of The Netherlands arrived in Canberra at the start of their two-week Australian tour.
- 24 October The Most Reverend Eric D'Arcy, elected Roman Catholic Bishop of Sale in 1981, was appointed Archbishop of Hobart. He succeeds Guilford C. Young who died on 15 March.
- 25 October A Queensland government Domestic Violence Task Force report Beyond these walls revealed that 25 per cent of the 661 women who responded to the state-wide survey in April said that they were abused physically, sexually and emotionally by their partners. More than 35 per cent said they were physically abused with a weapon. The task force recommended police be given power to detain men for up to four hours in cases where a woman may need to seek a protection order. Breach of a protection order would become a criminal offence.
- 25 October At Australia's first national conference of prostitutes, Professor Marcia Neave, Dean of Law at Adelaide University and commissioner for the 1985 Victorian government inquiry into prostitution, told delegates that existing laws were making it easier for AIDS to spread and called for the decriminalisation of prostitution.

'DYNASTY CORPORATION' — THE TAKEOVER OF JOHN FAIRFAX LTD

On 17 October the case of Bond Media Ltd v John Fairfax Group Pty Ltd (formerly Tryart Pty Ltd) opened in the NSW Supreme Court, Sydney. The complex legal battle saw 27-year-old Harvard-educated Warwick Fairfax, bidder for his family's 147-year-old newspaper company, pitted against Australia's newest media baron, WA entrepreneur Alan Bond. At stake was the \$100 million success fee claimed by Rothwells Ltd for advising Warwick Fairfax in his takeover of John Fairfax Ltd.

The dispute centred on the parties' differing interpretations of the term 'success' in an agreement made on 28 August 1987 between Rothwells Ltd and two (Warwick) Fairfaxrelated companies, Rockwood Pastoral Co Pty Ltd and Acrux Holdings Pty Ltd, which then held 13.95 per cent of voting shares in John Fairfax Ltd. In the agreement, Tryart Pty Ltd, the vehicle used by Warwick Fairfax in a bid valuing the company at \$2.55 billion, engaged Rothwells Ltd to 'advise and assist' in the acquisition of a minimum of 36.15 per cent of the voting shares (which would bring the total shares under Tryart Pty Ltd control to 50.1 per cent). In this event Tryart Pty Ltd would pay Rothwells Ltd within 180 days, the lesser of \$100 million or 10 per cent of the total sum paid by Tryart Pty Ltd for shares acquired.

On 9 November 1987, in the wake of the share market crash, Rothwells Ltd, Tryart Pty Ltd and Bond Media Ltd signed a Memorandum of Understanding which directed that the fee payable by Tryart Pty Ltd should be paid to Bond Media Ltd.

The fee fell due on 29 June 1988. It was not forthcoming. On 1 July Bond Media Ltd and Rothwells Ltd announced legal action to recover the debt. Warwick Fairfax responded with a cross claim against Bond Media Ltd and Rothwells Ltd for \$160 million in damages for allegedly failing to 'properly perform' services as consultants and financial advisors.

He also claimed \$68 million damages from Bert Reuter and Martin Dougherty, former directors of Tryart Pty Ltd, alleging breaches of fiduciary duties. Both denied the allegations. Central to the Fairfax case was the argument that 'success' meant control of a financially viable company, able to service its debts out of



Warwick Fairfax. At twenty-seven years old, he launched a takeover bid to privatise his family's 147-year-old company John Fairfax Ltd.
JOHN FAIRFAX & SONS LTD

earnings. For Rothwells Ltd, 'success' simply meant giving Fairfax the control he sought.

When Warwick Fairfax launched his surprise bid on 31 August 1987, he stated that it would 'end the takeover speculation that has dominated discussions of the Fairfax group in recent years' — although at the time the Fairfax family already controlled more than 50 per cent of John Fairfax Ltd. Tom Hughes QC, for Bond Media Ltd, offered an alternative explanation in his opening address on the first day of the hearing: evidence would show that Fairfax regarded himself as the 'legitimate heir' of the Fairfax empire following the death on 14 January 1987 of his father Sir Warwick Oswald Fairfax who had been ousted as chairman by his son James,

Warwick's elder half-brother, in March 1977 as a result of a boardroom coup in 1976. Hughes added that Warwick Fairfax was critical of the management of John Fairfax Ltd and wanted to gain control 'whatever the risk and virtually whatever the cost.'

Warwick Fairfax's initial bid was \$7.50 a share or three shares in David Syme & Co plus \$4.50 cash or fifteen shares in David Syme & Co for every two John Fairfax Ltd shares. The ANZ Bank had approved takeover funds. Under the proposed restructuring John Fairfax Ltd would own its 'jewel in the crown' the Sydney Morning Herald, the Sun, the Sun-Herald, the Times on Sunday, the Macquarie Broadcasting network, the Newcastle Herald, the Canberra Times, the Illawarra Mercury and a number of suburban and country papers and various other assets. Other interests would be transferred to a wholly owned subsidiary, David Syme & Co. to be floated as a public company. This company, to be 45 per cent owned by John Fairfax Ltd, would own the Australian Financial Review, Business Review Weekly, the Age, all the John Fairfax Ltd and David Syme & Co magazines and a number of Victorian suburban and country newspapers.

The market price for John Fairfax Ltd shares rose to \$9.00 on the strength of the bid, and on rumours of counter bids from Robert Holmes à Court's Bell Group Ltd (owner of 3.1 per cent of John Fairfax Ltd shares) and from Kerry Packer's Consolidated Press Holdings Ltd (which purchased a key 3.4 per cent stake from Sir Peter Abeles' TNT Ltd). Warwick Fairfax raised his offer to \$8.50. On 28 September 1987 Chairman James Fairfax and Deputy

Chairman John Fairfax issued statements announcing their acceptance and Warwick Fairfax announced the proposed sale of assets. On 7 December the entire board resigned to allow Warwick to take control. The takeover was complete, but the problems were far from over.

The new board comprised Warwick Fairfax (Chairman), Peter King (Chief Executive Officer), Martin Dougherty (Group Managing Director, Editorial), Ron Cotton (Group Managing Director, Operations) and Laurie Connell (Executive Chairman of the merchant bank Rothwells Ltd). James, John and Sir Vincent Fairfax, who had intended to remain on the board, had changed their minds. The board faced the task of negotiating the sale of assets to reduce Warwick Fairfax's unsustainable debt. Already the share market crash two months earlier had forced Tryart Pty Ltd to abandon its plan to float David Syme & Co shares, and negotiations with Kerry Packer over the sale of the Canberra Times and Fairfax Magazines had stalled.

The new year brought little relief. Fairfax's new financial advisor, the merchant bank Whitlam Turnbull Ltd, organised a \$500 million loan facility through Citibank, but the proposed \$475 million sale of the Australian Financial Review, the Macquarie Radio Network, the Times on Sunday and the National Business Review (NZ) to Bell Group Ltd, fell through. In addition, the \$275 million sale to News Corporation of holdings in Australian Newsprint Mills Ltd and Australian Associated Press Information Services Pty Ltd had been opposed by the Trade Practices Commission



Cartoon by Neil, Australian, 1 September 1987.



Laurie Connell. The merchant bank Rothwells Ltd was engaged to 'advise and assist' on the Fairfax takeover.

and blocked in December by Treasurer Paul Keating, who had acted independently under foreign investment guidelines. On 10 February Chris Anderson, Editor-in-Chief of the company's flagship the Sydney Morning Herald, resigned with other senior colleagues, and SMH journalists voted to strike in support. They expressed their 'profound lack of confidence' in the senior management of John Fairfax Ltd, specifically Martin Dougherty (Group Managing Director, Editorial), and concern about the continuing erosion of editorial independence on its papers. The journalists also expressed their concern over proposed redundancy packages for staff who were not employed by Consolidated Press Holdings following its purchase of several magazine titles from John Fairfax Ltd.

The issue was resolved and redundancy packages agreed. Martin Dougherty's resignation was announced to staff on 15 February and on 18 February Chris Anderson took up his appointment as Group Editorial Director with a seat on the board. But, as Ron Cotton told the meeting of journalists on that day, the debt of \$2.6 billion (\$2.1 billion from the ANZ Bank and \$500 million from the Citibank facilities) remained. He discounted, however, widespread rumours of a sale of assets to British publisher Robert Maxwell, stating that the Fairfax company 'does not have a style or approach that

has a synergy with that [Robert Maxwell's] company.'

The company officially announced that it intended to sell equity in David Syme & Co, publisher of the Melbourne Age, at a meeting called on 14 March 1988 to outline its rationalisation strategy. The strategy included the closure of the Sun and the Times on Sunday. Fairfax would retain ownership of the Australian Financial Review and Business Review Weekly but sell off non-strategic and non-publishing assets including the magazines Countdown, Portfolio and Smash Hits and surplus property holdings in Australia and overseas. Laurie Connell's resignation as a director was also announced.

The proposed sale of the Age provoked wide-spread criticism and concern for the newspaper's independence. On 28 March, prominent Australians, including the Anglican Archbishop Dr David Penman, Frank Costigan QC, Government Leader in the Senate, John Button and Sir Edward (Weary) Dunlop endorsed an advertisement in the Age which read, 'we believe the best interests of the newspaper and you, its readers, will be served if the Age continues to be run by an independent, Melbourne-based board of directors.' On the same day editorial staff of the Age unanimously adopted a charter which called for any proprietor of the Age to

'publicly declare a commitment to the fundamental and long-standing principle of editorial independence.' John Fairfax Limited agreed to the Charter and undertook to try to secure its acceptance by any buyer of the Age.

The main bidder, whose final offer of \$805 million was confirmed on 18 April, was Robert Maxwell, who controlled the London Daily Mirror group and was bent on building a transnational media empire. Others were Bell Group Ltd and Hudson Conway, a Melbourne property Group, 35 per cent owned by Elders Investment Ltd, a subsidiary of John Elliott's Elders IXL. The Age staff campaigned against any sale to Maxwell.

During April the board considered the proposed sale. Its merchant bank, Whitlam Turnbull Ltd, advised acceptance of Maxwell's offer but, as Warwick Fairfax put it to the court, 'we made a decision at some time in April not to sell core assets . . . It seemed that the prices we could have achieved for the Age and actually realise in the bank, having regard to whether the Foreign Investment Review Board would give approval to Maxwell's offer, and having regard to the effect that sale would have had on remaining assets, did not seem to resolve the problem of cashflow coverage of interest. Therefore we made a decision that the better alternative was to refinance. It seemed that that was to our financial advantage.' Maxwell formally withdrew his offer on 29 April. But as early as 8 April, the prime minister had been obliged to state publicly that it would not be appropriate for the Age to be owned outside Australia. He was responding to the campaign by Age journalists, which had tapped deep feelings in the community.

Fairfax executives began negotiations with Citibank, the ANZ Bank and the US securities house Drexel Burnham Lambert Inc on a longterm refinancing package. By the end of September agreement was reached on the basic provisions of the funding that would replace the company's existing loan obligations and provide additional funds for expansion. It involved an Australian dollar loan by Citibank and the ANZ Bank of \$1.1 billion, split into a \$350 million loan at current interest rates and \$750 million zero coupon loan at 15 per cent, with interest payments postponed — that is, capitalised for five years. Drexel Burnham Lambert Inc would syndicate a \$450 million issue of subordinate debt securities (junk bonds). The

refinancing deal was completed in January 1989. Warwick could, for the moment, turn his mind to the court case.

The revelations that emerged during evidence heard in courtroom 11A of the NSW Supreme Court, gave a rare insight into corporate dealings involved in the collapse of Rothwells Ltd and the takeover strategy itself, codenamed 'Dynasty Corporation' in documents prepared by Fairfax advisor Bert Reuter.

Warwick Fairfax took the stand on 20 October. He acknowledged that he would have sold his stake in John Fairfax Ltd to another bidder if the family had actively opposed him. He said that his mother Lady (Mary) Fairfax strongly resented other members of the family after his father was removed as chairman of the company. She had over a period of time expressed a desire that the group be privatised, but he denied that she had stated a wish that he take over the company. She had hoped that he might one day be chief executive.

Fairfax claimed that he had received misleading and deceptive information from his advisors about the financial position of John Fairfax Ltd, were his bid successful. He cited Reuter's document dated August 1987 which read 'The Heir to acquire effective control of Dynasty Corporation without retaining a long term exposure to a high level of debt.'

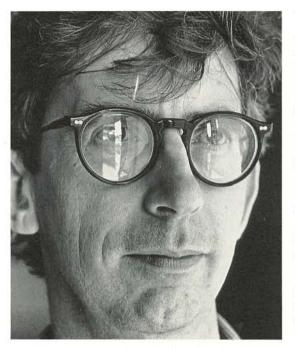
Malcolm Irving, managing director of the merchant bank CIBC Australia Ltd, presented evidence on 2 December, concluding that a competent merchant banker would have advised Fairfax not to proceed with the takeover on the basis of the schemes prepared by Reuter.

The outcome of the case was crucial to Rothwells Ltd as it would determine the extent of payment to creditors of the collapsed Rothwells Ltd bank. The provisional liquidators report, released on 9 December, showed that creditors were likely to receive 67 cents in the dollar if the case was won, and if Connell paid back debts of \$75 million. However, if these conditions were not met, the payment would be only 49 cents in the dollar.

Justice Roger Giles adjourned the case to 31 July 1989. On 23 February 1989 the parties informed the court that they had agreed to settle. Fairfax paid \$27 million to Bond Media and dropped the claims against Martin Dougherty and Bert Reuter.

RUTH THOMPSON





Booker prize-winner Peter Carey, born in 1943 at Bacchus Marsh, Victoria. After studying science at Monash University, he worked in advertising and began writing short stories, later published as two collections, The fat man in history (1974) and War crimes (1979).

26 October Peter Carey won the 1988 Booker Prize for Oscar and Lucinda, published by the University of Queensland Press. The novel is set in eighteenth-century England and Australia, and follows the romance of Oxfordeducated Oscar Hopkins, a visionary priest obsessed with gambling and a dream of building a glass church in the Australian wilderness, and an eccentric heiress Lucinda Leplastrier. Carey is the second Australian to win the prestigious British literary award. Thomas Keneally won the prize in 1982 with Schindler's ark.

26 October The High Court refused an appeal by journalist Peter Hastings and his employer John Fairfax and Sons Ltd against an order by the NSW Supreme Court to reveal the source of defamatory information about prominent Filipino businessman Eduardo Murphy Cojuangco, which was published in the Sydney Morning Herald on 13 February 1985.

27 October The Special Commissioner of Prosecutions Bill was introduced in the Qld parliament by Justice Minister Paul Clauson. The

bill provides for the appointment of an independent special prosecutor and task force to handle charges arising from the Fitzgerald Inquiry into Police Corruption in Qld.

27 October The NSW housing minister, Joe Schipp, announced a review of the incomes of government-subsidised tenants following the much-publicised case of NSW Independent Senator Irina Dunn who on an income of more than \$67 000 payed \$77 a week rent for her NSW Housing Commission unit in the inner Sydney suburb of Glebe.

27 October Jack Kane died aged 80 in Sydney. Kane, former assistant state secretary of the New South Wales ALP, became federal secretary of the Democratic Labor Party, formed in 1955 when right-wing ALP members were expelled from the party. Between 1970 and 1974 he was a DLP senator in federal parliament.

27 October An illustrated journal Voyage aux terres Australes of a French expedition led by Nicholas Baudin to explore Australia in 1800 was sold at a Christie's auction in London for \$77 000 (sterling). The journal, in excellent condition, was kept by expedition member Pierre-Bernard Milius and contains 76 watercolours and drawings of plants, scenery and local people.

28 October The NSW Court of Criminal Appeal dismissed an appeal by 69-year-old businessman Abe Saffron against a three-year sentence for tax fraud. Saffron was associated with a number of nightclubs and bars mainly in the Kings Cross area of Sydney and since the 1950s has allegedly been linked with prostitution, pornography and other crimes.

28-30 October The United Nations Children's Fund (UNICEF) Australia's 1988 Bicentennial Conference was held in Adelaide. Dr Djibril Diallo, UNICEF's special assistant on Africa, said 'My purpose is to bring a message of hope from Africa, to say to the public that its contributions are making a difference', but he warned that 'Australians should remember that every minute in Africa eight children die of disease or malnutrition.'



Peter D. Cole, Man and matter, 1988. Painted steel and neon, various heights 300 × 900 cm. Commissioned by World Expo '88.

MACQUARIE GALLERIES, SYDNEY

29 October The Sydney Symphony Orchestra (SSO), under musical director Stuart Challender, made its debut at New York's Carnegie Hall. Hazel Hawke, wife of Prime Minister Bob Hawke, accompanied the orchestra on its twelve-city American tour.

29 October WA Governor Professor Gordon Reid officiated at a ceremony to commemorate the restoration of the Old Perth Observatory, Havelock Street, West Perth. The project was undertaken by the Australian Council of National Trusts as part of its bicentennial program 'A gift to the nation'. Others included Juniper Hall, Sydney; the French Renaissancestyle mansion Labassa at Manor Grove, Caulfield, Melbourne; Beaumont House, Beaumont, SA; Collingrove, Barossa Valley, SA; Old Government House, Brisbane; Hartley Street School, Alice Springs; and Callington Mill, Oatlands, Tasmania.

30 October The fourth and final *Sirius* shipwreck expedition ended. The expedition, headed by Graeme Henderson, curator of maritime archaeology at the West Australian Maritime Museum, examined the wreck of the first

fleet's flagship HMS Sirius off Norfolk Island. Previous expeditions took place in 1983, 1985 and 1987. Divers recovered relics, including part of the ship's sextant, cannonballs, ballast, naval badges and personal effects. Some items are touring Australia in the exhibition Shipwreck and as part of the Australian Bicentennial Travelling Exhibition. They will be permanently housed in the Norfolk Island Museum.

30 October In the emotional atmosphere of the closing ceremony of World Expo '88 in Brisbane, Sir Llew Edwards appealed to Australians to keep the spirit of the world fair alive: 'May the light of the World Expo '88 never really fade.' Expo recorded 18.3 million visitors through the gates over the six months.

30 October A unique sculpture park on Menglers Hill in the Barossa Valley, SA, was officially opened. Nine sculptors from Australia, France, US, West Germany and Japan created the distinctive landmarks.

31 October The Australian Taxation Office amnesty for those who had not filed returns for one or more years, which began on 30 May, ended.

31 October Deputy premier of Tasmania, Geoff Pearsall, resigned from state parliament after nineteen years as a member to manage his investment in the Currumbin Palms Resort on Qld's Gold Coast. He is replaced by Ray Groom, a former minister for housing in the Fraser Liberal government, who is minister for forests. He will also take over responsibility for the Hydro Electric Commission from Premier Robin Gray. Transport Minister Nick Evers will assume Pearsall's major portfolio, Tourism.

31 October The inaugural PNG-Australia ministerial forum, comprising four Papua New Guinean ministers, including Foreign Minister Michael Somare, and Australia's Foreign Affairs Minister Gareth Evans, Defence Minister Kim Beazley and Minister for Resources Senator Peter Cook, opened in Wewak, Papua New Guinea. Issues discussed included border tensions between PNG and Indonesia. In 1987 Australia signed an agreement with PNG committing itself to consultation in the event of an armed attack on either country. Deployment of an Australian army engineering unit to Vanimo, near the border of Indonesia, for road building and public works projects, expansion of PNG's patrol boat program and the establishment of a helicopter transport force were specifically discussed. Somare proposed closer and more regular contact with Indonesia to reduce border tension. The forum was concluded on 1 November.

31 October The federal government announced an inquiry into allegations of financial mismanagement of the Aboriginal Development Commission (ADC) to be conducted by the Commonwealth Auditor-General. The allegations were raised during a three-day hearing by the Senate Estimates Committee into the financial management of the Department of Aboriginal Affairs, headed by Charles Perkins, and the ADC whose board was replaced by Aboriginal Affairs Minister Gerry Hand on 11 May. Hand claimed the previous board had refused to co-operate with his

plans for the Aboriginal and Torres Strait Islander Commission.

31 October Judge Daniel O'Dea was appointed commissioner for the Muirhead Inquiry into Aboriginal Deaths in Custody in Western Australia. The final reporting date was extended to 31 December 1990.

October Bogong moths (Agrotis infusa) appeared in unusual concentrations in Sydney and Canberra and eastern coastal areas. The moths, which breed in southern Qld and northern NSW, are dark brown or blackish in colour with distinctive dagger-shaped markings on the wings. During mid-spring they begin their annual migration to the cooler regions of the Snowy Mountains but this year they were blown off-course by unseasonal westerly winds.



Bogong moths invade new Parliament House, Canberra.

October Heather Gell died aged 92 in Adelaide. Gell pioneered the introduction in Australia of music teaching methods formulated by Swiss composer and educationalist Emile Jaques-Dalcroze. Between about 1945 and 1965 she broadcast the *Music through movement* programs for children on ABC radio.

