



BUSINESSNEWS

Wealth Creators

SPECIAL REPORT





WA's WEALTH CREATORS - Entrepreneurs that have created their own

Gina Rinehart

Hancock Prospecting



This year: **\$30bn**

Last year: \$28bn

Iron ore boom makes her Australia's wealthiest person

Owens 76% of mining and pastoral company Hancock Prospecting

Hancock nearly doubled net profit in FY21 to \$7.3bn

It declared a \$1.2bn dividend after clearing debts

The unlisted company had net assets of \$20.4bn at June 30

Andrew Forrest

Fortescue Metals Group



This year: **\$26bn**

Last year: \$24bn

36% stake in ASX-listed Fortescue valued at \$19.1bn

Forrest has received \$7.3bn in dividends in past three years

\$1.8bn donated to Minderoo Foundation

\$650m reinvested in Fortescue shares

The balance has been invested, including via private company Tattarang

Big moves on WA rich list

Soaring valuations for tech companies and mining stocks have brought major shifts in this year's list of WA wealth creators.



Mark Beyer

mark.beyer@businessnews.com.au

WHEN people think of wealth in Western Australia, two names invariably come to mind: iron ore magnates Gina Rinehart and Andrew Forrest.

Mrs Rinehart is considered Australia's wealthiest person; that ranking was confirmed when her flagship company, Hancock Prospecting, recently announced a near doubling in net profit to \$7.7 billion for the year to June 2021.

Business News has estimated Mrs Rinehart is worth \$30 billion.

This valuation draws upon estimates published by *The Australian* and *The Australian Financial Review* in their annual rich lists.

It is also based on valuations of ASX-listed iron ore miners, most notably Fortescue Metals Group.

Fortescue shares are currently trading around \$17.30, which values

founder and chairman Andrew Forrest's 36 per cent stake at \$19.5 billion.

Just a few months ago, the share price jumped as high as \$26.58, which valued Mr Forrest's stake at \$30 billion.

On the flipside, it recently fell as low as \$13.91, valuing his stake at \$15.7 billion.

That's an extraordinarily wild swing and a reminder of why people aiming to build long-term wealth should not worry about short-term pricing fluctuations.

As a result of owning 1.13 billion Fortescue shares, Mr Forrest has received dividend payments totalling more than \$7 billion in just the past three years.

Such large dividend payments to an individual are totally unprecedented in Australia.

Most of that money has been reinvested and largely explains why his private company, Tattarang, has been growing at an extraordinary rate through acquisitions and new business ventures.

Putting together the value of Mr Forrest's shares and recent dividends, it's easy to reach a conservative estimate of his wealth at \$26 billion.

Mrs Rinehart has not benefited to the same degree from dividends, but that will change.

Her company has paid discretionary dividends of \$818 million over the past six years.

More significantly, it has set aside a further \$4 billion for dividends, subject to the resolution of legal disputes between Mrs Rinehart and her children.

Hancock's main operating subsidiary, Roy Hill Holdings, has largely cleared its debts, which should also support increased dividends.

Another regular on the list of wealth creators is Kerry Stokes, who's worth an estimated \$6.4 billion.

This is primarily tied to his stake in listed company Seven Group Holdings, which is little changed from where it was one year ago.

Mr Stokes' holdings in listed companies are worth about \$5 billion (see graphic) and like other long-term rich listers he has had ample opportunity to build extensive private investments hidden from the public gaze.

Tech entrepreneurs

This year's list includes three tech entrepreneurs who have built

extraordinarily large fortunes in short periods of time.

Canva founders Melanie Perkins and Cliff Obrecht are worth \$16.5 billion, five times what they were worth a year ago, according to data released by the company, which is 30 per cent owned by its married founders.

Canva said it was worth a total of \$US40 billion (\$A55 billion) based on the pricing of its latest capital raising.

That's amazing for a company that still hasn't turned a profit, although that's hardly a problem in the tech world, where companies can attract increasingly high valuations linked to their revenue and growth prospects.

The Canva founders are based in Sydney but are included in this list because they grew up in Perth and their first business, Fusion Books, was started here.

Their move east means online gaming company VGW Holdings is arguably WA's most notable home-grown tech success story.

Founder and major shareholder Laurence Escalante spent many years developing VGW before achieving staggering growth during COVID-19.

With people around the world stuck at home during lockdowns, many chose to spend more time gambling online.

wealth

Melanie Perkins & Cliff Obrecht

Canva

This year: **\$16.5bn**

Last year: \$3.4bn

Net wealth soared on booming tech company valuations

Own 30 per cent of unlisted software company Canva

Canva raised \$US200m in September, valuing it at \$US40bn

Revenue expected to hit \$1bn annualised run-rate by end 2021.

The Perth-raised couple have pledged their stake for social good.



Kerry Stokes

Seven Group Holdings

This year: **\$6.4bn**

Last year: \$6.5bn

57% of ASX-listed Seven Group worth \$4.4bn

40% of Seven West Media worth \$385m

39% of BCI Minerals worth \$112m

Investments include 1% of Northern Star Resources, worth \$103m



Laurence Escalante

VGW Holdings

This year: **\$2.6bn**

Last year: \$n/a

Owns 63% of online gaming company VGW

Global revenue rocketed to \$2.2bn in FY21

Net profit quadrupled to \$295m

VGW paid \$210m in dividends in FY21



Chris Ellison

Mineral Resources

This year: **\$1.4bn**

Last year: \$770m

11.8% stake in ASX-listed MinRes worth \$1bn

Has received \$125m in dividends in past 6 years

Raised \$200m by selling MinRes shares between 2010 and 2017

Astutely bought MinRes shares at \$14.72 in 2018, now worth \$44.92 per share



VGW was a big beneficiary, with its annual revenue rocketing to \$2.2 billion, its profit quadrupling, and its annual dividend jumping to \$210 million.

The end result is that Mr Escalante has an estimated personal wealth of \$2.6 billion.

The miners

The dizzying ascent of the tech entrepreneurs makes the \$1 billion-plus fortunes of mining figures like Chris Ellison, Mark Creasy and Tim Goyder look like a tough grind.

Mr Ellison is conservatively worth \$1.4 billion, with most of his fortune

tied to his 11.8 per cent stake in ASX-listed Mineral Resources.

The company's share price is up strongly from one year ago, currently trading about \$40.

The price soared above \$60 in July on the back of booming iron ore prices but, like those of its peers, the company's share price has come down sharply since then.

Growing dividends have added to Mr Ellison's fortune.

He has also benefited from astute trading over the years, for instance by purchasing MinRes shares at just \$14.72 in 2018.

Mr Ellison is hoping new

investments in iron ore, lithium, and gas will support further profitable growth.

Another experienced campaigner who has had a good year is famed geologist Mark Creasy.

His biggest investment is a 9.4 per cent holding in battery metals producer IGO, worth more than \$800 million.

Like many of Mr Creasy's investments, that stemmed from the sale of a project (the Nova nickel mine).

He played a role in its discovery.

Mr Creasy raised a further \$45 million in cash earlier this year when

IGO bought his Silver Knight nickel project.

He is worth an estimated \$1.1 billion, putting him just ahead of Mr Goyder.

Mr Goyder has had a few good wins over 40 years of investing in junior miners, but nothing compares to his success during the past two years.

He is a 10.8 per cent shareholder in Chalice Mining, whose Julimar nickel-palladium discovery is ranked as one of the great finds in WA.

Its share price has gone from 20 cents to about \$9 over the past two years.

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WEALTH CREATORS - continued*

Mark Creasy

Creasy Group



This year: **\$1.1bn**
 Last year: \$910m

The veteran geologist is still doing deals
 9.4% of battery metals producer IGO worth \$817m
 Sold Silver Knight deposit to IGO for \$45m
 ASX investments include Legend Mining, Red Hill Iron, Galileo Mining

Tim Goyder

Mining investor



This year: **\$1bn**
 Last year: \$264m

Hit paydirt with two boom stocks after 40 years of investing
 17.2 % of lithium play Lontown Resources worth \$512m
 10.8% of Chalice Mining worth \$350m
 17.5% of DevEx Resources worth \$32m

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| DIRECTOR | COMPANY | \$m |
|------------------|---|-----|
| Luke Mader | Mader Group | 235 |
| Francis Wedin | Vulcan Energy Resources | 133 |
| Alan Tribe | PYC Therapeutics | 131 |
| David Riches | GenusPlus | 117 |
| Bill Beament | Develop Global, Northern Star Resources | 107 |
| Tony Lennon | Peet | 104 |
| Craig Burton | Cradle Resources, Mader Group | 86 |
| Anthony Billis | Tribune Resources | 82 |
| Gavin Rezos | Vulcan Energy Resources | 68 |
| James Fitzgerald | Civmec | 68 |
| Josh Pitt | Red Hill Iron | 64 |
| Mark Clark | Capricorn Metals | 62 |
| Brad Miocevic | VEEM | 61 |
| Murray Leahy | MLG Oz | 63 |

| DIRECTOR | COMPANY | \$m |
|------------------|-----------------------------|-----|
| Lindsay Dudfield | Jindalee Resources | 62 |
| John Rothwell | Austral | 59 |
| Michael Anghie | APM Human Services | 58 |
| Rob Scott | Wesfarmers | 57 |
| Craig Williams | Liontown Resources, OreCorp | 57 |
| William Hames | Cedar Woods Properties | 56 |
| John Schaffer | Schaffer Corporation | 56 |
| Alex Dorsch | Chalice Mining | 55 |
| Ross Norgard | Nearmap, Brockman Mining | 51 |
| Ian Trahar | Seafarms Group | 48 |
| Michael Carratti | Lycopodium | 47 |
| Malcolm Watkins | Australian Finance Group | 44 |
| Brett McKeon | Australian Finance Group | 41 |
| Steve Parsons | Bellevue Gold | 26 |

* Perth company directors ranked by value of shares held in ASX-listed companies

Data & Insights To see the full list: businessnews.com.au/bniq/directors-shareholdings

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Paul Blackburne

Blackburne



This year: **\$620m**

Last year: \$585m

Established his own business in 2003

Grown to be a major WA apartment developer

Projects include One Subiaco and The Grove

Blackburne also manages 1,000-plus apartments

Megan Wynne

APM Human Services International



This year: **\$531m**

Last year: \$n/a

Established APM in 1993

APM completed one of the biggest IPOs of 2021

21.6% stake worth \$531m

Husband Bruce Bellinge owns a further 11.2%

Mr Goyder also holds a 17 per cent stake in Liontown Resources, which is riding the strong recovery in the lithium market.

This year's list includes apartment developer Paul Blackburne.

He is one of just a few company directors to have made their fortune in property.

Others include Cedar Woods Properties chair William Hames, Peet chair Tony Lennon, and Primewest founders David Schwartz, Jim Litis and John Bond, who sold their business to listed company Centuria.

The low weighting to property says a lot about the importance of mining in WA.

It contrasts with *The Australian's* most recent rich list: its national survey found nearly a quarter of the top 250 made their money in property.

A new entrant this year is APM Human Services International founder Megan Wynne.

The listing of APM crystallised Ms Wynne's holding in the company, currently valued at about \$530 million.

Similarly, Murray Leahy – the founder of Goldfields' mining services business MLG Oz – has entered the list with a shareholding worth \$63 million.

He has joined the likes of Luke Mader and David Riches, who listed their successful contracting businesses in recent years.

Both had good years. Mr Mader's stake in Mader Group has more than doubled to \$240 million, while Mr Riches' stake in GenusPlus has risen to nearly \$120 million.

Vulcan Energy Resources directors Francis Wedin (\$133 million) and Gavin Rezos (\$67 million) are notable additions to this year's list.

With backing from Mrs Rinehart, investors have enthusiastically supported the company's plan to develop a lithium project in Germany.

Another company director to have fared very well was Red Hill Iron chair and one-third shareholder Josh Pitt.

The company's market value has gone from \$13 million to \$190 million, with the trigger being a deal to sell its stake in a big iron ore deposit to MinRes.

Mr Pitt has already been paid a \$24 million cash dividend and holds shares worth about \$65 million.

However, not everyone has fared as well.

One of the biggest losers last year was Seafarms Group director Ian Trahar, whose stake in the company has more than halved in value to less than \$50 million.

That followed a big cost blowout in Seafarms' planned aquaculture project.

Old money

For all the people seeking to build new wealth, there is a small but very significant cohort in WA that can be categorised as 'old money'.

It includes people who have staggering fortunes because of the business acumen of their parents and grandparents.

The most notable examples are Peter Wright's daughter Angela Bennett and grandchildren Alexandra Burt and Leonie Baldock.

OLD MONEY AND INHERITED WEALTH

| PERSON | SOURCE OF WEALTH | \$ |
|--|-------------------------|-----------------|
| Rinehart children x 4 | Hancock Prospecting | \$10.0bn |
| Angela Bennett | Wright Prospecting | \$3.2bn |
| Alexandra Burt & Leonie Baldock | Wright Prospecting | \$3.2bn |
| Roberts children x 3 | Multiplex | \$3.0bn |
| Buckeridge family | BGC | \$1.5bn |
| Ralph Sarich | Property and technology | \$1.1bn |
| Rae family | Gull Petroleum | \$700m |
| Kerry Harmanis | Jubilee Mines | \$680m |
| Jack Bendat | Construction and media | \$650m |
| Tony Poli | Aquila Resources | \$570m |
| Rhonda Wyllie | Wyllie Group | \$550m |

Their company, Wright Prospecting, posted a net profit last year of \$297 million on revenue of \$435 million, with nearly all of that coming from iron ore royalties.

There is very little public information on how this money is used, other than some philanthropic donations by Ms Burt.

Nonetheless, Ms Bennett is estimated to be worth \$3.2 billion and her two nieces the same.

Hancock Prospecting generates similar revenue from royalties, though that gets somewhat lost in the much larger revenue Hancock

generates from its own operations.

Mrs Rinehart's four children – John Hancock, Bianca Rinehart, Hope Welker and Ginia Rinehart – are estimated to be worth about \$2.5 billion each via their 23.45 per cent stake in Hancock Prospecting, held via the Hope Margaret Hancock Trust.

Other families with inherited wealth include the Roberts, Buckeridge and Rae families.

Other examples of old money include Ralph Sarich, Jack Bendat and Rhonda Wyllie, whose money was made years ago.



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Cecelia. "[Rio] brings a wealth of technical expertise, resources ...

Westbridge buys \$15m Victorian asset, eyes Canning Vale

Damian Collins' Momentum Wealth Group, which Real Estate ... managing director of Momentum Wealth ...

ASX Omicron recovery slides late in trade

to be demerged. The retail wealth business AMP Limited will ...

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banking, superannuation and wealth management brands and the ...

Investors returning to local market

investment group Momentum Wealth reported an increase in Perth ... invest in property. Momentum Wealth finance team leader Caylum ...

Great Southern in search for motherlode at Duketon

gold from just 61m amongst a wealth of other high-grade hits ...

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