

Private business

SPECIAL REPORT



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HOW THE INDUSTRY SECTORS COMPARE

Ranked by revenue

Source: **BNiQ**.com.au
WA's business DATAbase

TOP 10 COMPANIES BY SECTOR

PUBLIC COMPANIES
- INDUSTRIAL



\$41.9bn

PUBLIC COMPANIES
- RESOURCES



\$33.1bn

PRIVATE
COMPANIES



\$22.1bn

NOT-FOR-PROFIT
BUSINESSES



\$10.2bn

LARGEST COMPANY BY SECTOR



\$27.8bn



Fortescue

\$14.2bn

HANCOCK PROSPECTING PTY LTD

\$8.4bn



\$4.2bn

Private companies deliver

Data compiled by *Business News* has highlighted the prominence of private companies and not-for-profit businesses.



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4-PAGE FEATURE

IF growth in revenue is any guide, Western Australia's major private companies and not-for-profit businesses would be the envy of their listed peers.

Of the state's 15 largest private companies, led by Gina Rinehart's Hancock Prospecting, 12 achieved growth in revenue in the past financial year, according to the BNiQ database.

It was the same story for not-for-profit businesses, led by the likes of farmer cooperative CBH Group and St John of God Health Care.

The BNiQ database, which has details on nearly 200 private companies and not for profits, also reveals the scale of these sectors.

The state's 10 largest private companies had combined revenue of \$22.1 billion in the past year.

The top 10 not-for-profit businesses had revenue of \$10.2 billion (see tables, pages 26 and 27).

By comparison, the state's largest public companies had combined revenue of \$41.9 billion.

While that figure was substantially higher, it was greatly boosted by retail and industrial

conglomerate Wesfarmers, with annual revenue of \$27.8 billion.

In the resources sector, the state's 10 largest public companies had total revenue of \$33.1 billion.

The biggest contributor to this total was the Andrew Forrest-chaired Fortescue Metals Group, with total income last year \$14.2 billion.

Iron ore riches

It is notable that Hancock Prospecting and Fortescue top their respective lists.

Both companies are relatively new entrants to the iron ore sector and their rapid emergence plays to the rivalry of their super-rich owners.

Hancock posted a profit of \$2.6 billion for the year to June 2019 on revenue of \$8.4 billion.

The biggest contributor was

Roy Hill Holdings, which is 70 per cent owned by Hancock.

Roy Hill more than doubled its net profit to \$1.37 billion after increasing its sales revenue to \$5.15 billion.

It lifted production from its Pilbara iron ore mine to 55 million tonnes last year and is looking to lift output to 60mtpa.

Hancock's second major asset is a 50 per cent interest in the Hope Downs iron ore mines operated by Rio Tinto. Hope Downs produced 46mt in the 2019 financial year.

Beyond iron ore, Hancock is one of Australia's largest farm businesses, with a national network of pastoral stations.

Mr Forrest has a similar portfolio of assets, focused on iron ore and pastoral stations.

He owns one-third of Fortescue, which has a much

larger mining operation than Hancock.

Fortescue anticipates total iron ore shipments in the current financial year of close to 175mt.

Mr Forrest's Minderoo Group is ranked fourth on the BNiQ private companies list, with revenue of \$1.54 billion.

This estimate includes dividends declared by Fortescue during the financial year of \$1.14 per share.

Minderoo holds 918 million shares in Fortescue and Mr Forrest holds a further 172 million shares.

Combined, this delivers a total dividend income of \$1.24 billion.

In addition, Minderoo controls agribusiness Harvest Road Group, which had FY18 revenue of \$303 million, according to its



Jimmy Wilson announced a big loss by CBH Group.



Daniel Cooper was recruited to run BGC Australia.



Gina Rinehart chairs WA's largest private company.



Andrew Forrest's Munderoo Group has a big holding in Fortescue Metals.

strong growth

latest returns to the Australian Securities and Investments Commission.

The Buckeridge family's BGC Australia is ranked third on the BNiQ list with revenue of \$1.97 billion.

Like Harvest Road, this is based on FY18 data, the most recent available through ASIC.

While the group's core construction and building materials business remains intact, BGC has sold its wholly owned contracting arm.

NRW Holdings purchased BGC Contracting for \$116 million late last year.

BGC Contracting was expected to generate about \$850 million in revenue in FY20.

After the contracting sale, it is likely that BGC, led by chief executive Daniel Cooper, will stay ahead of building

industry rival ABN Group, which posted revenue of \$952 million in FY19.

A new entrant to the private companies list is education services firm Navitas.

It was bought last year for \$2.3 billion by a consortium of investors led by private equity group BGH Capital and company founder Rod Jones, who became frustrated with Navitas being an ASX-listed entity.

Sales versus profit

The BNiQ data shows there is often a wide difference between revenue and profits, depending on the circumstances of each company and the industry in which they operate.

BGC, for instance, incurred a \$139 million loss, reflecting write-downs on several investments while rival building

company ABN Group posted a modest \$8 million profit.

Perron Group is one of the state's most profitable companies despite being much smaller than many others.

With annual revenue of \$605 million, it is ranked as WA's 10th largest private company.

Yet only Hancock Prospecting and Roy Hill Holdings eclipsed its profit of \$275 million.

Perron owns a diverse portfolio of blue-chip property assets, including shopping centres and CBD office towers, and retains the rights to distribute Toyota motor vehicles in WA, indicating its consistently high profits are likely to continue.

Another company generating attractive returns is Perth Airport, which is owned by a group of superannuation funds and institutional investors.

It delivered a net profit last year of \$102 million on revenue of \$497 million.

Not-for-profit businesses, as their name implies, are not focused on maximising annual profits but they do seek to generate a surplus, to ensure the sustainability of their business.

St John of God Health Care, for instance, posted a net surplus last financial year of \$19.5 million on revenue of \$1.8 billion.

ASX-listed Ramsay Health Care, which has a global business but is also a major competitor in the WA market, has a very different set of ratios.

It is about six times larger than St John of God, with revenue of \$11.5 billion, yet its profit is about 30 times larger, at \$590 million.

CBH Group, by contrast, incurred a loss of \$29.7 million in the year to September 2019, the worst single-year financial result in the cooperative's history.

Chief executive Jimmy Wilson explained that CBH Group's underlying operational performance was strong but its bottom line was adversely affected by tough times in the global grain market.


The good news for the cooperative's members is that CBH has built a strong balance sheet.

"While the loss is disappointing, it should not overshadow the strong financial position of the co-operative which has a robust balance sheet that has been strengthened over many years with \$1.8 billion in net assets and little long-term debt," Mr Wilson said.

WA's LARGEST PRIVATE COMPANIES

Ranked by revenue



Rank	Change	Company	Senior WA executive and title	Year est. in WA	Balance date	Total revenue (\$m)	Revenue previous year (\$m)	Profit or loss (\$m)	Profit or loss previous year (\$m)	Core business
1	—	Hancock Prospecting	Mrs Gina Rinehart Executive chair	1955	30-Jun-19	8,402.0	6,037.0	2,617.0	1,374.0	Mining, pastoral, dairy
2	—	Roy Hill Holdings	Mr Barry Fitzgerald Chief executive	2007	30-Jun-19	5,156.0	3,840.0	1,376.0	558.0	Mining
3	—	BGC Australia	Mr Daniel Cooper Chief executive	1974	30-Jun-18	1,974.2	1,705.8	-139.1	-68.4	Manufacture of construction materials, commercial and residential construction, property management
4	↑	Minderoo Group	Mr Andrew Hagger Chief executive	1999	30-Jun-19	1,546.0	395.0	WND	WND	Pastoral, mining
5	↑	Byrnecut	Mr Pat Boniwell Managing director	1987	31-Dec-18	991.4	747.5	20.2	28.4	Underground mining contractor in Australia and overseas, plus Jetcrete shotcreting business, Murray Engineering, and 50% of mining consultancy Mining Plus and Quattro Project Engineering
6		Navitas	Mr Scott Jones Group chief executive	1994	30-Jun-19	960.4	931.0	39.9	-56.3	Education
7	↓	ABN Group	Mr Dale Alcock Managing director	1978	30-Jun-19	952.0	924.9	8.0	WND	Home building, home improvement, commercial construction and development, and financial services
8	↓	Wilson Parking	Mr Michael Quinlivan Group finance director	1962	30-Jun-19	934.6	1,148.5	2.3	13.0	Secure parking throughout most major capital cities
9	↑	CFC Group	Mr Philip Cardaci Group executive chair	1968	30-Jun-19	629.3	556.1	WND	17.9	Distributor of agricultural and construction equipment; resources, infrastructure and utility services; transport and logistics
10	↓	Perron Group	Mr Ross Robertson Managing director	1963	30-Jun-19	605.6	579.4	275.5	299.5	Property investments, equities and infrastructure, and automotive distribution (Toyota)
11	↑	CJD Equipment	Mr Alan Barnett Managing director	1974	30-Jun-19	510.0	480.0	WND	WND	Retail/wholesale of heavy duty trucks, earthmoving equipment, truck and forestry and turf care equipment
12	—	Perth Airport	Mr Kevin Brown Chief executive	1997	30-Jun-19	497.0	523.3	102.4	79.6	Aeronautical, property development, retail
13	↓	Georgiou Group	Mr Rob Monaci Chief executive	1977	30-Jun-19	487.4	574.3	NFP	NFP	Civil engineering, building construction
14	—	John Hughes Group	Mr John Hughes Chairman	1980	30-Jun-19	483.0	478.0	WND	WND	Motor vehicle retailing and services
15	↑	Ertech	Mr James Giumelli Chief executive	1981	30-Jun-19	434.2	314.6	8.1	-11.5	Civil and concrete construction, geotechnical, marine, electrical, asset maintenance and project management services

WA's LARGEST NOT FOR PROFIT BUSINESSES

Ranked by WA revenue



Rank	Change from previous year	Company name	Senior executive and title	Year est. in WA	Total staff in WA	WA Revenue a) most recent financial year b) previous financial year	Total Assets a) current year b) previous year	Balance date	Services offered
1	—	CBH Group	Mr Jimmy Wilson Chief executive	1922	1,100	a) \$4.19bn b) \$3.79bn	a) \$2.59bn b) \$2.35bn	30-Sep-19	Grain storage, handling, transport, marketing, shipping and processing, delivering growers a sharegrain value
2	↑	St John of God Health Care	Mr Shane Kelly Group chief executive	1895	8,227	a) \$1.80bn b) \$1.71bn	a) \$1.45bn b) \$1.42bn	30-Jun-19	Hospitals, home nursing, pathology, and social outreach services reaching out to people experiencing disadvantage
3	↓	HBF	Mr John Van Der Wielen Managing director	1939	962	a) \$1.71bn b) \$1.71bn	a) \$1.94bn b) \$1.85bn	30-Jun-19	Health insurance, travel insurance, car insurance, home insurance, life insurance, trauma insurance
4	—	Royal Automobile Club of WA	Mr Terry Agnew Group chief executive	1905	1,458	a) \$819.1m b) \$737.3m	a) \$1.9bn b) \$1.8bn	30-Jun-19	Insurance, travel, tourism assets, finance, security, roadside assistance, auto services, retirement villages (branded as St Ives), arranging member discounts and advocating on behalf of members on safe, accessible and sustainable mobility
5	—	WAMMCO	Mr Coll MacRury Chief executive	1971	360	a) \$380m b) \$296m	WND	30-Jun-18	Marketing for lamb producers, producer owned and controlled meat co-operative, meat packaging
6	—	Geraldton Fishermen's Co-operative	Mr Matt Rutter Chief executive	1950	256	a) \$350.6m b) \$308.1m	a) \$155.3m b) \$133.2m	30-Jun-19	Crayfishing, processing and marketing
7	—	St John Ambulance WA	Ms Michelle Fyfe Chief executive	2001	1,578	a) \$315.7m b) \$299.9m	a) \$333.9m b) \$306.8m	30-Jun-19	Ambulance and paramedic care, first aid training and products, and volunteer first aid services at public events
8	—	Silver Chain	Ms Dale Fisher Chief executive	1905	4,371	a) \$336.3m b) \$294.2m	a) \$253.0m b) \$227.6m	30-Jun-19	Home-based health care, aged and community care. Health care services can include home hospital, hospital discharge support, Integrum, palliative care and wound care. Aged services include personal care, transport, support accessing the community and domestic services in the home
9	—	HIF	Mr Graeme Gibson Managing director	1954	WND	NFP	NFP	30-Jun-19	Health insurance for domestic and overseas visitors, travel insurance and pet insurance
10	—	Brightwater Care Group	Ms Jennifer Lawrence Chief executive	1901	2,098	a) \$157.7m b) \$165.2m	a) \$297.7m b) \$285.9m	30-Jun-19	Aged care, disability and retirement services, with supporting commercial linen and catering businesses. They provide care to seniors and younger people with disabilities, both in the community and in our assisted living facilities across Perth
11	↑	Juniper	Mr Chris Hall Chief executive	1949	1,800	a) \$151.2m b) \$133.9m	a) \$346.9m b) \$338.4m	30-Jun-19	Residential care, residential dementia specific care, day therapy, residential respite, NRCP respite, HACC, independent living units, serviced units, community aged care packages (Level 1-2 and Level 3-4 aged care) and dementia specific aged care packages
12	↓	Bethanie	Mr Christopher How Chief executive	1954	2,062	a) \$125.3m b) \$119.6m	a) \$606.1m b) \$606.0m	30-Jun-19	Four main business streams: residential aged care services, community home care services, community housing, lifestyle living
13	↑	Amana Living	Ms Stephanie Buckland Chief executive	1962	1,575	a) \$119m b) \$114m	a) \$291.0m b) \$287.3m	30-Jun-19	Aged care services including residential care, day and overnight respite, home care services, transition care, dementia services, and over-55s housing
14	↓	WA Primary Health Alliance	Ms Learne Durrington Chief executive	2015	189	a) \$116.1m b) \$119.7m	a) \$75.4m b) \$62.7m	30-Jun-19	Primary healthcare commissioning
15	↓	Capricorn Society	Mr David Fraser Group chief executive	1975	WND	a) \$111.9m b) \$100.1m	a) \$414.7m b) \$376.9m	30-Jun-19	Buying group in automotive industry, retail and wholesale trade, travel services, financial services, mutual management services and web-based technology services

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