

BUYING BACK THE FARM

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McPherson Newspapers, based in Shepparton, Victoria, is one of a handful of significant newspaper companies in Australia not owned by the major media groups. Since 1888 four generations of the McPherson family have largely owned, or controlled, the business which began eleven years earlier as a single weekly newspaper, the *News*. In 1967 Melbourne *Age* publisher, David Syme and Company Limited, took a minority interest in McPherson Newspapers and increased this over time to almost fifty per cent. But not quite! The family held on and, remarkably, bought back the minority shareholding at the end of 1998. This paper traces the history and development of the company and its 'buy back of the farm' from a large predator.

Only a handful of Australia's thirty-eight regional daily newspapers are independently owned and operated. Most of them are part of either APN News and Media or Rural Press Limited; ten of them are in companies associated with metropolitan publishers Fairfax, News Limited and West Australian newspapers. One by one, independent, and often family controlled, dailies in cities like Launceston and Dubbo, Geelong and Ballarat, have been drawn into group ownership. Today only seven independent regional dailies survive: at Burnie in Tasmania, Mt Isa in Queensland, Wagga Wagga, Albury and Broken Hill in New South Wales, Mildura and Shepparton in Victoria.

One of these, the *News* at Shepparton, could be said to have had a 'near death' experience as an independent operation. Although it has been in the McPherson family for four generations, the Fairfax organisation, through its subsidiary, David Syme and Co. Limited, managed to accumulate a 46.7 per cent interest in the *News* and its stable of country papers. Yet, late in 1998, the McPhersons defied what has seemed like an unstoppable trend in regional dailies. They didn't sell out. They 'bought back the farm'.

After just over 110 years in the family's hands, the *News* is now the flagship of McPherson Newspapers, which also publishes ten non-dailies in northern Victoria and southern New South Wales. For a number of reasons, the buy-back is just the latest of them. The *News* in Shepparton has for many years now been one of the most watched and commented-upon regional dailies in Australia.

The *News* first appeared as a weekly in 1877. After several changes of ownership, the issue of 21 June 1888 carried a notice that has determined the role and contribution of four generations of the McPherson family, with a fifth now preparing. It was signed A. Gordon Middleton and read:

I have this day disposed of the plant, goodwill and business of the Shepparton News to Mr Colin McPherson who is authorised to collect all outstanding accounts and whose receipt will be accepted as a full discharge of the same.

The change of ownership to Colin McPherson was registered on 30 July 1888.¹ Colin McPherson was a farmer who had been advised to give up wheat growing for health reasons. According to Don McPherson,² Colin joined forces with two others to buy the *Victorian Farmers Gazette* operating on a site which is today the home of Shepparton's Historical Museum. After about a year he sold this interest and purchased the *News*. Three of his sons followed him into the business - Malcolm, Roy and Douglas. Malcolm was seriously wounded in the landing at Gallipoli and died later in 1915. For a brief period after Colin's death the business was leased to three employees. Roy ran the business for forty-five years and, after his death in 1960, his only son, Donald, became chairman and managing director. Don remains chairman of what is now a significant regional media group and his sons, Ross and Chris, are joint managing directors.

Shepparton was founded in 1838 and was a tiny hamlet when its first newspaper appeared. At different times it has been called the *News* and the *Shepparton News*, but the *News* it was at the very beginning and the *News* it is now. An early issue carried details of the Irish potato famine - this report in an area that would become the food bowl of Australia - and the paper conducted an appeal for the starving. As appropriate for a Victorian newspaper, the *News* began carrying football reports in the 1880s and photographs made an appearance in 1912.

When Colin McPherson bought the newspaper he installed a gas-driven Wharfedale cylinder printing press which replaced the old hand press. It was the start of what has proved to be a long tradition at the *News* of using the best available printing equipment to provide Shepparton with a quality contemporary style newspaper. A fire destroyed much of the plant and its business records in 1893. The brick structure which replaced it was also destroyed by fire in 1951. The 1930s saw two major innovations: a process engraving department was established which enabled the *News* to publish pictures soon after the event; then a commercial printing operation was set up, a development said to have caused 'quite a stir of excitement' in the local business community.

As Don McPherson has observed:

For most of Roy's working life, running the newspaper was a constant battle. [Not only was there] the great depression of the early 1930s, there was also fierce competition from the *Shepparton Advertiser*, whose

1. T. Darragh *Printer and Newspaper Registrations in Victoria 1838-1924* (Wellington: Elibank Press, 1997).

2. D. McPherson 'The McPherson Family' in *Early Families of Shepparton & District*, editors, E. Torney, B. Foster and K. Betts (Shepparton, 1998).

proprietor, the former Senator Robert Dunlop Elliott, had threatened to put the McPhersons out of business in six months.³

He failed, and much later, in mid-1953, the McPherson family business absorbed its contemporary.

New premises built after the 1951 fire housed a new automatic Miehle Press and the *News* became a tri-weekly published on Monday, Wednesday and Friday afternoons. The McPherson Newspaper Group, as an extension of the long-established *News*, began to emerge in 1961 with the purchase of the *Seymour Telegraph*. Papers in Kyabram, Tatura, Echuca and Rochester also joined the group in the 1960s.

In 1968 a web offset printing press was ordered for Shepparton and its successful installation made the *News* and its sister publications leaders in country newspaper publishing in Australia. Not only was the company a pace-setter in offset printing, it also made a giant, and early, leap into photo-setting by computer in 1970 and established probably the first regional newspaper central printing operation in Australia.

Then in 1972 the *News* became a daily - the only provincial evening newspaper in Victoria. More newspapers joined the group in the 1980s: Benalla, Cobram, Finley and Deniliquin. In fact, the *Pastoral Times* in Deniliquin is the oldest masthead in the McPherson Newspaper Group. It was launched in 1859 and was the first newspaper in the Riverina.

When the *News* switched from evening to morning publication in 1990, it promoted the move under the slogan 'Better in the morning...' It was the last of the handful of regional dailies left in Australia to switch to morning publication. Joint managing director, Ross McPherson, explained to readers that several factors had prompted the change. These included more reading time, the fact that newsagency services were geared for morning papers, as too were government departments and public relations organisations, and the chance to reach all its rural subscribers on publication day.⁴

For just on thirty years, until the end of 1988, the McPherson Newspaper Group had a close and, at one time, warm association with David Syme and Co. Limited, publisher of the *Age* in Melbourne. In October 1967, Syme had made its first diversification outside Melbourne under its dynamic new managing director, Ranald Macdonald. It took a minority interest in the Shepparton-based group. The McPherson family welcomed the investment. The Syme move was part of a strategy that saw it expand into other regional and suburban newspaper interests, notably in Dandenong, Gippsland and Warrnambool.

3. D. McPherson, *op. cit.*

4. R. McPherson *Good Morning* supplement, distributed to Shepparton households in the week before 6 August 1990.

Over the years, Syme, which eventually became a subsidiary of the Sydney-based Fairfax organisation, built up its share of the Shepparton-based company to 46.7 per cent. Macdonald left Syme in 1983 and the relationship between Melbourne and Shepparton deteriorated. In the words of McPherson chairman, Don McPherson: 'There were difficulties at board level for the last 10 years or so of the relationship.'⁵ In a remarkable turnaround, the McPherson family bought out the Syme shareholding, which was perilously close to a half-interest, at the end of 1998.

Fairfax finance director at the time, John Greaves, said the original Syme strategy had been to get into regionals, but this had changed over recent years.⁶ Though Fairfax had immense respect for the families (the company also sold out of two small Gippsland publishers) it did not want to be involved as simply a partner. Fairfax still has two big regional dailies, at Newcastle and Wollongong, and the smaller regional daily, the *Standard*, at Warrnambool. The Fairfax departure makes the McPherson Group the most significant family-owned newspaper business in Australia. But it is not the oldest. That title belongs to the Kiama-based Weston family in New South Wales.

Oddly enough, the McPherson Group (or even just the *News*) is not the oldest surviving family business in Shepparton. That distinction belongs to J. Furphy & Sons, founded in 1873, and source of the name of the famous World War I water cart, which has a unique place in our language. Today the McPherson company believes that it has been a focus on the future that has enabled the *News* not only to endure, but to grow.

What it describes as an 'obsession' with the future led to the creation, in the late 1980s, of a document called, simply, *Our Values*. In just over two hundred words, it spells out the company's commitment and responsibilities to customers, employees, communities and business. It says, in part:

The newspaper business attracts people of unusual qualities: they must excel at teamwork, persevere when the demands are great and keep their sense of humour... Above all, we intend that ours should be a good place in which to work - it should be fun.

Joint managing director, Ross McPherson, has a favourite metaphor for the local newspaper as the 'village square'. Like the town crier, he said (1999):

We ought to be telling people what's going on without pushing any particular line. We should be a story-teller, rather than a preacher or even teacher. But we should do so in a way that gives context.⁷

5. D. McPherson, Interview with the writer, Shepparton, 8 July 1999.

6. J. Greaves, quoted in the *PANPA Bulletin* (March 1999).

7. R. McPherson. Interview with the writer, Shepparton, 8 July 1999; emails to the writer, 14 and 26 September 1999.

With institutions such as the church declining in influence, McPherson sees the local paper as 'the last real communal influence standing... we ought to be trying to keep the community conversation alive.'

Today, the business that Colin, the ailing farmer, purchased in 1888 employs about 370 people and has group sales in the region of \$A26 million. Daily circulation of the *News* is just on 10,200. The paper has chronicled, encouraged, comforted and served what has turned out to be one of the most dynamic areas in Australia. At the end of the twentieth century, Shepparton is a city of about 55,000 people and at the heart of a region recognised as the nation's food-producing and processing capital. It is the fourth largest provincial city in Victoria.

The *News* these days is published from an attractive purpose-built plant in a garden setting in the suburb of Kialla. And three generations of the McPherson family are at work there. It seems reasonable to assume that Colin would be amazed at what has been built; and more than a little proud.

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