

Pursuing equal rights for her daughters would make Wendi Deng, left, the most powerful person in the News empire after Rupert Murdoch, below, bows out.
PHOTOS: REUTERS, GETTY IMAGES



James and her step-daughter Prudence each appointed their own director as representative.

On Murdoch's death, his four directors will resign, leaving the four representatives of the adult children in sole control of the trust – and the family fortune.

Before Wendi and Rupert married, three weeks after Anna's divorce was finalised, Deng signed a pre-nuptial agreement, and the then head of the marriage division of the New York Supreme Court, Jacqueline Silberman, conducted the ceremony.

There was an updated version signed as a post-nup in 2002 after the birth of Grace, and another in 2004 after the birth of Chloe.

A former tutor told gossip site Gawker last year that Rupert and Wendi had a spectacular shouting match on Christmas night 2004 over the inheritance.

By mid-2005 Lachlan Murdoch had left News Corp, coinciding with revelations Rupert was trying to force the four adult children to agree to include Grace and Chloe in the inheritance.

Prudence, Elisabeth, Lachlan and James were supportive of this. The sticking point was giving Grace and Chloe a vote in the trust.

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tee company that controlled the family trusts.

In the Murdoch universe, children do not come of age until they are 30. Until then Chloe and Grace's power rests with a trustee or guardian. After Rupert's death that would be Wendi, controlling two of the six directors of the trustee company.

A year later Rupert announced on the Charlie Rose Show in New York that the issue had been resolved. "They'll all be treated equally, absolutely."

Had there been some family backlash? "No, just on a question of power, would they have – would the trustees have some of these things at the moment, you know, and so – we've resolved everything very happily.

That wasn't quite true. The decision was that Chloe and Grace would have an equal share of the inheritance but no power over the corporate trustee. No votes at all in fact.

That's where it stands now. Murdoch's shares are worth \$10.3 billion. Grace and Chloe's shares would be worth \$1.7 billion apiece – but the dividend income is less than \$8 million a year. That's nice – but not a billionaire's income.

Even that money would depend on pay-

out decisions by the News Corp and 21st Century Fox boards (controlled by the adult children) and then distributions from the Murdoch Family Trust (also controlled by the adult children). And they don't like Wendi.

Consider the arc that has brought Wendi Deng to this point.

She leveraged herself from a two-room apartment home, to school, to a better school, then a better college, to a degree in California, through a brief marriage, to a Yale MBA, a job at Star, and then consort for 14 years to one of the most powerful men in the world.

Is she going to fade into obscurity as Anna Murdoch has done?

When has Wendi Deng ever stepped back from a challenge? Going quietly will only entrench the power of Murdoch's adult children at the expense of her own.

Clearly this will turn on the wording of the pre-nup and other agreements, but unless these including punishing sanctions for trying to overturn them, Deng appears to have little to lose and everything to gain by shooting for the prize – full enfranchisement for her infant daughters.

In the name of motherhood, her position as their guardian would give her the biggest voice in the Murdochs' future – and unbelievable power.

How much leverage does she have? As the keeper of Murdoch's secrets, she could make life unbearable for him – and that's before any thought of getting him into court as a witness facing more vigorous cross-examination than he faced at the Leveson Inquiry last year.

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And then the timing: his divorce papers cite the breakdown of the marriage six months ago, which puts it just after Dame Elisabeth's death. Murdoch family dynamics, given her deep opposition to Deng, are complex.

And there's the money. Dame Elisabeth had a life-long right to income on 10 per cent of the family trust. On her death these shares, which are believed not to be included in Anna's succession agreement, went to Rupert.

That would be \$1 billion if they are unencumbered. Rupert owns more than \$200 million of stock himself, so there is perhaps scope for a large settlement if it goes that way.

Or not. Deng may be opportunistic, but she is also pragmatic.

These are early days. It'll be long and colourful but don't count on it being pretty.

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Rear Window



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Boland's Buttrose is hardly a match for Barbara Walters

The publicity offensive by Ten Networks' morning TV boss Adam Boland – the Billy Ray Cyrus of Australian television – continues apace. And it's a beautiful thing. Sydney's *Daily Telegraph* on Saturday kindly (and without Lachlan Murdoch's fear or favour) illuminated Ten's plans for two 30-minute news bulletins at 6am and 8.30am ahead of a *The View*-style panel with septuagenarian and our most deserving Australian of the Year yet, Ita Buttrose.

Hilariously, Boland has been telling colleagues that "Ita is my Barbara Walters".

Where to start? Probably with Walters – America's first network news anchor and a peerless interviewer of world leaders (we're talking Iran's Shah, Hugo Chavez, Fidel Castro, Katharine Hepburn and Monica Lewinsky) over four decades. Then there's Ita, who in the 1970s was only Kerry Packer's editor of *Australian Women's Weekly* for a whole year before she edited-in-chief and then moved to News Ltd.

After that, she became a "media personality" and was on *Beauty and the Beast* – a program that truly shaped the nation. Now she's Australian of the Year – the last one of those to so fragrantly defy the gravity of retirement was 1987 recipient John Farnham.

So Barbara and Ita separated at birth. Ahem. Billy Ray Cyrus is having a grand time setting up his morning empire but in Ten's precarious position, why would you invest so heavily in the 6am to midday slot (known in TV as "off Broadway") with its total available audience of 1.3 million viewers (five-city metro) when you could use your severely limited cash on the 8pm to midnight prime-time slot with its 6.6 million viewers (and with five times more eyeballs comes vastly higher ad rates)?

The real question is why Ten chief executive Hamish McLennan and hardly hands-off chair Lachlan Murdoch are willingly being taken on this ride?



All-day breakfast

The Australian Film and Radio Television School is hosting a panel on – ironically – the evening of 2 July for the chieftains of breakfast TV. The gig for students began as a direct duel between Seven's *Sunrise* executive producer Michael "The Cardinal" Pell and Nine's *Today* executive producer Neil Breen.

But organisers last week – perhaps swayed by the *Daily Telegraph's* plugs for Ten's as-yet-non-existent morning schedule, has invited the network's Director of Morning TV Adam Boland.

Given he invented the format from scratch, it's a relief he will be on set to explain his whole schtick to the other pretenders. Rear Window has been unable to confirm whether Ruth Cracknell will attend.

Game, set, Mitchell

Retiring media buyer and Tennis Australia director Harold Mitchell has had an interesting week after the Seven Network snagged the latest broadcast rights without leaving their exclusive negotiating period.

Media insiders reckon that through his role in this deal, Mitchell, who may now establish a new firm with his son or instead pursue gigs as a company director, has very strategically chosen to curry favour with Seven proprietor Kerry Stokes over Lachlan Murdoch at Ten and his father's News Limited. He will surely be in the freezer with both media companies. For now.

Offering southern comfort?

Port Adelaide president (and one-time Adam Boland protege) David Koch hosted a business lunch for the club at The Ivy in Sydney on Friday. Who knew there were so many Port Power tragics in the Emerald City, including News Ltd CEO Kim Williams, seated next to his protege Patrick Delany, new Fox Footy exec Ben Buckley, former Photon chairman Tim Hughes and Seven commercial director Bruce McWilliam. GWS Giants president Tony Shepherd turned up with

PwC managing partner Joseph Carrozzi and coach Kevin Sheedy. NSW Premier Barry O'Farrell took the stage to borrow a Paul Keating-ism: "For any companies here not based in Sydney, can I just say you're camping out." Amen. The lunch follows a GWS training session late last week when Sheedy and CEO David Matthews took 40 Lend Leasers, led by CFO Tony Lombardo, through their paces at Skoda Stadium.

Great bloke, massive party

Despite what's been made of a rift between the Nine Network and Echo Entertainment's The Star casino in Sydney, there was no sign of that on Friday night when Japanese bar Sokyō hosted *Today* fixture Richard Wilkins's 35th birthday.

The Willoughby firmament was out in force, including sidekicks Lisa Wilkinson and Ben Fordham, *60 Minutes* executive producer Tom Malone, *Financial Review Sunday* executive producer Mark Calvert, Sydney to Hobart enthusiast Anthony Bell, *The Voice* host Darren McMullen, Mr Fix It Grant Vandenberg and swimmer Stephanie Rice.

Today's Karl Stefanovic gave a rousing speech in tribute, admitting that "I think I said everything I needed to say about Dicky at his book launch" (referring to his "great bloke, big hair, massive c—" serenade at Wilkins's book launch in 2011). Too true.

Coincidences abound

The ABC's editor of *The Drum*, Chip Rolley, tweeted on Saturday: "Labor MP and [Kevin] Rudd supporter John Murphy, who has called for Julia Gillard to resign, just so happens to be anti-abortion. Coincidence?"

Seriously? Rolley's partner is committed feminist Anne Summers. Do they talk about anything else in that house?

Murphy is the member for Reid in western Sydney and with a margin of just 2.7 per cent, Gillard remaining as Labor leader spells his certain doom. Coincidence?