

# Succession battle will test an heir's leadership skills

Rupert Murdoch's three older children are in court to contest his attempt to make his eldest son, Lachlan, his successor

**T**he succession battle playing out in a US courtroom this month between Rupert Murdoch's four oldest children could ultimately decide who controls *Fox News* and the *Wall Street Journal*, two of the most influential US news outlets.

Murdoch, 93, is seeking to change an irrevocable family trust to favour his eldest son Lachlan, 53, as his successor, prompting three of his other children — Prudence, Elisabeth and James — to fight back in probate court in Nevada. If Murdoch gets his way, Lachlan will control Fox Corp and News Corp after the former's death, rather than dividing power among the four, as the trust had prescribed.

To some extent, the legal fight is also a report card on Lachlan's business prowess. Rupert has argued that the legal change will be good for all of his six children, the beneficiaries of the trust, according to people familiar with the case who asked to not be identified. He has said Lachlan's political leanings make him a better steward of the media outlets, which are popular with conservatives.

Some Murdoch family insiders complain

that Fox shares have underperformed at the market under Lachlan's direction, and that *Fox News* hasn't come up with a plan to outlive its loyal but ageing viewership.

## Taking control

Lachlan was clearly designated to replace his father when Rupert formally retired from the two companies' boards last year. The 53-year-old was appointed chairman of News Corp last year and is chairman and chief executive officer of Fox.

The past five years have been a critical stretch for the Murdoch empire. In 2019, Rupert sold most of Fox's entertainment assets to Disney in a \$71-billion deal. The sale focused primarily on news and sports programming.

Lachlan has made an effort to rebuild the company's general entertainment offerings, with investments in

animation and reality TV studios. His most notable deal was the \$440-million purchase of Tubi, a free ad-supported streaming service that now has 81 million users.

## Signs of discord

None of Lachlan's siblings work for the businesses. James, 51, stepped down as CEO of Fox after the Disney sale. He also resigned from the News Corp board in 2020, citing disagreements over editorial content and strategic decisions and now runs Lupa Systems, his own investment firm.

Elisabeth, 56, founded Shine Group, a TV production company sold to Fox for \$415 million in 2011. She now runs Sister, another TV studio. Prudence, 66, has been the least involved in the family business.

Lachlan's tenure has seen its fair share of controversy. The company paid \$787.5 million last year to settle claims by Dominion Voting Systems that guests and hosts at *Fox News* made defamatory allegations about fraud in the 2020 presidential election.

"*Fox News*, over the last four years, has reasserted its dominance on the right," said Paddy Manning, author of a biography of Lachlan. "The future of that network is incredibly important, politically as well as culturally, and so that's what the Murdoch siblings are fighting about."

— Bloomberg



Rupert Murdoch with his four children (clockwise from left) Prudence, Elisabeth, James and Lachlan