



He took Nine to the top for Kerry, rescued Sky for Rupert, and is out to save the pay TV network they both have a stake in. In between, Sam Chisholm, faithful servant of some very famous masters, has been working hard on lowering his profile...

# The hired help



**S**AM CHISHOLM WANTS TO MAKE a deal. Nothing unusual about that, of course. He's been doing it all his life, usually on behalf of one or another of the world's richest and most powerful men. But this time Chisholm's rasping, sometimes gasping voice carries an offer that will benefit only himself.

"Listen..." he says softly down the phone, throwing an imaginary arm around my shoulder. So this is how it's going to be. I've heard so many stories about Bad Sam, the hectoring bully whose withering comments can reduce men to tears, I wasn't expecting the seduction route. "...What do you want to write about me for?" he continues. "I'm not interesting – no-one could care less about who I am or what I think. Let's do a deal. Tell me who you'd like to write about instead and I'll deliver them. Go on. Anyone. I'll get them for you."

Anyone? Maybe I can cut Chisholm a little slack. If he can deliver the two men he has worked for, whose wealth and power wouldn't be the same without his assistance, then he might have a deal. Could he line up Rupert Murdoch or Kerry Packer for an interview?

He laughs. Chisholm has been a powerful figure in his time – still is – and both Packer and Murdoch have much to thank him for.

It was largely Chisholm who turned Nine into Australia's most dominant television network. Then, in the 1990s, he played a significant role in helping save Murdoch's empire from ruin by transforming Britain's ailing BSKyB into the world's most profitable pay TV service. But he was, after all, only the hired help. He always knew his place. Asked what he learned from working with Packer and Murdoch, Chisholm corrects the question: "I worked *for* them. I am the servant of many masters."

There can be no deal. But over several weeks, in a series of telephone calls and, later, a face-to-face interview, he will continue arguing in his no-frills staccato language – "Chisholm here. Yes? Maybe. Don't know. Not saying" – that he is just a dull man. An ordinary bloke. All of which will come as a revelation to the television world, where analysing, sucking up to or just plain fearing Chisholm, a short man who casts a very long shadow, has become a virtual cottage industry.

Depending on who you talk to, Sam Chisholm is a bully, a saint, a "deceitful dwarf" or a visionary. His character is cloaked in the myths and gossip of an industry that thrives on exaggeration. He can be brash, profane and combative, a master manipulator who caressed the egos in the star system he

created at Nine but who, at the same time, could bludgeon lesser mortals with the unstinting demands of a workaholic. Mark Booth, the man who succeeded Chisholm as chief executive of BSKyB, said only half-jokingly when he took over: "One of the first things I am going to have to do is take a two-by-four and whack somebody, to prove that things aren't going to be so radically different."

Those who have lived in Chisholm's world trade anecdotes like currency. A former BSKyB staffer tells a story about how Chisholm reduced a woman to tears during a job interview. "You're an asshole," she told him. "You're hired," he replied.

When Chisholm lured Richard Carleton from



the ABC to *60 Minutes*, the pair agreed on a first-year salary of \$350,000, but Carleton wanted an extra \$100,000 for each of the next two years of his contract. They agreed to toss for it. Carleton lost, which possibly explains the sour look on his face ever since. Chisholm kept the coin. A friend once opened one of his desk drawers in his BSKyB office. It was filled with countless uncashed cheques, souvenirs of challenges and dares to staff.

He now boasts a considerable coin collection – some estimates say he had earned close to \$100 million by the time he stopped working for Murdoch in 1997. And he has also given plenty away – earlier this year he provided a substantial amount towards a million-dollar

project for a community house for Aboriginal women in Redfern. He refuses to accept company director fees. He bestows largesse on friends and former colleagues who need help. Not long ago Chisholm stepped in quietly to pay the medical bills of the reclusive and frail Graham Kennedy after the old King of television – a man who did so much to boost the coffers at Nine – injured himself in a fall.

Chisholm lives “comfortably”. There’s Bundarbo, his 2,000-plus hectare farm on the Murrumbidgee River near Jugiong, NSW, not far from Rupert’s little country property. Among its state-of-the-art facilities are satellite television and a fully fledged tavern with beer on tap, to help quench the thirst of workers

**“Anonymity is a highly desirable state. To be in the public eye is not a state I would enjoy”:** Chisholm at home on his grazing property, Bundarbo, and (opposite) with Rupert Murdoch, his longtime boss, who owns a spread not far away.

who’ve spent the day coping with the 14,000 merinos and the herd of black Angus beef cattle. There’s the home in Sydney’s Palm Beach, next to Kerry’s place. Another in leafy St Ives. There’s the luxury cruiser.

At 62, and having suffered a chronic and debilitating respiratory condition for much of his life, Chisholm could have been expected to sit back and enjoy the trappings that reward the average humble servant.

But not yet. This year Chisholm, a director of Telstra, was appointed chairman of Foxtel. He’ll now be a key figure in brokering a settlement between some of the biggest players in the business, including News Ltd, PBL, Telstra and C7. Packer and Murdoch, joint shareholders in Foxtel, now expect his appointment to end what they claim are frustrating delays in dealing with Telstra, their co-partner in the pay TV operator. That should be the easy part. Far more importantly, Chisholm is there to steer Foxtel into the much-ballyhooed digital era, cut costs – he may use his contacts in Hollywood to renegotiate Foxtel’s expensive movie contracts – and oversee what is politely referred to as a “rationalisation” with opponent Optus Vision. Says one senior Foxtel shareholder: “We’re hoping he’ll do exactly what he did with BSKyB.”

They’re not the first to put their trust in Chisholm, who has a sage-like presence in Australian television. Not long after Alan Bond bought Nine from Packer, he complained to one network figure about how complex and unfathomable he found the television business. “I can’t understand television,” said Bond. “I can understand banking and real estate and finance. But in television one plus one doesn’t equal two. So I’ll let f...in’ Chisholm do it.”

Just a humble servant. There are some who think that, deep down beneath his bluster and disdain for small talk and bureaucracy, Chisholm secretly wishes he had been a master. “Why does he go for a holiday to New Zealand to the place next door to where Rupert’s gone?” asks a friend – one of many who’ll tell you they know him intimately. “Why does Kerry buy a property and Sam’s got to have a property? Why does he buy a farm down near Rupert’s farm? He really would love to be one of them. But he ain’t. And he resents it. It pisses him off to buggery he was never an owner.”

Does the servant really desire a room upstairs? Chisholm sighs. He has heard this before. It just goes to show, he says, how little some people know him.

“He’s not owned by anyone,” says Simon Poidevin, former Wallaby Test player and a member of a small but intimate Chisholm circle. “You need to understand that. Not being owned by someone is a very important factor in Sam Chisholm’s life.”

AFTER WEEKS OF CAJOLING AND PROTESTING, Chisholm finally agrees to a meeting in Melbourne on a recent Sunday morning. First, though, a deal has to be made. He will not discuss his private life, and he warns me not to draw too much attention to the style of room

he is staying in at Crown casino. It is too ostentatious, he explains, not the sort of place a bloke like him would normally choose. But on a busy weekend it was all that was available. Presumably the Flag Inn down the road was booked out, too. The butler accompanies me in the lift to the 39th-floor villa, where Chisholm is waiting inside a large living room filled with gold-painted French-style furniture. The city skyline lies behind him.

Chisholm wears a white shirt, black slacks and brilliantly polished black shoes. He is taller than expected – after hearing so many refer to his lack of height, I'd been anticipating a Lilliputian figure. There are two couches facing each other about eight metres apart, an elaborate coffee table in between. He motions me to sit on one couch, while he takes the other. There is no cosy offering of a nearby seat. A protective distance will be maintained.

His face is an emotionless mask for the first 20 minutes. He seems to stare for long stretches without blinking. Chisholm knows how to use the dead air that sometimes hangs in a conversation between two strangers. An intense listener, he lets the other person rush in and fill the space with words to end the uncomfortable silence. It's a form of unintentional surrender. Over the years, many have stumbled in and found themselves unburdening their deepest secrets to Uncle Sam.

"He'd stroke and provoke and know exactly which buttons to push," says Nine's Ray Martin, who was one of those who attended Chisholm's famous drinking lunches. "He'd drop you at home with his car playing *Wind Beneath My Wings* in the early hours of the next morning. He'd be in the front with the driver. You'd be in the back nodding off. And at 7 am he'd be on the phone going to the gym, reciting everything you said the night before, while you were staggering around with a hangover."

If Mike Walsh, for a time the greatest star in Nine's stable, was undergoing one of his periodic mood swings when he was down on the world and thinking about giving *The Mike Walsh Show* away, it was Chisholm, renowned for a remarkable capacity to hold his booze, who would spirit him away for a long lunch that would turn into a long dinner and a 3 am finish. When Walsh, a man Chisholm regards as extremely intelligent, once suggested having a tunnel built from the studio to his cottage at Nine to avoid the crowds that endlessly encroached on his personal space, it was Chisholm who asked engineers to investigate whether it was financially feasible. (It wasn't.)

Yet the man who created Nine's star system – "I've always said Australia had no Hollywood, and that television had to be our Hollywood" – jealously guards his own world. "I think anonymity is a highly desirable state," he says. "To be in the public eye is not a state I would enjoy." At cocktail parties he has had people come up to him and ask: "Is Sam Chisholm in the room? Is he here yet?" And Chisholm will tell them: "Haven't seen him. I know what he looks like and I don't think he's here."

If you want to enter Sam Chisholm's intimate world – so many do, so many think they have and yet so few succeed – the deal is clear-cut. Be discreet and you will earn his trust. "My litmus test is: do you tell your wife? Because if you tell your wife, you're indiscreet," he says. "Discretion in a man is the greatest quality.

Some people think, 'Well, it's okay to tell my wife or my partner.' But you see, it isn't okay. If someone tells you something in confidence, that's it. The end."

Loyalty is important, too: "They're all principles. And once you've sold your principles you've got nothing left."

Is he as hard and ruthless as the stories about him suggest? "I don't think I am." Surely, there must be some truth to it? "I think you've got to be firm about things. There are times when you're going to have difficult moments. Is a company run by the staff for the staff or is it run by the management for the shareholders? Well, companies that I'm involved in are run by the management for the shareholders. They are the people who are your masters. They are the people that you serve. I take my responsibilities in life seriously."

His voice has firmed. The business of being Sam Chisholm is a serious one. "I don't leave anything to chance." He fixes another of those unblinking stares: "You may rely on your



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innate skill and cut corners. I don't. I try to cover all the bases and every contingency. I put a lot of thought into it and don't leave any loose ends."

And a word of warning. Don't do the wrong thing by Chisholm: "You only get a chance to work me over once."

**W**HILE CHISHOLM'S VALUES REMAIN rooted in an old world, he has quickly embraced the new one being created by the latest information technology. As chairman of Foxtel, he is going to play a key role in a television revolution that will ensure you bask in the box's blue-green glow for more than the three hours and 13 minutes you currently spend every day suckling on the glass teat. He can, he says, envisage the day when Foxtel will offer its subscribers 300 or more channels. Your television will become your home computer, where you'll be able to surf the Net via your remote control, e-mail your friends, order your groceries, apply for a job.

He compares the coming merger of television and computers to Henry Ford's invention of

"He really would love to be one of them ... It pisses him off no end that he was never an owner": Chisholm has served both Kerry Packer and Rupert Murdoch, and is close to Packer scion James.

the first accessible motor car which, ultimately, led to the building of highways that transformed modern life. Bill Gates is the new Ford, he says, the man whose software delivered the latest highways.

Is television art? "Yes, it is, it's driven a cultural highway through your living room." But what about my son's pubescent generation? They seem to be endlessly bathed in the babble and noise of the box and the Internet as advertising executives the world over plot new ways to manipulate their thinking, their emotions, to expose them to even more brand campaigns.

"Your son's got to be exposed to that," says Chisholm. "He's got to learn. That's what [television] does. It teaches him to be selective. Instead of being thrown suddenly into a world of consumerism, he's starting to learn about what he does and doesn't want."

But hasn't this new world also robbed kids of some of their childhood? "Well, they're entitled to their relaxation, too. They shouldn't

have to spend all their lives hitting the books. They should be able to come home from school and sit down in front of the television and be entertained. I know it's an adult-oriented society we live in, but they're equally entitled to their leisure. Childhood should be a pleasurable experience."

Chisholm is a true television evangelist. "I'm a believer in television," he says. "It's the greatest marketing tool ever invented." When he bought the Bundarbo property he installed the regional pay television service, Austar, for all the workers. "They watch the Discovery channel – they watch all this and the difference it has made to their lives is spectacular. They've seen a whole new world that television has opened them up to. They're now up to date. It's fantastic for them."

Chisholm's own television usually runs most of the day, constantly tuned to news and current affairs. "I have it pumping away in the background. It's not a babysitter to me. I just like to be informed. In the old days you bought a television set to be entertained. It sold itself on entertainment. But these days you buy it to be informed. That's where there's been a shift." So is there anything about TV that he doesn't like?

He shrugs and offers an admission: "It's hard to get away from."

GERALD STONE, THE FORMER EXECUTIVE producer of *60 Minutes* whose book, *Compulsive Viewing*, chronicles his time inside

and dragged him across the room. Then he pushed him up against the wall and told him that if he didn't watch himself, "I'll knock your head off."

Asked about that incident, Jones laughs and says: "I'm not going to confirm that. There was some question that he was trying to paddle on both sides of the stream. We had a friendly chat. I let him know how I felt – sometimes there are different ways of instilling messages.

"Look, Sam Chisholm is a unique character. I think we did him the greatest favour of his

**He proved an adept salesman. "The first thing a good salesman must do is sell himself to you. Sam has always known how to hit that sweet spot."**

career – we got him away from Packer. We taught Sam how to read a balance sheet and the importance of definitive monthly figures. We returned it [Nine] to Packer in much better form than it was when we got it."

They were all tough men in those days, butting heads and marking their own territories like dogs. They played it hard and rough with long, boozy lunches and legendary partying (Wilf Barker, who became general manager of Channel 10, once reversed his car through Ten's glass entrance doors in Melbourne after a heavy night). But in 1990, with Packer back in control at Nine and complaining about what he believed were the financial excesses

of the Bond years – symbolised by the marble floors in the board room that were soon carpeted over and a famous birthday party where staff had a Harley-Davidson motorcycle delivered to Chisholm by crane through a window – Chisholm sensed it was time to move on.

Murdoch, through his Australian chief executive at the time, Ken Cowley, had always let it be known he wanted Chisholm, and one weekend over lunch in Los Angeles a deal was secured. Chisholm would take over the ailing Sky network in London. It was losing close to £14 million a week. Murdoch's people had done their homework. One of them had rung Warren Jones about Chisholm. "I confirmed for them that he was the best salesman in television," says Jones.

Chisholm, who these days hates being called a salesman, was aghast at the state of British television when he arrived. He sacked many, hired in the best people he could find, oversaw a complex merger with Sky's competitor BSB, and then left the British establishment choking by securing the rights to the English Premier League soccer. In one blow, Chisholm virtually secured the future of BSkyB. Millions would end up buying satellite dishes to watch the football. The belief that sport would be the bread and butter of pay television was also underlined. Chisholm would use the tactic repeatedly to strengthen BSkyB's place in the UK. Murdoch copied the tactic in the US, winning the rights to American football for his fledgling Fox network.

As he did with Nine, Chisholm created another dominant television force. While he could cut a complex deal with Hollywood for

programming rights, it was his feel for what people wanted to watch that proved his greatest asset. Sell, sell, sell. He was the ultimate pitchman, and it seemed there was nothing he could not pull off.

Chisholm became Murdoch's favourite executive. The mogul dubbed him the best broadcasting executive in the world. He liked the profits he delivered, but he also delighted in Chisholm's workaholic and sometimes brutal wielding of power. Chisholm's Monday morning executive meetings could be bloody sessions where the boss wielded his throaty sarcasm like a baseball bat. David Chance, Chisholm's deputy, was given a bollocking one morning after telling Chisholm that satellite dish sales were slow because of the hot weather. Chance was mortified and embarrassed by the public humiliation. He confronted Chisholm privately and told him not to talk like that to him again in front of his peers. Chisholm never did.

"Sam was very demanding but he was a tremendous leader," says Chance, who regards Chisholm as a father-figure in his life. "People wanted to work for him even though he was really tough on some of them. And he had a huge impact on Sky. He turned it around and it's now one of the jewels in News Corporation's crown. It's allowed Rupert leverage around the world, given him credibility and enabled him to move into Asia and other places."

Chisholm might have commanded great loyalty and been generous with those he liked – "He used to give money and gifts to people even when he had nothing," says a friend – but his reputation as a hard nut was set in stone. His most celebrated clash came in his battle

with the pugnacious editor of *The Sun*, Kelvin MacKenzie, the man behind such celebrated headlines as “Gotcha!” (when the British sank the Argentine ship the *Belgrano* off the Falklands) and “Stick it Up Your Junta!”

When Murdoch moved MacKenzie to BSkyB beneath Chisholm, he was suddenly on unfamiliar terrain. He didn't last long. After failing to win Murdoch's support over Chisholm, MacKenzie left. When asked what he was going to do next, he replied: “Get Chisholm.”

Not long ago, I asked MacKenzie if he wanted to talk about Chisholm. He sounded like a gleeful kid given the keys to a lolly shop. “I'd love to piss all over Chisholm,” he said. “I'm quite up to giving him a good smack.”

But when told that Murdoch was a shareholder in Chisholm's latest incarnation, MacKenzie begged off. Chisholm purred contentedly when I related this story to him. He had always told friends he believed MacKenzie was afraid of Murdoch and here was yet further evidence. But MacKenzie couldn't help himself. He rang back a few days later.

wrong, reputedly arguing the company had a duty to pay taxes to the country in which it earned so much money.

Chisholm's health had worsened and he finally agreed with Murdoch that it was time to go. “Sam kept threatening to resign for a year, showing me these doctor's certificates saying he was dying,” says Murdoch in *Sky High*. “I said, ‘It's up to you, don't tell me that you are going to work at half pace. I don't think you know how.’”

**C**HISHOLM IS ADAMANT, ALMOST defiant, when asked if he has any regrets. Surely, there is something he has said, or done, over the years he wishes he could retract. “None whatsoever,” he says. “I would do it all again.” Recently, he was reminiscing with Alan Jones. “You've got to leave behind where you've come from, but never forget it,” Chisholm told Jones, “because if you're careless, you'll end up back there.”

Now, despite his health problems, Chisholm is using his lifetime of television experience to tackle another difficult job. Why? “I'm susceptible to flattery, I suppose,” he says. His relationships

**“You can say I think Chisholm is a deceitful dwarf. He fashions himself as a Jimmy Cagney sort of figure, but I always saw him more as a Cagney and Lacey. How's that, then?”**

“Listen, I've been thinking about this,” MacKenzie said. “You can say I think Chisholm is a deceitful dwarf. From the second I arrived, I think he had a problem with me – he fashions himself as a Jimmy Cagney sort of figure, but I always saw him more as a Cagney and Lacey. How's that, then?”

MacKenzie was not the only one who saw Chisholm as insecure. Murdoch had installed his daughter, Elisabeth, as a general manager at BSkyB, and Chisholm reportedly referred to her more than once as “the management trainee”. She found him distant and aloof. “Elisabeth thought that Sam would teach her everything,” Rupert Murdoch told Mathew Horsman, the author of a history of BSkyB titled *Sky High*. “But he didn't. He tried to cut her out. He thought she was talking to me, and she was. But she doesn't tell tales.”

By 1997, Chisholm's relationship with Murdoch had waned. “As Sam became more and more successful, his profile became greater and greater, and one sensed that Rupert wasn't entirely happy with that,” says one senior BSkyB executive. “The more Rupert was unhappy with that, the more he tried to rein in Sam. And the more he did that, the more Sam tried to assert his independence.”

Friends say that among the issues the pair argued over were taxes – Murdoch believing BSkyB paid too much, Chisholm, a man with strict views on right and

with the Packers and Murdochs might have been tested over the years, but both camps knew that if Foxtel were to be fixed, the old broadcaster would have to be summoned once more.

But which Sam Chisholm had they turned to? Everyone thinks they have him figured out. A little guy with a Napoleonic complex. A bully who respects people who stand up to him. A man with a tough exterior but a soft interior. He is certainly this: a man who understands power, and who knows how to use it.

Over the weeks, I found myself wondering: am I being seduced? Full of enthusiasm, Chisholm can flatter you, make you feel good about yourself until all you want to do is surrender to the inevitable, jump up on Uncle Sam's knee and pour out your innermost secrets and fears.

I mentioned to him one day that, for a man who has played such a critical role in broadcasting, precious little has been written about him. His newspaper clipping file is a pathetic, anorexic thing. Among the anecdotes about his drinking prowess, his brash demeanour and his salesmanship, something seems to be missing.

“What's missing is me,” he said. The servant's voice had lost its jocular, teasing tone. “In my world, you don't tell people how good you are. I'm used to being the boss. But I do it without shouting loudly.” ■