

Australian newspaper chain unveils job-cutting restructuring

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Fairfax Media, one of Australia's largest media companies, yesterday announced a wholesale restructuring of its operations, eliminating 1,900 jobs, predominantly among journalists and printers.

The company will slash the editorial workforce on its two main mastheads—the *Sydney Morning Herald* and the *Age*—by about a quarter, from roughly 800 to 600. Fairfax will shrink the 150-year-old broadsheet newspapers to tabloids, merge most of their operations into a “single digital platform,” and erect subscription paywalls around their Internet sites. Its two main printing plants, at Chullora in Sydney and Tullamarine in Melbourne, will be shut down by mid-2014.

In a bid to satisfy the financial markets, even more drastic cuts were foreshadowed, including the likely closure of the newspapers. Fairfax informed the stock exchange that its measures would position the company to “address further structural movements and provide flexibility to move the business to a digital-only model if that is what is required in the future.”

Typically, the management treated its staff with contempt. Printers were informed by email. Editorial staff were treated to a video broadcast. Such is the scale of the job destruction, that forced redundancies are almost certain.

News Ltd, the Murdoch-owned conglomerate that dominates the rest of the newspaper market in Australia, is poised to reveal job cuts on a comparable scale this week, with as many as 1,500 positions to be eliminated from its 8,000-member local workforce.

The slashing of editorial staff will further undermine falling journalist standards, regardless of whether articles are published in print or on-line. Another 30 journalists will lose their jobs at Fairfax's *Australian Financial Review*—about 10 percent of its staff.

These cuts are on top of Fairfax's destruction of at least 650 editorial positions, including sub-editors, proofreaders, journalists, photographers and designers, in restructurings in 2008, 2011 and earlier this month.

As with the similar retrenchments that have wracked media outlets throughout America and Europe and elsewhere since 2008, the biggest cuts will undoubtedly fall on what remained of international coverage and investigative journalism.

The announcements are another blow to printing and other manufacturing workers, tens of thousands of whom have lost their jobs in Australia over the past four years. Fairfax had already shed more than 260 production jobs at its printing plants in Australia and New Zealand last year. Highly-skilled workers, as well as apprentices and labourers, will now find it very difficult to find new employment.

Before the ink was dry on the Fairfax announcement, it was being superseded by the confirmation that right-wing mining magnate Gina Rinehart had acquired nearly 20 percent of the company's shares, making her the largest shareholder. Rinehart is demanding three seats on the board, including the deputy chairmanship, and the right to hire and fire editors, effectively giving her editorial control.

Mainstream media and financial commentators almost universally endorsed the Fairfax job-slashing, but warned that it had probably come too late to save the company from being carved up. Rinehart was able to swoop because the company's share price had plummeted by some 87 percent—from around \$5 to less than 60 cents—over the past five years. One market analyst, City Index head of dealing Peter Esho, commented that Fairfax might have “bought more time,” possibly “three to four months.”

These pundits have attributed the restructuring solely to

the need for media empires to catch up with the digital age, in which readers, especially the young, have increasingly abandoned newspapers for Internet-based access. In reality, the technological changes are intersecting with the sharp financial pressures generated by the worsening global economic crisis.

Fairfax's response matches those imposed throughout the international media industry over the past decade, particularly since the crash of 2008. In the US, for example, 30 percent of journalists' jobs have been shed since 2001, at least six major newspaper chains have filed for bankruptcy since 2009 and well-known newspapers have disappeared, replaced by websites—among them the *Seattle-Post Intelligencer*, the *Christian Science Monitor* and the *Ann Arbor News*.

The slash and burn operations underway at Fairfax and other news organisations are driven by the demands of the financial elite for drastic cost-cutting at the expense of workers. In its stock exchange communiqué, Fairfax emphasised that its changes were designed to consolidate the company's debts of approximately \$800 million and "strengthen the balance sheet."

The federal Labor government, as well as the conservative Liberal-National opposition, immediately backed Fairfax's measures. Communications Minister Stephen Conroy credited the company with making tough decisions. "It's always disappointing when any Australian is losing their job," he told reporters. "What you can see, though, is that there is a future."

This "future" is in line with the Labor government's broader restructuring strategy, in response to the global economic crisis, to gut manufacturing and other basic industries, drive down wages and conditions, and boost the mining and financial sectors.

The government and the media have claimed that the Australian economy is sheltered from the economic and social meltdown occurring across Europe and America. The Fairfax move graphically exposes the fact that the opposite is true. Former *Age* editor Andrew Jaspán noted: "The decline and implosion of the media was seen as a European or American disease that Australia would avoid, much like the GFC."

While media workers and printers have reacted with shock, anger and dismay to the Fairfax move, the media and printing unions have quickly signalled their willingness to

assist the management inflict its cuts, as they have done in each previous round of restructuring. Union spokesmen have spoken of the inevitability of job losses, pleading only for talks with the management on how to implement them. The Media Alliance union has urged Fairfax to utilise "voluntary redundancies," in the hope of dissipating rank and file resistance.

The role of the unions was underscored by the Media Alliance's response to Fairfax's recently confirmed decision to eliminate 66 sub-editing and other editorial posts at its regional and local newspapers. In a June 12 media statement, the union protested that its counter-proposal would have "delivered Fairfax the very cost savings it seeks" and "with fewer staff numbers."

The resulting situation was "grim and depressing," a Fairfax journalist told the WWSW. "What's the union's agenda? Just to maintain its position at the bargaining table!" He said Fairfax would necessarily "lower quality." Inevitably, the company would take its coverage from the wire services and employ junior, inexperienced and underpaid journalists. Even then, decent production would be virtually impossible without the required sub-editors and designers.

All jobs and conditions should be defended, but such a struggle, which will inevitably involve a political fight against the Gillard government, is impossible through the trade unions. Media and print workers must launch their own independent industrial and political campaign. This means establishing genuine rank and file committees, outside the unions, and turning out to every other section of the working class, nationally and internationally, for support. This fight requires a socialist perspective.

Around the world, the decimation of media jobs, the closure of major newspapers and the erection of "user pays" barriers around Internet access to information underscore the destructive impact of the capitalist market. The media monopolies must be placed under democratic workers' control and public ownership, as part of the struggle for the socialist transformation of society.



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