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Date: Thu, 11 Aug 2011 15:37:28 +1000
Subject: FW: EBA Staff Update from Jack Matthews, CEO Metro Media

Colleagues

I would like to give all editorial staff an update on the negotiations between the company and the MEAA on a new three-year EBA that covers wages and conditions.

These talks have been conducted in good faith, and I am deeply appreciative of the contributions made by all those involved.

The company has listened closely to the bargaining points made by staff representatives – and we have responded as best we can.

- No terms or conditions have been lost.
- We have removed the threshold cap on fixed wage rises.
- We are proposing automatic wage rises for all staff in each year of the agreement.
- Merit payments will be more transparent.
- Company-provided superannuation will rise by 0.5% from July 1, 2013.
- We have agreed that the performance review process should be more clearly linked to pay.
- We have agreed to accelerate grading increases for cadets to Grade 4 after one year in each grade.
- Flexible work requests and parental leave have been included in the disputes clause.

We have also put a consistent and considered position on how to introduce a stronger performance culture in our newsrooms, so that excellence is recognised and rewarded.

A new system of merit pay will be introduced in stages. The company will also spend more on training and equipment.

I want to stress that this offer has been worked out against the backdrop of extremely challenging trading conditions for the company – indeed, for all media companies.

The offer, which has been put to the MEAA and house committees, balances the realities faced by the company and by our staff.

It is fair, reasonable and appropriate.

In relation to Newcastle and Illawarra, we have agreed to continue to include these mastheads in the Metro agreement.

In relation to Canberra, we have agreed to maintain a separate agreement.

I urge you to consider and accept the offer by September 1.

After that, the company may not be able to guarantee back pay to July 1.

Like you, I am keen to get on with the task of building a successful, modern media business. We have a bold, industry-leading strategy for the future.

The company is under way to deliver its commitment to spend the $3 million on new staff, training and trainees.

We are also going to working harder to improve engagement with all staff.

It is essential that each of you has a better understanding of the future direction of our business and that you are aligned with our group strategy. Later this month executives will brief editorial staff on the strategy.

Better communication is part of our commitment.

The company has authorised stop-work meetings at 4pm today for 45 minutes.

Once again, thank you for everyone's efforts in bringing the best ideas to this offer.

The key elements follow.

Wages

Grade	Jul-11		Jul-12		Jul-13		Total – 3 years	
	Auto	Merit	Auto	Merit	Auto	Merit	Auto	Merit
Cadet - G3	2.75%	0.00%	2.50%	0.00%	2.50%	0.00%	7.75%	0.00%
G4 – G10 (<$150k)	2.75%	0.00%	3.25%	0.00%	2.75%	0.75%	8.75%	0.75%
G10 (>$150k)	2.75%	0.00%	2.00%	1.25%	1.75%	1.75%	6.50%	3.00%
Total (Fin years)	FY 2011 / 2012		FY 2012 / 2013		FY 2013 / 2014		**Total	
	2.75%		3.25%		3.50%		9.50%	
* Total Avg							7.63%	1.88%

* The total avg excludes cadets to Grade 3 since they have accelerated progression after 1 year in each grade.

Key components

- All grades to receive 2.75% to the base, backdated to July 1, 2011 (if agreed by September 1, 2011).
- There will be no merit in the first year.
- Two further increases in July 2012 and July 2013.
- Merit will be progressively introduced from July 2012, with clear KPIs between staff and managers.
- Cadets to Grade 3 will receive 2.5% in July 2012 and July 2013. There will be accelerated progression after one year in each grade from cadet to Grade 4 (inclusive).
- The total automatic and merit increases across the three years is 9.5%.
- We are proposing an extra 0.5% in company-provided superannuation from July 1, 2013.

Coverage

The company wants the EBA to reflect the new alignment of Fairfax Media's regional and Metro mastheads into different groups, but, for the purposes of reaching agreement, we propose the following:

- **The Sydney Morning Herald, the Sun Herald, The Age, The Sunday Age, the Financial Review Group** and the **Magazines** division to remain under the terms of the Metro EBA.
- **Newcastle** and **Illawarra** to continue to be covered.
    a. Exactly the same as Metro terms.
    b. This includes the Metro wages offer (meritocracy and accelerated progression after one year)
- **Brisbane Times** and **WA Today** to have a separate ballot. If staff in these areas want to be covered by the Metro EBA, then the company will accept this decision. This is similar to what happened in Newcastle and Illawarra.
- **Fairfax Digital video staff** to be covered by the Metro EBA.
- **Canberra** to have a separate agreement.
- **Sydney editorial assistants:** a separate agreement to be negotiated.

Other substantial matters

Consultation and flexibility – The company is committed to consultation and will have regular forums with staff to discuss issues facing the industry and the business.

Training and equipment – The company is committed to training its staff and providing equipment that recognises the changing media landscape and the different technology needs associated with employees doing editorial work.

Investment in journalism – We remind staff in the Metro business of the commitment to invest $3 million in journalism, training and equipment.

Disputes procedure – The current EBA has a clause that covers disputes that can be about anything in the EBA or in the National Employment Standard, including flexible work requests and extended parental leave. We have proposed a mediation step if conciliation is unsuccessful.

Exempt positions and foreign correspondents – The same number of exempt positions will apply. However, the company will enter into a side letter that gives an undertaking that all existing editorial employees in exempt positions and foreign postings, during the nominal term of the EBA, will receive the same redundancy payments as provided for in the EBA.

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