

Key Strategic Drivers

1. Meritocracy

- Journalism's practitioners must be treated as professionals. We want to encourage a high-performance culture. Pay structures should reflect that.
- We will strive to have the best people in all positions. We acknowledge that there is a degree of accelerated progression, but we do not propose to expand this. Our preference is a progressive grading model with simplified steps.
- In line with our thinking, we propose maintaining a merit based pool for journalists. The terms are to be negotiated.
- Reviews will become a formal part of discussions around merit-based performance, with clear KPIs agreed and regularly monitored. Productivity will form part of this.

2. Flexibility

- The changing media environment requires greater flexibility, not only in grades and pay scales, but in managing rosters, overtime, lunch breaks etc.
- It is no longer sufficient in what is becoming a more flexible media scene to straitjacket professionals as if they were factory workers.
- The skills required of journalists over multi-platforms require greater interchangeability of skills and even roles.
- Our industrial instruments must reflect the reality of our business structure and the ability of the respective mastheads to pay.

3. Reallocating resources

- The company is committed to provide essential tools to do the job, and will make provision within its capital budgets to do so.
- Journalist and other resources will be committed by the company within the strategic framework enunciated by the CEO - more investment in reporters and writers, and more efficiencies in our production and support services.
- Training is recognised as a growing need in a changing media environment and resources and programs will be provided.
- The company is committed to an improved intake of cadets to ensure future skill needs are met.
- In general, where extra resources are put in one area, they will be removed from another. This is a zero-sum situation. The company can no longer simply add costs.

4. Reducing overall cost base

- The company is seriously challenged by structural changes to its traditional businesses, in spite of the opportunities that exist in the digital environment.
- Given these structural challenges and very high fixed costs and overheads, the company is unable to offer across the board automatic salary increases or salaries simply aligned to external factors, inflation etc.
- Our offer is tied to the reality of our ability to pay and to our strategy to find a sustainable model for the mastheads.

Company proposal for bargaining

In terms of the negotiations, we are proposing the following:

- Wages
 - i. We believe that compensation needs to be based on market rates
 - ii. 10% over 3 years of which 40% each year will be merit based
 - iii. Allocation model to be negotiated.
 - iv. One off bonus pool for year 1 for Sydney and Melbourne - to be based on 50% of the merit budget.
- Training – We are committed to more training for editorial staff and will shortly outline the proposal. Training and the continuing investment in quality journalism will be at the core of what we do, but we do not believe the EBA is the appropriate vehicle to deliver this. At the same time we have already stated that we will be placing 6 cadets at both The Sydney Morning Herald and The Age.
- Equipment – The Company will continue to provide essential equipment to support the requirements of journalism. The type of equipment will be linked to our training needs.
- Consultation – we propose to have a new consultation provision that is consistent with the Fair Work Act. We also propose to have more direct regular engagement with staff outside of the EBA provision to encourage a mutual understanding of the Company and staff needs.
- Coverage
 - i. Open to discussing Federal Capital Press, Brisbane Times, WA Today and other Fairfax Digital staff doing editorial work, but on separate wages and conditions schedules.
 - ii. As we are bargaining the above potential extended scope, we also wish to discuss Newcastle and Illawarra having a separate EBA that mirrors and maintains current and yet to be agreed terms and conditions.
 - iii. Retain Fairfax Media Publications Pty Ltd and The Age Company Pty Ltd.
- Incorporate any changes required by the Fair Work Act.
- All other terms and conditions in the current EBA to remain the same.

This is a total package approach. We are of course open to discussing the MEAA proposals as we negotiate.