



BUSINESSNEWS  
WESTERN AUSTRALIA

# WA Business Dynasties

## SPECIAL REPORT

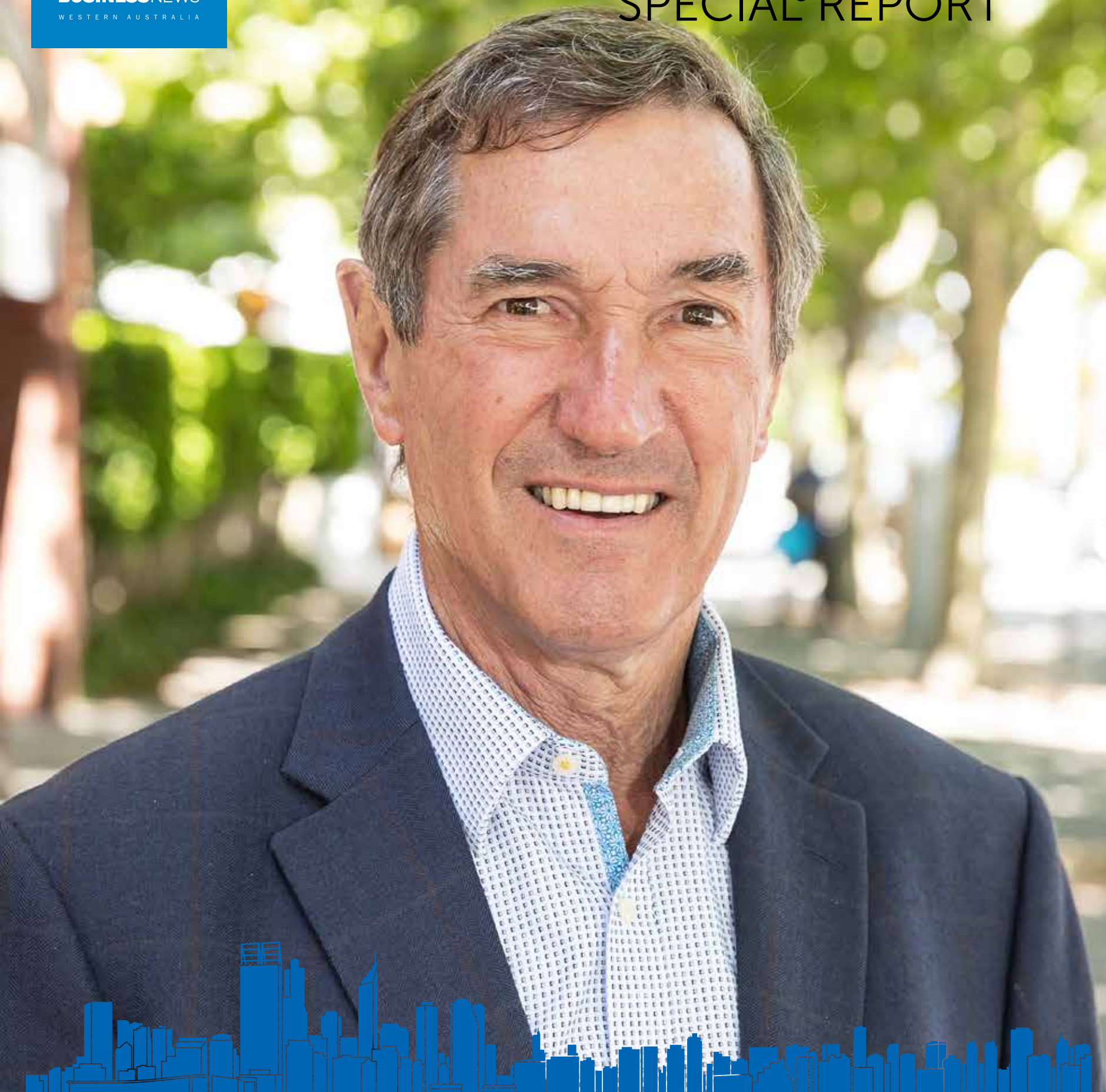


Photo: Ryan Ammon





**IN THE BLOOD:** Nathan (left), John and Paul Blackburne have all succeeded in their own right. **Photo:** Ryan Ammon

# Blackburnes' lasting legacy on Pe

Paul, Nathan and John Blackburne are proving that they don't have to work for the same company to leave a family legacy in Perth's property industry.



**Dan Wilkie**  
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**P**AUL and Nathan Blackburne have risen to the top in their respective careers – one the founder of one

of Perth's most prolific apartment developers, the other the chief executive of listed property firm Cedar Woods.

But the brothers are quick to downplay their achievements, instead saying their father, John Blackburne, has made a bigger impact on the Western Australian property sector.

From 1967 to 2004, Blackburne Real Estate was one of the most recognisable names in Perth property, developing more than 3,100 apartments in 144 buildings across the metropolitan area.

"We were a very diverse real estate company, probably one of

the most diverse in Perth," John told *Business News*.

"We did everything from property management to strata management, development, marketing and home sales – we did what a traditional real estate agency would do, but a lot more.

"At that stage it was a big business and it gave Paul and Nathan the opportunity to see the diversity of the property industry."

At its peak, Blackburne Real Estate had more than 8,000 residential and commercial properties under management; but it was its development activity, and the partners it brought

with it, that Nathan Blackburne said ushered in lasting change in Perth property.

"In the late 1990s, dad's business, which I was working for at the time, was shortlisted for the Burswood Lakes development near the Burswood Casino," Nathan said.

"We did not have the capacity as a family to undertake that project, and we had the idea of getting on the phone to one of the big east coast listed property developers and introducing them to Perth.

"Dad phoned Bob Hamilton, who was the managing director

of Mirvac, and asked if he would be interested in partnering with us on a major project in Perth.

"There was a positive reception, they came over and ultimately the Blackburne-Mirvac bid was successful in securing Burswood Lakes."

Another watershed moment for Blackburne Real Estate, and the wider Perth property sector, occurred in 1996, after the developer was selected to undertake the development of Subiaco Square.

"Subiaco Square, at the time, was the largest urban renewal project in Australia," John said.



# Business Dynasties



## Perth property

**“Dad introduced Mirvac and Stockland to their first opportunities here; Stockland with Subiaco Square and Mirvac with Burswood Lakes - Nathan Blackburne**

“It doesn't seem like it today, but in those days it was, and it was a significant achievement for me to win that project.”

At Subiaco Square, Blackburne Real Estate also sought to bring in an east coast partner,

finding its match in the ASX-listed Stockland.

“Dad introduced Mirvac and Stockland to their first opportunities here; Stockland with Subiaco and Mirvac with Burswood Lakes,” Nathan said.

While the brothers are quick to credit their dad, John is reluctant to take full credit for his influence in Perth property, despite his extensive record of success.

“I had partners who were very good and very supportive of the things we did,” he said.

“The credit can't all go to me. I may have instrumented a lot of it, but my partners were very good in running their divisions.”

Fast forward to 2018 and John is still active at Blackburne Property Group, working part-time as a member of its three-person board of directors and providing his insight into high-level decisions such as site acquisition, product mix and financing.

Blackburne Property Group was established in 2004, after Paul obtained a loan to buy part of the rent roll from his father's company, which at that time was known as Blackburne and Joyce Real Estate.

For the first half decade, Blackburne Property Group, now Blackburne, was involved in real estate and project marketing, and it wasn't until 2008 that Paul decided to pivot the company's strategy towards apartment development, when most others had exited the market in the wake of the GFC.

It proved to be a savvy move, with Blackburne today having a long run of success that has resulted in its current \$700 million in upcoming or recently completed projects, making it one of Perth's largest apartment players.

And in a serendipitous coincidence, one of Blackburne's flagship projects provides the opportunity for significant Subiaco renewal, as it pursues a mixed-use redevelopment of the derelict Pavilion Markets.

However, despite his father's achievements and influence, Paul said it was never his intention to carve out a career in property.

“I was always adamant growing up and into my 20s that I wasn't going to work in property,” Paul said.

“I had little interest in it, as I wanted to work on aid projects, but I think I subconsciously learned a lot about property just around the dining table.”

Nathan, the older brother of the pair at 46 compared with Paul's 43, said while there was no pressure from his father to enter the property industry, it seemed to him to be a logical move.

“We could see he enjoyed it and we could see that it served him well,” Nathan said.

“From that sense it was infused in me and when it came to choose a university degree I was keen to do property.”

Like Paul, Nathan spent several years working with Blackburne Real Estate, but decided to make his own way in the property game in Melbourne after being involved in the Mirvac-Burswood Lakes discussions.

**BLACKBURN**

## THE BLACKBURNE LEGACY

### John Blackburne

BLACKBURNE REAL ESTATE - 1967 TO 2004

DEVELOPED **3,160** APARTMENTS OVER **144** BUILDINGS

### Paul Blackburne

BLACKBURNE PROPERTY GROUP FOUNDER - 2004 TO PRESENT

**\$700** MILLION IN UPCOMING OR RECENTLY COMPLETED PROJECTS

### Nathan Blackburne

CEDAR WOODS PROPERTIES CHIEF EXECUTIVE - JULY 2017 TO PRESENT

**30** PROJECTS, **9,538** APARTMENTS, TOWNHOUSES AND HOUSING LOTS IN PIPELINE

**Cedar Woods**

Nathan began working at Cedar Woods in 2002, setting up satellite offices for the Perth-based land developer in Melbourne, Brisbane and Adelaide, before ultimately returning to Perth in 2017 and succeeding then-chief executive Paul Sadleir in the company's top role.

While the brothers say there's no sibling rivalry with regards to who is the top achiever, due to Blackburne and Cedar Woods operating in two largely separate sectors of the property industry, they're not tempted to join forces and work together.

“There hasn't been any opportunity, thought or discussion that a joint venture may happen,” Paul said.

“We both have enough capital and enough expertise that there's no benefit in a joint venture.

“It doesn't mean that there wouldn't be in the future, however, it's just as likely for us to joint venture with any other developer than Cedar Woods, which is very unlikely.”

And even if they don't work together, John said both sons' lofty achievements filled him with pride.

“They've taken the opportunities that they've had,” John said.

“In Paul's case, he's started his own business and has done the Blackburne name proud, and in Nathan's case, he's become CEO of one of largest property developers in Australia.”

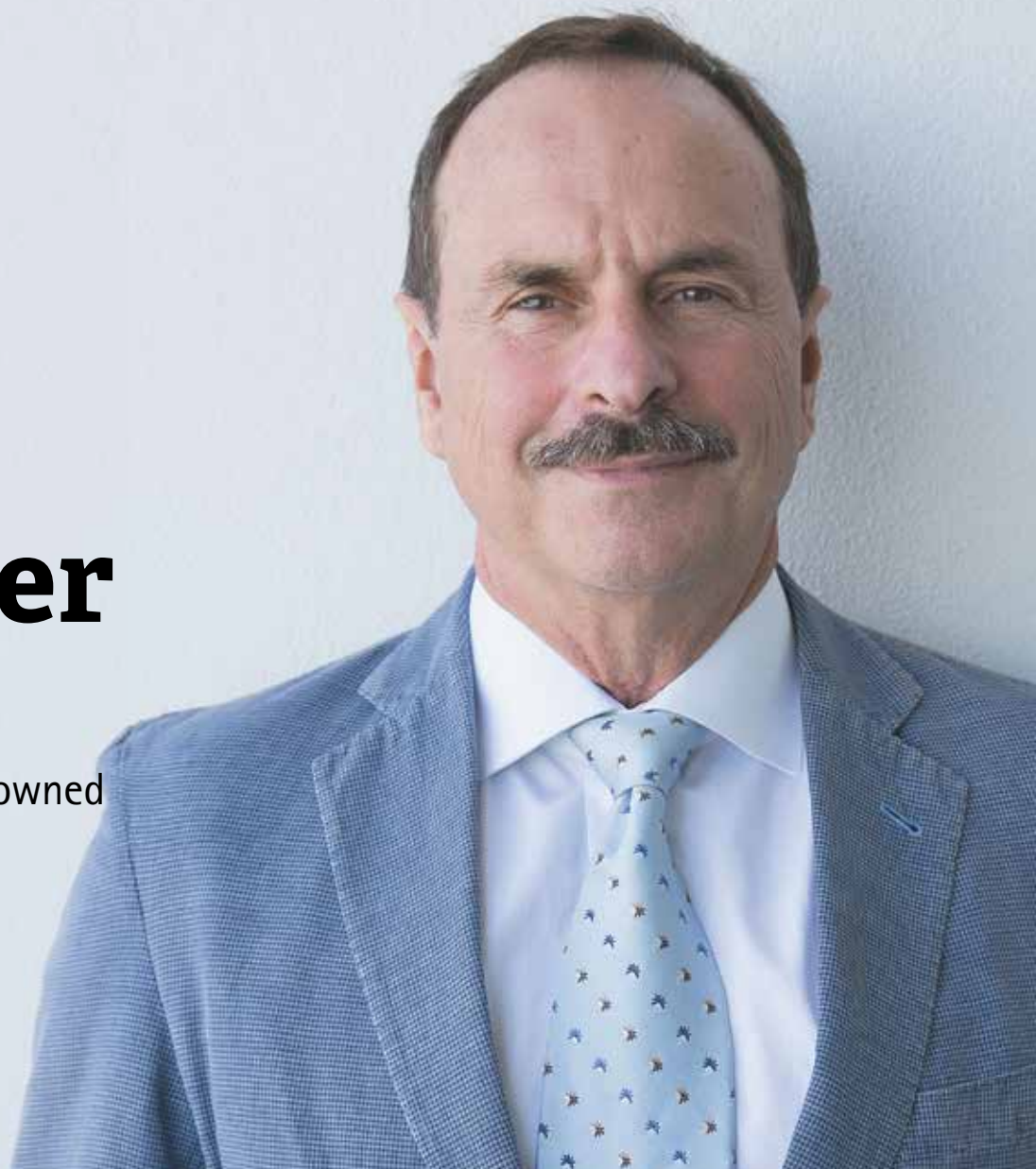
**BNiQ SEARCH** Cedar Woods Properties



There are **239** results from our index of **96,984** articles, **9,596** companies and **34,723** people

# Success is one thing, smooth succession quite another

BGC Australia and Perron Group are going through changes that all family-owned businesses face, large or small.



**CONNECTION:** Michael Smith says an ownership board provides an interface between the operating businesses and the shareholders.

## Mark Beyer

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RECENT developments at BGC Australia and Perron Group have shone a spotlight on the perennial issues of succession and ownership faced by all family businesses.

Buckeridge family owned BGC this month appointed Macquarie Capital to advise on the likely sale of the vast construction and property group, which has annual income of more than \$2.5 billion.

The appointment came one month after BGC brought in three independent directors to bolster its board, led by new chairman Neil Hamilton.

This marks a profound change at BGC, which was previously dominated by its founder, the late Len Buckeridge.

It contrasts with developments at Perron Group, which has implemented a smooth succession in

the aftermath of founder Stan Perron's passing.

Mr Perron started preparing for his succession more than 25 years ago, when he appointed professional directors to his board.

In line with his ordered approach to business, he put in place very clear guidelines on how the group should be structured and managed after his death.

The changes include long-serving director Laurence Iffla taking over as chairman and his daughter, Elizabeth Perron, chairing the Stan Perron Charitable Foundation, which will receive the majority of the group's assets.

Perron Group, which ranks as one of Australia's largest private companies with net assets of more than \$4 billion, also has a well-established professional management team, ensuring a high degree of continuity.

Some of the oldest and best-known family businesses in WA have adopted a similar model.

Lionel Samson Sadleirs, Craig Mostyn Group, D'Orsogna and Mrs Mac's are all run by professional managers (see table).

They also have, to varying degrees, governing boards led by professional directors.

This model allows the families to retain ownership of the business, even where family members lack the desire or skills to run the business.

It contrasts to the path chosen by the Buckeridge family, which has been grappling with the future of BGC ever since the death of its founder four years ago.

With multiple children, step-children and grandchildren laying claim to parts of the estate, the family decided the best solution was to sell the business.

It's a path already taken by the families behind many other

prominent WA businesses, including Boans, Aherns, Bunnings, Clough, Multiplex, Midland Brick and Peet.

The funeral industry illustrates the propensity of families to sell out if they get an opportunity.

ASX-listed companies InvoCare and Propel Funeral Partners dominate the industry around Australia after buying up dozens of family operations.

Sydney-based Invocare controls more than 45 per cent of the WA market, including Purslowe Funerals and Chipper Funerals, and added to its network this year by purchasing South West operator Archer & Sons.

Propel is another major player in the WA market, which it entered last year with the acquisition of Seasons Funerals for \$10.9 million.

Against this backdrop, the longevity and continuity at market

**\$2.5bn**  
BGC ANNUAL INCOME

leader Bowra & O'Dea seems all the more remarkable.

Established in 1888, it is now a fifth-generation family business led by Joe O'Dea.

The only family business in WA with greater longevity is Lionel Samson Sadleirs, which was established in 1829 (see table).

The group has extensive operations that include trucking group Sadleirs, with professional directors and executives, including chairman Michael Smith, leading the operation.

Eighty family shareholders, who have a family council, own the business.

Mr Smith said an ownership board also represented the shareholders.



“ By the time I leave in a couple of years, there will probably be more independent directors

- Michael Smith

the family representatives will be down to two,” Mr Smith said.

Craig Mostyn Group, which has been running for 95 years, does not have an ownership board but has developed its own governance structure.

Members of the three founding families wholly own the business.

They have two family members on the agribusiness company’s five-member board – Andrew Mostyn and David Keyte.

Mr Mostyn was also the last family member to hold an executive role, prior to his retirement in 2017.

The group used to have an ownership board but stopped it about 20 years ago.

“Our mostly independent board now functions professionally and a family board would only add confusion in my opinion,” Mr Mostyn said.

“We consult regularly and at least once a year hold a ‘family only’ meeting so they have the opportunity of input should they feel the need.”

One of the key goals of these meetings was to ensure family members maintained an affinity with the business.

“We try to keep people informed and engaged,” he said.

“That gets harder when you have fourth generation members in their 20s.”

Mr Mostyn, who was formerly chair of Family Business Australia, said all shares in the business were held by second, third or fourth-generation family members and none had ever sold any shares.

If any wanted to, the company’s constitution granted pre-emptive purchase rights to other family members.

Mr Mostyn said the current structure had evolved over a long period of time.

“We set about trying to professionalise our business many years ago, with non-executive directors coming on the board in the 1950s and 1960s.”

He noted that bringing professional managers into a family business does not always succeed.

“There are a lot of sad stories of people trying to get someone from outside but it doesn’t work out,” Mr Mostyn said.

“It’s a matter of getting the culture right and keeping that going.”

He added that there has been very little long-term analysis of family businesses.

“It’s incredible that the study of family businesses is only about 30 years old,” Mr Mostyn said.

“Even in the US and Europe where there are a lot of very old family businesses, there are no long-term studies and long-term delving into the educational side of things.”

Trust and planning

Family Business Australia WA state manager Lorraine Willis said she had observed many ‘next generation’ family members pushing for greater clarity on succession.

“Planning is everything and the sooner you start the better off you’ll be,” she said.

The need for greater planning was highlighted by this year’s KPMG Family Business Australia survey.

It found only 27 per cent of family businesses have a succession plan for the current leader and 64 per cent of ‘next gen’ members do not believe they are ready to take over.

Ms Willis said a lot of younger people did not want to wait until their parents were ready to have the discussion.

“It’s also about communication and alignment of values,” she said.

“There has to be trust between the incumbents and the next generation.”

KPMG partner Agnes Vacca said surveys of incumbents and the next generation revealed very different attitudes.

“The biggest issue for future leaders is the communication style and how the future direction of the business is set,” she said.

Ms Vacca said the incumbents grappled with balancing the needs of the family and business.

“It’s just too complex for a lot of people to think about, they don’t



UNITY: Agnes Vacca says family members need to be aligned in their thinking.



WA BUSINESS DYNASTIES

COMPANY	SENIOR EXECUTIVE	YEAR EST.
Lionel Samson Saddleirs	Ian Kent	1829
Bowra & O'Dea	Joe O'Dea	1888
Betts Group	Daniel Breckler	1892
Dawson's Garden World	Ian Dawson	1903
Richgro	Geoff Richards	1916
Hiddlestone Electrics	Natalie Hiddlestone	1920
Craig Mostyn Group	Patrick Walsh	1923
Shellabears	Chris Shellabear	1925
Galvin Engineering	Chris Galvin	1930
Piacentini & Son	Colin Piacentini	1944
D'Orsogna	Brad Thomason	1949
Mrs Mac's	Paul Slaughter	1954

To see full list, go to [businessnews.com.au/List/wa\\_business\\_dynasties](https://businessnews.com.au/List/wa_business_dynasties)

Photo: Attila Csaszar

“It provides an interface between the operating businesses and the shareholders,” Mr Smith told *Business News*.

Mr Smith said a similar approach was adopted at 7-Eleven Stores and Starbucks Australia, which he also chairs.

The Withers and Barlow families own both of these businesses and have an ownership board to liaise with the operating board, which has one family representative.

Mr Smith likened the meetings with the ownership board to having a compact AGM several times a year.

He added that Lionel Samson Saddleirs’ operating board was also evolving, and he anticipated the number of family members would be reduced from three currently.

“By the time I leave in a couple of years, there will probably be more independent directors and

know how to compartmentalise the issues and deal with each one,” she said.

Ms Vacca said family members needed to have the capacity to grapple with tough questions.

“You need to look at what people really want for themselves and what is best for the business,” she said.

“And how committed they are to the business and how aligned they are in their thinking.

“The most important thing is getting it all out on the table and getting clarity on both sides.

“They will have dinner conversations about it but you need a facilitator to draw out the issues.”



### BNiQ SEARCH *Dynasty*



There are **155** results from our index of **96,984** articles,  
**9,596** companies and **34,723** people

#### Dawson's Garden World

Dawson's as we know it had its humble beginnings in 1903, when a partnership was formed between George Russell Dawson and Edward James Harrison. Dawson and Harrison established their first production nursery in Belmont and plants were originally delivered ...

#### AJ Cochrane and Sons

AJ Cochrane and Sons have been painters in Perth since 1933 specialising in commercial, residential and specialised finishes works. Year established in WA: 1933 Number of generations that have managed the business: 3 Is the operator based in WA?: Yes ...

#### Linneys

The history of Linneys dates back to the early 1970s and a special partnership between two equally passionate men, Alan Linney and Bill Reed. A marine biologist by training, Bill had a vision to take Broome pearls to the world and Alan's extraordinary, fre ...

#### Bowra & O'Dea

Bowra & O'Dea is a fifth generation, family-owned Western Australian funeral company with deep roots in the local community. The O'Dea family still has strong hands-on involvement in the day-to-day running of the company. Year established in WA: 1888 Nu ...

#### Richgro

Richgro is the trading name of fourth-generation family business A Richards Pty Ltd, which has been operating since 1916. Based in Jandakot, it is a major national supplier of garden products, including fertilisers, soil conditioners, potting mixes, water ...

#### VOC Group

VOC Group is a British Virgin Islands company established in 2012 by iron ore magnate, the late Michael Wright (son of Peter Wright), to represent his family interests. Its directors include Michael Wright's daughters Leonie Baldock and Alexandra Burt ...

#### Galvin Engineering

With a history spanning 80 years, Galvin Engineering has been focused on design, manufacture and supply of commercial tapware and valves, drainage and fire fighting products for commercial projects across Australia. Projects such as schools, hospitals, age ...

#### W.G Manners & Company

The original W.G. Manners & Co was founded in 1895 by Ron Manners' grandfather. The company has since become part of the Mannwest Group, the culmination of three successive generations of leadership by the Manners family. Mannwest Group encompasses ...

#### Baileys

Baileys is a Western Australian family-owned and operated company which manufactures premium blended and fully granulated lawn and garden products from its premises in Kwinana WA. Its product range includes: controlled release and liquid fertilisers for fe ...

#### Floveyor

Floveyor is an aero-mechanical conveyor business currently operating in 50 countries, and a leader in the global materials handling equipment market. Core business: Manufacture of aero-mechanical conveyor Year established in WA: 1958 Number of generations ...

#### Karragullen Cool Storage

Karragullen Cool Storage is Western Australia's largest privately owned Fruit Packer and Wholesaler, and the major supplier of Pome and Stone Fruits to Perth, regional WA, and interstate markets. KCS is a third generation vertically integrated fruit growin ...