

Australian media union shuts down week-long Fairfax journalists' strike

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The Media Entertainment and Arts Alliance (MEAA), which covers journalists and other media workers, ended a seven-day strike by Fairfax Media employees this morning, called in response to the company's announcement last week that it would cut 125 jobs.

At pre-work meetings in Sydney, Melbourne and Canberra, the union all but abandoned any pretense of opposing the sackings, which will eliminate a quarter of Fairfax's newsroom staff. MEAA officials made clear that the union would seek closed-door talks with Fairfax management, which will undoubtedly centre on how to push through the job cuts in the face of widespread opposition.

Outside the offices of the *Sydney Morning Herald*, MEAA head Paul Murphy said that the union would be "providing advice to you in relation to redundancies. We don't know as yet when the company will open a round. We're seeking a meeting with them."

Murphy indicated that the union would also be holding talks with TPG, a private equity firm that made a bid over the weekend for Fairfax's most profitable concern, the Domain real estate web site, and its major newspaper mastheads. The union distributed a fact sheet on "What happens ... when a transfer of business occurs?"

Marcus Strom, joint head of the union's House Committee at Fairfax, referred to divisions within the company's board over a sell-off of Domain, along with an MEAA motion of no-confidence in Fairfax CEO Greg Hywood. Strom's remarks and the motion were aimed at promoting the fraudulent claim that a section of Fairfax management could be pressured into making concessions, or limiting the scale of job cuts.

The Sydney meeting was attended by only several dozen Fairfax workers and lasted some 10 minutes.

The strike was called at urgent stop-work meetings

last Wednesday, after Fairfax's announcement of the sackings. The editorial workforce rejected attempts by the MEAA to limit industrial action to a token one-day strike. Arts writers, who are being targeted in the job cuts, appealed for solidarity from their colleagues.

The week-long strike was a significant stand against the carve-up of the industry and associated job-shedding. The MEAA, however, did everything it could to contain the strike, which was limited to workers at the Fairfax's major mastheads, and did not affect its rural and regional operations. The union directed the action into impotent appeals to the company's investors, with an open letter calling on them to reinvest in newsrooms, "because it makes sound business sense."

The union's supplications to the shareholders are utterly bankrupt. The company is already dominated by financial interests, which are concerned solely with maximising their profit margins. Thirty-five percent of its shares are owned by six major shareholding groups and the company's senior management is tied to these shareholders by a thousand threads. Yesterday, the *Guardian* reported that factoring in his salary and share options, Fairfax CEO Greg Hywood made as much as \$7.2 million before tax last year.

That journalists confront a corporate restructuring of the industry dictated by finance capital was underscored by a bid by the private equity firm, TPG, in the midst of the strike. TPG's initial offer was only for Fairfax's major newspapers, the *Sydney Morning Herald*, the *Age* in Melbourne, and the *Australian Financial Review* (AFR), along with the lucrative property web site Domain, and the bulk of its events and digital operations. The company's other assets, including its regional papers, were not included in the \$2.2 billion bid, and could face an uncertain future if

the deal goes through.

One journalist told the WWSWS that the TPG offer was “very concerning.” “They don’t have a great track record valuing assets that don’t make profits very quickly, and they have a history of not paying tax. It’s an indication of where this is going. I don’t see much of a future for journalists at Fairfax if this sort of takeover goes through, only for the shareholders. It would be big capital coming in and taking over.”

TPG has a history of buying ailing businesses and asset stripping. An article yesterday by the Australian Broadcasting Corporation’s business editor, Ian Verrender, noted the rise and rise of private equity firms over the past two decades, pointedly commenting, “Now, they’re preparing to pick over the carcass of Fairfax Media.”

Verrender recalled TPG’s 2006 takeover of Myer. The private equity firm secured the department store chain, which was making losses, for \$1.4 billion, before an inventory sell-off which provided TPG with a major dividend. Myer was placed on the stock exchange at \$4.10 a share in 2009.

The relisting resulted in a profit of close to \$1.5 billion, and was followed by a protracted dispute between Australian tax authorities and TPG. The value of Myers shares has continually fallen since the float, and sits at around \$1 a share.

Another Fairfax reporter said that TPG’s offer compounded the “huge uncertainty” hanging over employees. He noted the parallel between TPG’s aims, and moves by Fairfax to decouple Domain from its less profitable newspaper operations.

“Because Fairfax is listed on the stock market, share prices are a compelling focus for management,” he said. Referring to the broader crisis of the industry, the journalist added, “For much of the 20th century, capitalism financed a liberal media. It doesn’t look like it’s going to do that anymore.”

The MEAA’s role in facilitating round after round of sackings and restructurings, which have transformed the media industry into a vehicle of the financial elite, underscores the need for a rebellion against the union. The first step is the establishment of independent-rank-and-file committees of media workers at Fairfax and throughout the industry.

Such committees need to turn to other sections of workers who face similar attacks on jobs and

conditions at the behest of finance capital. This is necessarily a political fight that must be directed against the profit system and its political servants on the basis of the struggle for a workers’ government and socialist policies.



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