

This morning the Company met with senior representatives of the Media Entertainment and Arts Alliance and House Committees to commence consultation about yesterday's company announcement of changes proposed in the Metropolitan Media business.

I would like to report back to you the substance of the talks, which largely focused on the proposal to outsource sub-editing of The Sydney Morning Herald, The Sun-Herald, The Age and The Sunday Age to the production company Pagemasters, a subsidiary of AAP.

The Company took on board the views expressed by staff representatives.

The Company remains committed to its proposal to change editorial production processes through outsourcing the sub-editing of these mastheads to Pagemasters.

We have agreed to continue to talk and consult on this issue. On Monday next week a final decision will be made about details surrounding the nature of the implementation.

When we move to the implementation stage of this strategy, we will comply with the EBA requirements regarding redundancy.

This means we will open a voluntary redundancy program to all staff covered by the EBA in the affected business units. We will clearly set out the criteria for acceptance of voluntary redundancy applications based on the needs of the business. This will be focused on sub-editors, graphic artists and designers.

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, as provided for in the EBA.

We have authorised an editorial staff stop-work meeting for one hour to be held in Sydney and Melbourne today, starting at 4.30pm.

Greg Hywood  
Chief Executive and Managing Director  
Fairfax Media