

COMPANY AND STAFF CONSULTATION CONCLUDES - NOW THE WAY FORWARD

Yesterday I was briefed in detail about the results of a consultation process with staff ~~that that started on has been under way since Saturday and follows~~ commenced on Tuesday May 3 following ~~regarding~~ the company's decision to outsource editorial production.

I am deeply appreciative of the goodwill and creativity shown by all parties during these talks.

Fairfax Media is facing some big challenges but the talks have shown that we are all passionate about the future success of our great mastheads.

I sincerely thank everyone involved.

During the consultation, the company accepted a proposal from the staff representatives that they be given an opportunity to present an alternate editorial production structure.

The staff proposal did not shy away from the need to significantly change the way we produce our metropolitan newspapers. It contained some tough calls.

While recognising the many strengths of the staff plan, it did not ultimately ~~fully~~ meet the strategic and commercial intent of ~~the original the company's~~ proposal.

Some new ideas workshopped through this consultation process have been impressive and will be part of our thinking as we transform our newsrooms.

After careful consideration of the arguments from consultations between staff, publishers and editors, we have now made ~~I can now announce~~ the following decisions – decisions which I believe will preserve our continued delivery of, which I am satisfied will meet the strategic imperative to invest in the creation of high-quality editorial content and allow us to meet the strategic imperative of investing in more journalists, reporters, writers and training – but requires the outsourcing of sub-editing roles. ~~by reducing costs in the production process.~~

SUB-EDITING

All down-table sub-editing for News, Business and Sport for The Age, The Sydney Morning Herald and the Sunday newspapers will be outsourced to Pagemasters, with the implementation to be completed by June 30.

Quality will be maintained through a service level agreement between Fairfax and Pagemasters. The publishers and editors will be involved in negotiating the agreement.

Pagemasters has agreed to give priority to job applications from Fairfax staff.

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PAGE EDITING

A new [internal](#) role of Page Editor will be created to take responsibility for in-house editing of pages, from layout to commissioning elements, managing copy flow and getting pages away on time.

STORY EDITORS

Another new [internal](#) role, Story Editor — ~~the result of excellent discussions with staff~~ — will be created in Sydney and Melbourne. These editors will work closely with News Editors and Page Editors to ensure that stories are fine-tuned, structured and adhere to quality standards before being sent for sub-editing.

[Under this structure, the night news desk will have the resources to edit prominent or sensitive stories and pages in-house.](#)

DESIGNERS AND GRAPHIC ARTISTS

We will outsource some design work to Pagemasters and we will also increase shared designs and artwork across the Sydney and Melbourne mastheads.

READERS' EDITORS

The Herald and The Age will each introduce the new position of Readers' Editor. The Readers' Editors will act as advocates on issues relating to editorial policy, ethics and overall editorial performance. These roles have proved to be extremely valuable on leading British and United States newspapers.

REDUNDANCIES

The changes outlined above are expected to result in about 82 FTE redundancies in editorial production. This means we will ~~open~~[begin](#) a voluntary redundancy program ~~openup~~ to all staff covered by the EBA in the affected business units.

If we do not achieve the required number of suitable applicants in the voluntary redundancy program, then we reserve our rights to move to a compulsory redundancy process. The Publishers will explain this process in the days ahead.

OPPORTUNITIES FOR STAFF

The Page Editor, Story Editor and Readers' Editor roles will be advertised on Monday. Applications will be invited from all editorial staff - full time, part time and casual.

RE-INVESTMENT IN QUALITY JOURNALISM

The company has re-confirmed its promise to invest more than \$3million in the Sydney and Melbourne newsrooms. This is a firm commitment. We will recruit up to 10 reporters and writers across Sydney and Melbourne. We will expand our trainee program. There will be a minimum of six trainees for both Melbourne and Sydney in

the FY12 intake. We will increase our training budgets – with a focus on multi-media training – by more than \$300,000.

IN CONCLUSION

I know that some of these decisions are difficult – but they are necessary. ~~Let me assure you that while~~

~~W~~we are clear about our strategic vision – and that includes, really we really valuing our staff. ~~The last couple of days have once again underlined w~~What wWe can achieve a great deal when we and we value the opportunity to work together to create a flexible, vibrant newsroom culture that takes us towards an integrated, multi-skilled future.

Today's decisions do not mark the end of staff consultation around this project. Publishers and editors will be working with key staff members as they move into the implementation phase.

~~Don't view these changes It is important not to view these changes~~ in isolation. We all have to keep the big picture and longer term ambition for Fairfax Media in the frame.

There is a lot going on in the business. We are ~~intensely~~sharply focused on what we need to do over the next six months. Our resources, time and energy will be devoted to developing the business and our products to differentiate us from our competitors.

At the heart of all this is the need to change the way we work to build a sustainable model for the Metropolitan Media business.

The publishers and editors will be working with you as we implement these changes. They will be in contact with you in the days ahead.

Again, I want to thank staff who took part in the consultation sessions.

It is critical that we now turn our time and energy to the implementation of the strategy.

Greg Hywood
Chief Executive and Managing Director
Fairfax Media.