City workers walking past a Fairfax sign in central Sydney. Australian media company Fairfax Sunday said paywalls were necessary for its business, days after rival publisher News Limited said it would start charging for some online access later this year.

Australian media company Fairfax Sunday said paywalls were necessary for its business, days after rival publisher News Limited said it would start charging for some online access later this year.

Fairfax Media head Greg Hywood said the company, which publishes The Sydney Morning Herald and the Melbourne-based The Age, would introduce "nuanced" paywalls, but keep much content open to build its readership.

"We've said that our new app will be a paid product. We will have payment... perhaps behind some paywalls for very special material,"
Hywood told ABC TV.

"But we want to make sure that people have access to our brands, because if your business is creating audiences, you don't reduce your audiences by taking too much money upfront."

He said The Australian Financial Review, which already has "quite a high paywall", was being looked at to try to broaden access to its material for a wider audience.

Hywood said in the "post classified" Fairfax, the company would work differently to how newspapers had traditionally operated.

"I mean, fundamentally those little print classified advertising which made up the Sydney Morning Herald, The Age for a hundred-plus year, that business has gone online, and Fairfax has captured a portion of that, not all of that," he said.

"What we do with our business now across print and online and tablets is that we use our content, our journalism to create audiences. And the new model is about creating those audiences and creating advertising, not just in print, but across audiences."

He defended a restructure that will see sub-editing duties on The Sydney Morning Herald, The Age, The Sun-Herald, and The Sunday Age no longer carried out in house but handed over to Pagemasters, a subsidiary of the Australian Associated Press news agency.

"What this is really about is a reallocation of resources," he said, adding that the savings made from production would be reinvested in the reporting, writing and design of the papers.

Earlier this month Rupert Murdoch's News Ltd said it would start
charging for online access to national broadsheet The Australian from October, although some content will remain free.

The newspaper's paywall will be modelled on the media mogul's Wall Street Journal, offering a mix of free and subscription-only material.

Since Murdoch's News Corp. announced its intention to launch digital subscriptions in 2009 to counter shrinking newspaper circulation and eroding print advertising revenue, at least 50 papers around the world have begun charging for online journalism.

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