



Westbrook *on the line*

Most Trusted Institutions

UK

1. Military
2. Radio
3. Postal Service
4. Marriage
5. Police
6. Television
7. Religion
8. Newspapers
9. International Companies
10. Magazines
11. National Government
12. Trade Unions
13. European Union
14. Public Transport

Source: *Readers Digest*

US

1. Military
2. Religion
3. Hospitals
4. The President
5. Schools
6. Police and Prosecutors
7. Local Government
8. Congress
9. Courts
10. Newspapers
11. Federal Bureaucracy
12. Large Corporations
13. Labour Unions
14. Television

Source: *The Australian*

Japan

1. Newspapers
2. Courts
3. Hospitals
4. Television
5. Military
6. Religion
7. Local Government
8. Police and Prosecutors
9. Schools
10. Labour Unions
11. Parliament
12. Federal Bureaucracy
13. Large Corporations
14. Prime Minister

Source: *The Australian*

Trusty newsprint?

Where you live seems to influence whether or not you believe what you read in the newspapers.

The Japanese place a high degree of trust in their newspapers, the British and Americans have more confidence in the reliability of their military, while in Australia, the UK, US and Canada, the electronic media has more authority than print media.

Among reasons for trust in newspapers in Japan is the quality of the press and the authority afforded them by Japanese culture.

In Japan, the prestige print media avoids sensationalism and its professionalism involves extensive checking of sources,

with stories often held over until they are completely ready for publication.

Indicating its trust in newsprint, Japan's population of 126 million people buys 72.41 million newspapers daily and a high proportion, some 93 per cent, are home delivered.

This trend is slightly different in Europe where the spoken word seems to have more credibility than the written one.

In many European countries, radio and television presenters were given more credibility than their print counterparts.

In fact, in both the UK and Finland, people have more faith in radio than the institution of marriage.

Overall, newspapers in the UK fared better than the national government, international companies and the European Union.

In a gender breakdown, British men put more faith in their newspaper than the church and British women thought more highly of magazines than international companies.

Australians' faith in the electronic media is borne out by 99 per cent of homes having a TV set, with an average of two per home, and national ownership of 30 million radio receivers, with 76 per cent of households owning four or more radios.

Sourcing news

Research for the Australian Broadcasting Authority shows:

- half of adult Australians spends at least one hour a day watching, listening to and reading news and current affairs
- the most common sources of this news and current affairs information are 88 per cent from free to air television, 76 per cent from radio and 76 per cent from newspapers

Behind this media information, separate Bond University research has found the original source is often the public relations industry.

Public relations people, excluding politicians' press secretaries, are the source of 60 per cent of stories in the front news sections of newspapers and 80 per cent in the finance sections.

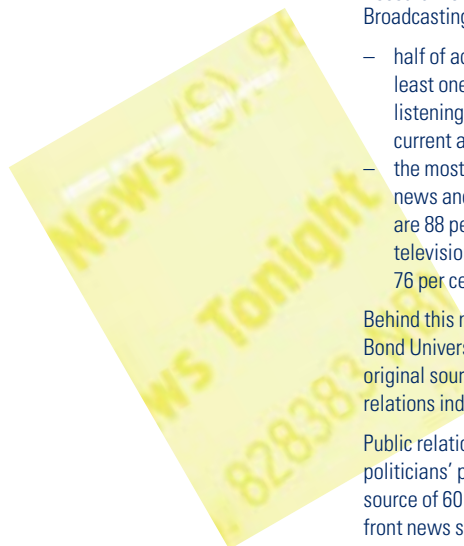
In developing media stories in Australia, 85 per cent of journalists covered in the ABA survey said they used public relations sources.

These journalists are also influenced by other media outlets:

- all journalists read a newspaper for their work
- 91 per cent listen to the radio for news and current affairs at work and 41 per cent of those listen to the ABC's AM program
- wire services are used by 78 per cent and AAP is used most by 82 per cent of wire users

Even though these other media influences are widespread, the ABA survey showed that newspapers were the dominant agenda setters in the daily news cycle.

"Sources of news and current affairs"
Australian Broadcasting Authority



The media: the inside story

Business people often approach the media with trepidation but, as long time AFR reporter, Robert Harley, tells Cherry Dinh, one of the keys to success is relationship building.



Robert Harley

Business people must realise they are 'selling' a story – get your message across and do it quickly.

Q What is your view of the role of the property media?

A Essentially, there are three key elements to our role:

1. to deliver information
2. to provide a perspective, or explanation of what has occurred
3. to be on top of the major stories/issues of the day

In terms of information, we act like filters sorting through the reams of information to translate it into easily digestible and accessible stories for our readers. We have to know what it means and explain this meaning as succinctly as we can.

For example, what do the latest rental figures mean? To someone who is locked into an existing lease, not very much. However, for someone who happens to be looking for rental property, they mean a great deal.

It's our role to canvass all aspects of a story for our readers and explain them in a way that the reader can easily grasp their meaning.

Providing a perspective is probably the most important thing we do.

Our objective is to find out what the deal or issue means by seeking out expert opinions and injecting that into the final story.

Q At some point, a company gets caught in the spotlight, with the media zeroing in on a negative issue, what is your advice in this situation?

A Basically, think about it before you get caught in the spotlight. This is where there is value in developing close relationships with key journalists before anything negative comes along. Keep communication open, upfront and regular.

Q What are the characteristics of spokespeople who work well with the media?

A Someone who comes to mind is Mark Baillie, who was chief executive officer of Macquarie CountryWide before moving to the US with Macquarie. Mark made the effort to establish good relationships with key property journalists.

He was personable. He made sure he knew about your family and was always approachable. Mark always returned our calls – a big plus for any journalist. Even though he had some unfortunate media coverage he always took it well and, as a result, there was an almost subconscious desire to balance the ledger for him.

Q What are some of your pet hates when dealing with business executives?

A Not returning phone calls would have to be the biggest. Being told what our business is. People trying to talk us out of what we're attempting to follow-up, although if the relationship is strong enough, we will listen if people say there is no story.

We are always keen to present both sides of a story but people have to understand that not everything in the press will be good. We're human too, and have made mistakes – maybe being too balanced or too soft on a particular business or person.

One example that springs to mind was when I went out of my way to present both views in a story concerning a developer and a group of investors. I think the investors were probably right in their views, but I gave the developer the opportunity to present its view. We do not have to do this, we're not a court.

Another pet hate is people who take an extraordinary legalistic view of the truth, turning something on one word. We're not lawyers. We prefer dealing with straight talkers.

Q It appears relationship building is a key issue for the media?

A Yes it is and it works both ways. For example, earlier this year there was a rumour that a senior executive of a large public company was going to be sacked. As the person in question was overseas and not available for comment, we contacted the company's internal PR unit.

We were assured that the rumour was false and, as the company had put the hard yards into fostering a working relationship with us, we decided the story didn't have any legs and did not publish it.

If we find someone who will deliver good copy, who is available and will return our calls, they often go to the top of our contact list.

Q Is there a divergence between what you want to report and what you actually can report?

A Time is always an issue. We have to balance the type of stories we'd like to chase down against producing a regular flow of stories for our section. We could spend hours combing annual returns and company reports for a potential story but is it worth it?

There are things we'd like to do – for example look into some of the property scams and rip-offs that are always lurking on the edge of the market or taking a closer look at some of the stories around the Cole Royal Commission (Royal Commission into the building and construction industry), but we have to make choices and usually it is a question of time.

We're all busy tracking daily announcements and news feeds which leaves little time to canvass some of those types of issues.

Q Do you prefer to use the telephone, set-up formal meetings, meet for a coffee, go along to lunches or attend corporate functions?

A Lunch and meeting for coffee are good, provided you have something to say. Every journalist has been to a lunch and come away thinking "What was that all about?" Personal contact is good but journalists are working under time constraints. The days when journalists went to long lunches and filed a story under a haze late in the day are long gone!

One good thing about meeting up with business people is the exchange of ideas – which can often lead to new ways of looking at issues. This is important as it allows us to give our readers a different perspective and give them ideas too.

Also, we don't know everything. There is so much information in the market. Even just picking up the phone and passing on the information in that way helps us to keep on top of key issues.

Q In what form do you prefer to receive information on a new deal/transaction? A telephone call, email, fax, dot points, media release?

A Just providing an outline of the deal with a contact name and telephone number is often the best way to get information to us.

The contact listed on the document must be actually available to discuss the deal or story. So often we get information and then find we can't speak to Joe Bloggs because he's not in the office today.

You can send too much information and run the danger of the story getting 'lost' in the paperwork. We are interested in background information but use common sense when it comes to forwarding that information – don't send a 20 page fax or attach a huge PDF file to an email.

Q What are some common mistakes by executives and spokespeople in talking to the media?

A If you want to establish a media profile, you need to be very accessible and be able to tell a story succinctly.

For example, John McGrath, from McGrath Partners Estate Agents, has a good media profile because he makes good copy – he knows how to 'sell' his story and he always returns media calls.

Business people must realise they are 'selling' a story – get your message across and do it quickly.

In a recent interview to be broadcast on AFR Online, the business executive I was interviewing asked me before we started "So, what are we going to talk about Robert?" It's a simple thing but important.

He quickly focused on what the interview was going to be about and fashioned his sales pitch to me accordingly. We often need help too so we can avoid the 'stunned mullet' approach.

Often, people make the mistake of spending huge amounts on gimmicks and lunches hoping these will translate into a good story. I don't find these effective.

People would be better off media training their senior staff. If we find someone who will deliver good copy, who is available and will return our calls, they often go to the top of our contact list.

Companies must remember that building a relationship with a journalist is a long term exercise. A company may be able to get away with a doing a 'snow job' once on a journalist but that journalist will be wary of being duped again. There's nothing a journalist likes more than bringing someone down to earth with a thud if necessary.

Q Is it hard to distinguish between fact and fiction in the property market?

A There are some rumours that just don't make any sense but we can quickly ring around our contacts to check the veracity of a story.

Q How important is it to go and see the properties you write about?

A Unfortunately, due to time constraints, we rarely go out and see properties.

But I often find visits worthwhile, depending on the type of property. Viewing office properties wouldn't be interesting, there's a certain uniformity about them. But recently I went to view some discount factory outlets at Homebush which I found very interesting. Also I visited a rural property which again I found worthwhile.

A good example is Westfield's analysts tour in Sydney which takes in a number of its shopping centres. That interests me as I believe shopping centre properties are complicated projects to manage and a tour provides some good insights.

Similarly there is a level of complexity around managing leisure assets. We often deal with leisure assets in an abbreviated form but making a leisure asset work is not straightforward.

Any property visit that provides an 'inside' perspective could be useful.

Q What do you think of combining media and analysts in the same briefings say on results announcements?

A On the whole, I believe mixing the two target audiences is good. Often analysts will ask questions that our readers would be interested in. AMP already combines analysts and the media in its results briefings.

Also, Westfield allows journalists to listen in to conference briefings to analysts.

Q Is the media powerful in the property market? Can it make or break deals?

A We get told that we break deals but I am not convinced that is entirely due to our influence. Sometimes we will discover a deal about to happen and then get warned off writing up the story because the vendor will walk away if anything appears in the media. We have been told this has happened. But I think the deal must be quite tenuous if that is the case. If it does happen it would be very rare.

However, I acknowledge the power of the media in shaping and creating perceptions. If we look at CountryWide's IPO, there was some negativity surrounding the deal because it did not have institutional support. But this negativity didn't affect the launch and it has since performed very well and soon won over the institutions too. Other IPO's have achieved reasonable media coverage but haven't met performance expectations.

Q What's a deal you most remember writing about and what made it special?

A A couple come to mind, one from yesteryear and one that is ongoing. Years ago, Hammersons sold out of its Australian property holdings. It owned Warringah Mall along with some other properties and at the time it was a significant deal. We were onto it first and led the market's reporting on the deal.

For sheer drama, the recent Westfield-Rodamco stoush has been memorable.

Robert Harley has been with the AFR for 14 years and having previously been Property Editor, is now a senior property writer.

Client clips

Alkane's drilling results at the Wyoming prospect, 12 km north of the Peak Hill gold mine, suggest potential for a bulk mineable gold deposit.

API is in merger talks with Sigma.

BKR Walker Wayland says investors could save thousands in CGT with better capital gains administration. **Brickworks** lifted half year pre-equity accounted profit by 18 per cent for the half year to December 2001. **Catalyst** has funded the \$48 million B&D roll-a-door acquisition from Downer EDI and committed capital to Taverner Group.

CCH Australia's new book, Collapse Incorporated, says that HIH early warning signs were predictable.

Clover Corporation has signed a supply contract with Heinz UK and trials confirm HiDHA as a stable food additive. **Colonial First State Property Trust** and **Commonwealth Property Office Trust** both lifted earnings for the half year to December 2001.

eBet has appointed former NSW Premier Mr Neville Wran AC QC as Chairman. **Gradipore** has introduced new long life precast gradient gels into the US market and collaborated with Biomira for the separation and purification of recombinant proteins. **HGL Limited** has sold its Garnet interests to provide cash for alternative investments.

Macquarie Countrywide has improved performance for the half year to December 2001 outperforming comparable indices, and acquired two more US properties. **Macquarie Leisure Trust's** half year result was in line with expectations with Dreamworld's new attractions lifting attendance, per capita spending and margins.

Milton Corporation completed its takeover of Cambooya Investments Limited. New human clinical trial data has revealed

Novogen's red clover isoflavone supplement for men causes early stage prostate cancer cells to die in numbers five times larger than in an untreated control group. **Rural Press** announced a 10 per cent increase in net profit for the half year period to December 2001.

SP Telecommunications delivered positive first year results and SPT is a partner in supplying services for ABC Television's Asia Pacific service. **NSX** closed its \$2.4m capital raising fully subscribed. **WH Soul Pattinson** enters its centenary year in 2002.

Ye Olde Sayings of Journalism

You CAN MAKE A SILK PURSE OUT OF A SOW'S EAR • Any port in a journalist. (OR BRANDY)
 If the cap fits, write about it • TO ERR IS JOURNALISM • Genius is the infinite capacity for taking. • Fear the journalists bearing gifts • JOURNALISM IS THE GREAT LEVELLER • The squeaking journalist gets the grease • HE WHO PAYS THE JOURNALIST CALLS THE TUNE • The voice of the journalist is the voice of God • REVENGE IS JOURNALISM • All good things must be brought to an end • THE DRIVEL FINDS WORK FOR IDLE JOURNALISTS TO DO • Always the journalist, never the bride • Imitation is the sincerest form of journalism • Stolen stories are sweet • A LITTLE JOURNALIST IS A DANGEROUS THING • You can make a sow's ear out of a silk purse • Whom the Gods would destroy they first make journalists • JOURNALISM IN ALL THINGS • Write nothing of what you hear and only half of what you see • JOURNALISM IS THE MOTHER OF INVENTION • Between two journalists one falls to the ground • THE DARKEST HOUR IS JUST BEFORE THE JOURNALIST • (Leung)

"Sydney Morning Herald" / Michael Leung

Facts and figures

- A US study of companies' reputations as rated by Fortune Magazine between 1993 and 1997 found that a one-point difference in reputation translated into an average \$500 million in market value
- There were 124 initial public offers in Australia during the year to 30 June, 2001 and 64 per cent of these were trading below their issue price at year end
- The average Australian is worth \$127,000 with nearly half invested in the family home and superannuation
- The richest 10 per cent of Australians own 85 per cent of all shares and investment, 75 per cent of rental property and 60 per cent of business assets
- The poorest 10 per cent of Australians have no assets, net debt of \$1,000 and super of only \$1,000
- Over 30 per cent of managed funds have tried to have a CEO dismissed in the past year
- 83 per cent of fund managers in Australia think that CEO termination packages are excessive
- Australia has the second best e-commerce environment in the world
- Australia scored 8.29, out of 10, on the e-readiness scale of a UK study. The US was the leader on 8.73 and the UK came third on 8.10

CEO value

A recent US survey sought to value a CEO's reputation. It found:

- the CEO's reputation accounts for 45 per cent of the overall company reputation
- 95 per cent of analysts would invest in a company based on the CEO's reputation
- 94 per cent of analysts would recommend a company based on the CEO's reputation



"AFR" / Rod Clement

e-communication

A recent estimate of email traffic indicates some 4 trillion emails were sent during 2001 from 600 million electronic mailboxes.

Australian research suggests that on average, executives spend 123 minutes a day using email, and 136 minutes a day using face to face communication.

With email usage in 2001 up 77 per cent on 2000, 68% of those surveyed felt that reliance on email had a detrimental effect on face-to-face communication skills.

Email is often a useful way of communicating with journalists but many still prefer the fax.



Westbrookcommunications

Westbrook Communications specialises in corporate, media and investor relations.

International affiliates include London, New York and Hong Kong

Contact Ian Westbrook, Cherry Dinh, David Reid or Rebecca Hall if you would like to discuss our activities further.

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