

# Australian editors quit as media restructuring continues

Mike Head  
27 June 2012

Three chief editors of Fairfax Media's two flagship newspapers quit within hours on Monday, underscoring the extent of the transformation taking place within the media industry in Australia and internationally. The resignations came a week after Fairfax management unveiled the elimination of 1,900 jobs, mainly journalists and printers—about 20 percent of the entire workforce.

Meanwhile, wholesale redundancies are already underway at Rupert Murdoch's News Ltd, which controls 70 percent of the newspapers in Australia. Murdoch's worldwide parent company, News Corp, also confirmed that it is considering splitting its profitable pay-TV and entertainment assets from its newspapers.

On Monday, *Sydney Morning Herald* publisher and editor-in-chief Peter Fray and editor Amanda Wilson, and *Age* editor-in-chief Paul Ramadge announced their resignations to stunned editorial staff after being told that the Fairfax management's plan had effectively abolished their positions. Both newspapers will be reduced to tabloids by next year, and their printing plants will be shut down by 2014.

According to a leaked draft of the Fairfax blueprint, it revolves around a national newsroom structure. Instead of separate newspaper editors, there will be five "geographical" editors-in-chief—based in Sydney, Melbourne, Brisbane, Perth and Canberra—and a handful of "national news editors." There will also be five "platform" editors: one each for print, social media, tablet, mobile and computer.

One Fairfax journalist told the WSW: "The restructure plan has still not been divulged to us, but it is clear that there are no traditional newspaper editors'

roles. I don't understand how this can possibly work. It is coinciding with the loss of about 150 journalists, so how can it work?"

There would be inevitable damage to the quality of reporting and analysis, the journalist explained: "A significant number of experienced older hands will leave. There will be quite a gutting. People with memory, context, contacts and perspective will be gone. It's grim all round." He added that the Media Alliance trade union had "no perspective of fighting the cuts."

Previous job-shedding and cost-cutting have already led the Fairfax newspapers, and their web sites, to become little more than conduits for news wire services. Research by University of Sydney media academics has found that articles from a wire service, Australian Associated Press, comprised almost 90 percent of the top stories on the *Age* website and nearly 80 percent on the *Sydney Morning Herald* web site over a three-month period until March last year.

News Ltd further devastated the industry last week, unveiling its own drastic restructuring. It said it would fold its newsrooms in each Australian state into one per capital city, reduce its east coast operations from 19 divisions to five, and "recast and redirect" the company in favour of digital and pay-TV operations.

News Ltd management refused to put a number on the expected layoffs among its 11,000 employees, but reports indicate that up to 1,500 jobs could go, with as many as 500 coming from editorial staff.

In fact, redundancies have been under way for some time at News Ltd, among journalists and print workers alike. At least 54 printers and 25 journalists have gone in the past three weeks alone, and more than 100 retrenchments have been made this week. Job losses have occurred in management, the art and photographic

departments, the NewsCentral sub-editing hub, NewsLifeMedia and the news.com.au website.

The job destruction is being attributed solely to the displacement of newspapers by digital media, and the resulting collapse of advertising revenues. In reality, the impact of the technological transformation is being compounded by the deepening global economic crisis and austerity measures.

According to media analysts, News Corp's global breakup into two entities will inevitably mean the closure or drastic reduction of its loss-making newspaper mastheads, including the *Times* in London, the *New York Post* and the *Australian*. "Rupert Murdoch's newspaper empire is facing its endgame," wrote Neil Chenoweth, the author of two books on Murdoch's business. "His institutional shareholders would be dumping the newspaper stock as fast as they could."

This restructuring is also part of the assault on workers' jobs and conditions taking place internationally, from Greece to North America, as the financial markets extract the cost of the post-2008 crash from ordinary people. Tens of thousands of jobs have been destroyed in basic industry across Australia during the past year, putting the lie to media and government claims that the Australian economy is uniquely shielded from the global turmoil.

In the case of Fairfax, right-wing mining magnate Gina Rinehart, reputedly the world's wealthiest woman, has ratcheted up the pressure being applied by the money markets. She has bought nearly one-fifth of the company's stock, taking advantage of a near 90 percent fall in its value over five years. On Monday, she threatened to sell off her shares, which would send the share price tumbling from its record low of around 55 cents, unless she were granted three seats on the Fairfax board and the power to hire and fire editors.

The Australian media industry trade unions have ruled out any fight to stop the closures and job destruction. Instead, they have moved to shore up their positions as the facilitators of the job losses that have increasingly hit media workers over recent years. They publicly praised News Ltd for consulting with them before announcing its restructuring.

Australian Council of Trade Unions secretary Dave Oliver said unions were pleased with the result of a closed door session of the federal Labor government's

Fair Work Australia (FWA) industrial tribunal last Thursday, where Fairfax management agreed to abide by a similar consultation procedure. Oliver said no job losses would now occur until the unions saw "the company's business case and a thorough explanation of its rationale for making such drastic changes."

As this language indicates, the unions have no opposition whatsoever to the job cuts, provided there is a good "business case." This sums up the thoroughly pro-business character of the union movement.

Media and union reports falsely described the outcome of the FWA proceedings as a "reprieve" or even "victory" for Fairfax workers. Nothing could be further from the truth. The company merely confirmed that it intends to work closely with the unions to implement the redundancies and closures. This "consultation" consists of finding the best means to head off any collective resistance by workers to the cuts, and pressuring individual workers to accept redundancy packages.

A worker at Fairfax's Chullora printing plant in Sydney told the WSWS: "This agreement between Fairfax and the unions is like shutting the door after the horse has bolted. I wouldn't call it a victory." He said the Australian Manufacturing Workers Union (AMWU), which covers printing workers, had been "part of the process" for years, including during the first round of redundancies at Chullora in 2004.

The Chullora worker said there had been considerable discussion in the plant about the political implications of Rinehart's bid to take control of the company. "If she gets her way, the newspapers will become nothing but vehicles for the mining industry. That will give Rinehart a bargaining chip with [Prime Minister Julia] Gillard to make new deals on the mining and carbon taxes."



To contact the WSWS and the  
Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**