



BUSINESSNEWS
WESTERN AUSTRALIA

WEALTH CREATORS

- \$1.4bn in dividends for Kerry Stokes, Andrew Forrest in past five years
- Top 50 public company investors worth about \$11 billion
- Contractors, lithium miners performing well
- Rod Jones hopeful on tech investments

Healthy dividend in building wealth



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The five WA people with the largest holdings in listed companies have earned around \$1.5 billion in dividends in the past five years, with Andrew Forrest and Kerry Stokes leading the way.

A TRIPLING of Fortescue Metals Group's dividend this year to 45 cents per share has produced a near \$500 million windfall for chairman **Andrew Forrest**.

Mr Forrest controls a third of Fortescue through a range of vehicles, including Forrest Family Investments (Peepingee Trust), Tattarang Investment Trust

the past five years (see table, page 23).

But despite the higher dividend, Fortescue's share price dropped from around \$6 in November last year to be \$4.67 on November 20, the cut-off date for compiling the 2017 BNiQ Search Engine Wealth Creators list (see page 26).

As a result, Mr Forrest's total wealth held in publicly listed businesses has fallen from about \$6.5 billion in 2016 to be \$4.9 billion this year.

Seven Group Holdings executive chairman **Kerry Stokes**, ranked second, also earned a big dividend, with a payment of 41 cents a share across his 207 million shares, worth about \$85 million.

Since 2013, Mr Stokes has earned about \$417 million in dividend payments from Seven Group.

Mr Stokes' vehicles include Australian Capital Equity, North Ashby and Wroxby, the latter of which holds a 19.8 per cent stake in Capilano Honey, worth about \$32 million.

His shares in ASX-listed companies are worth about \$3 billion, and have increased around 55 per cent in the past year thanks to a strong rally by Seven Group.

One wealth creator ranking high on the list but receiving minimal dividends is prospector **Mark Creasy**.

His shareholdings are worth about \$530 million, the bulk of which are in gold and nickel miner Independence Group, which acquired Sirius Resources in 2015.

Mr Creasy had a 35 per cent stake in Sirius.

Other investments include Sirius spin-off S2 Resources, and a stake in Africa-focused White Rivers Exploration, which had been rumoured to be pursuing an overseas stock exchange listing.

Of eight listed miners with Creasy backing tracked by *Business News*, only Independence Group, which is in production at multiple sites, paid a dividend, with the remainder focused on exploration and project development.

Mineral Resources founder **Chris Ellison** and Navitas founder **Rod Jones** (see interview, page 24) are calculated to have received about \$100 million in dividend payments between them in the past five years, although both companies had reinvestment programs in place during that time.

Mr Ellison has reinvested a portion of those gains, with about 30,000 shares bought through MinRes's plan in the past two years.

Mr Ellison has also enjoyed a rapid capital gain via the MinRes shares, with the value of his portfolio more than tripling in the past two years to be about \$402 million.

Altogether, the state's 50 most successful wealth creators have shareholdings worth about \$11 billion combined.

Big wins

Lithium miners and mining contractors were among the biggest movers in 2017.

Pilbara Minerals director **Neil Biddle** had the highest portfolio growth of investors tracked by BNiQ in the past 12 months, with his shares in the soon-to-be lithium miner and another business, Spitfire Materials, rising 228 per cent.

Altura Mining director **Allan Buckler** was a new addition to the wealth creators list this year, with shares of around \$78 million, bolstered by a trebling of that company's stock price as it

55%
**INCREASE IN VALUE OF
KERRY STOKES' HOLDINGS
IN ASX-LISTED ENTITIES
(PAST 12 MONTHS)**

and Minderoo Group, which is associated with Minderoo Foundation.

With just more than a billion shares under Mr Forrest's control, total dividend payments to Forrest-associated entities would have been around \$468 million this year, according to research by *Business News*, up from \$156 million in 2016.

That brings Mr Forrest's total dividend stream from the business to \$984 million in

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CHRIS ELLISON: Value of Mineral Resources shares up 21 per cent. **Photo:** Attila Csaszar



ANDREW FORREST: Received dividends of \$468m this year. **Photos:** Attila Csaszar

Healthy dividend in building wealth

From page 2

heads towards production of its lithium project in the Pilbara.

Altura executive director **Paul Mantell**, with holdings of \$26 million, also saw major growth this year and sits just inside the top 50.

Mining entrepreneur **Michael Fotios** did very well from his holdings in lithium miner Galaxy Resources, shares in

which moved from less than \$2 this time last year to be \$3.61 on November 20.

Mr Fotios's Galaxy shares were worth around \$73 million, while his stock in gold miner Eastern Goldfields was valued at \$45 million when it last traded.

That company has had a rollercoaster few months, however, with shares suspended in August after liquidators

were appointed, a move that was cancelled after creditors received payment.

Including Eastern Goldfields, Mr Fotios's total portfolio was worth \$125 million, about 30 per cent more than this time last year, and nearly 10 times its value two years ago.

Contractors with major growth included Ausdrill founder **Ron Sayers** (up 107 per cent)

and Southern Cross Electrical Engineering director **Frank Tomasi** (up 51 per cent).

Monadelphous managing director **Rob Velletri** benefitted from a big rise in that company's share price, with his holdings growing 61 per cent to \$37 million.

John Rubino, who is executive chairman at Monadelphous, would have ordinarily qualified for the list but

sold a million shares in the business in late November.

That earned him \$19.2 million, while his remaining shares in Monadelphous were worth about \$19.6 million at the time of writing.

It isn't the first big share sale by Mr Rubino.

In 2011, he sold a parcel of a million shares in the company for \$21.5 million.

Business News estimates Mr Rubino would



MICHAEL FOTIOS: Galaxy Resources shares now worth \$73m.

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DIVIDEND PAYMENTS – FIVE YEARS		\$m	SHARES ON THE RISE – THIS YEAR	
Andrew Forrest Fortescue Metals Group	984		Neil Biddle	↑ 228%
Kerry Stokes Seven Group Holdings	417		Ron Sayers	↑ 107%
Chris Ellison Mineral Resources	54		David Watson	↑ 97%
Rod Jones Navitas	45		Peter Cook	↑ 84%
Mark Creasy Independence Group	6		Tony Lennon	↑ 64%
			Rob Velletri	↑ 61%
			Kerry Stokes	↑ 55%
			Frank Tomasi	↑ 51%

have additionally reaped about \$9.4 million in dividend payments during

the past five years.

Land developer Peet chairman, **Tony Lennon**,

was another big winner in the past year, with his shareholding growing 64

per cent to \$144 million.

Dividend payments to Mr Lennon would have been worth around \$17 million in the past five years.

While a number of female directors have roles at companies based in Western Australia, they are not included on the list due to their non-resident status.

They include **May Chee Kong**, who is an alternate director of property player United Overseas Australia (\$53 million), and Sky & Space Global satellite mission analyst

Maya Glickman (\$49 million).

Both share the value of those holdings with other parties.

More women feature when including private wealth, with Hancock Prospecting chairman **Gina Rinehart** worth about \$10.4 billion, according to the BRW rich list, and **Bianca Rinehart** worth \$2.7 billion.

Angela Bennett, the heiress to the Wright family fortune, was reportedly worth about \$1.8 billion.

Tech next step for Jones post-Navitas



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Navitas boss Rod Jones talked to *Business News* about the next chapter for the \$1.8 billion education provider he founded, and his hopes for the technology ventures he's backing.

NAVITAS boss Rod Jones may be preparing to step aside from his role at the education provider he founded in 1994, but he has no shortage of projects lined up to occupy his interest.

Mr Jones is involved in an array of businesses outside Navitas, the Perth-based education services provider with a \$1.8 billion market

The company is working on production of a new type of satellite dish for the delivery of signals from telecommunications nodes to houses.

"It's going to be a game changer, I reckon," he said.

"It can deliver data out at up to 10 gigabytes per second, over five kilometres."

Such technology could work in a complementary fashion with the National Broadband Network, given that model's current reliance on copper wiring from node to home.

"Fibre goes to the node, (this would be) distribution from the node," Mr Jones said.

"The reality is fibre is very expensive, and if you can go to nodes and you can distribute out at reasonable speeds, it's going to have some real value going forward."

That idea of bringing benefits to society through his family office, Hoperidge Capital, is important to Mr Jones, with Hoperidge's investments partly focused on areas where he could add value to the world.

One example was Updater, the ASX-listed technology business that aims to simplify coordination of the many tasks involved in moving house.

"There's a lot of other

things that interest me, and I'm not the sort of person who can just go away and retire; I'd go nuts, I need things to do," Mr Jones said.

"A few of the things we've been doing have really been startups.

"If you can get a startup working and working well, through that you're adding value."

Hoperidge chief investment officer Jon Biesse serves as Mr Jones' eyes in a number of companies where Hoperidge has a stake, such as Merredin Energy, where he is chair (see investments in table).

Geospatial imaging business Spookfish, supplement provider Welleco and utility Perth Energy are among other investments in the Hoperidge portfolio.

Business News understands the stake in Navitas accounts for about half of Mr Jones's total portfolio, while technology businesses are about half of the remainder.

A third of the non-Navitas part of the portfolio is in property, with a spread across commercial, retail and industrial investments around the country.

Technology will also be shaping education, which Mr Jones said was on par with healthcare at the top

of the list of sectors ripe for disruption.

Rather than turning education on its head, however, Mr Jones believes changes in education would focus on delivery platforms.

Artificial intelligence and virtual reality were two opportunities, he said.

"It allows you to deliver (education) anywhere in the world; to have virtual classrooms where kids can interact as if they were in a classroom or a tute," Mr Jones said.

Navitas has an eye on these developments via the Navitas Ventures arm of the business, which builds and invests in education innovations.

Succession

All that doesn't mean Mr Jones, who turned 70 in November, won't maintain a close involvement in Navitas after his planned retirement as chief executive in March 2018.

The move was flagged in October this year.

Mr Jones said he would stay on as managing director until June 2018, and then planned to take a seat on the board as a director, perhaps with a couple of months' break.

He said the board had undertaken a very

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ROD JONES – MAJOR INVESTMENTS

Navitas	Tertiary education provider with operations across the world, listed on the ASX in 2004 as IBT Education; Jones holds 12.6 per cent
Hoperidge Capital	Jones family fund manager
Spookfish	ASX-listed geospatial imaging business; Hoperidge holds 8.2 per cent
Updater	ASX-listed technology play designed to make moving home easier; Hoperidge controls 4.9 per cent
Hoperidge Engineering	Formed by Hoperidge Capital to build the company's infrastructure projects
Perth Energy	Power generator and retailer in the South West Interconnected System (SWIS); third biggest retailer in that market. Hoperidge holds 15 per cent
Merredin Energy	Owns two peaking generators operating in SWIS, Hoperidge holds 53 per cent
Colinear Networks	Producing a new type of dish for signal delivery from the node to end-users; Hoperidge holds 8 per cent
Welleco	Elle Macpherson's supplement provider, Hoperidge a substantial shareholder
Melchor	Hoperidge owns 65 per cent of this construction play

capitalisation and about 80,000 current students.

The one that gets him most excited is California-based Colinear.

"That's a partnership with Lockheed Martin that a few of us are involved in," Mr Jones told *Business News*.



LOOKING FORWARD: Rod Jones says he would go nuts if he retired. **Photo:** Attila Cszaszar

thorough process to find a successor, with chief financial officer David Buckingham, who was previously chief executive of iiNet, to take the role.

"Dave and I work very well together," Mr Jones said.

"I think he's got the right attributes to take this company to the next level."

Mr Jones said he was passionate about education because it was a way to assist people achieve their goals.

"I really feel good about it," he said.

"There's a few hundred thousand students who probably wouldn't have got through into university without us having provided that opportunity to them.

"The students we take in haven't quite got direct entry.

"What you're doing is providing them a program to take them from where they've come from to where they want to be."

Journey

In the Navitas boardroom, overlooking a slice of St Georges Terrace, Mr Jones said he learned a lot

from a "major road bump" in his life three decades ago, when he lost everything.

Aged 40, a business he had signed on as a guarantor for more than a decade prior went under, leaving him with a few pieces of furniture, clothes, a car, and his job.

"You will always make mistakes, don't continue to focus on the mistakes; your focus has got to be

forward," Mr Jones said.

The second lesson was that Mr Jones said he always looked at risks and downsides first when analysing an opportunity.

"The biggest mistake too many people make is in the evaluation of risk; they always look at the upside of an opportunity, and they never put enough effort looking at the downside," he said.

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ASX HOLDINGS OF WA COMPANY DIRECTORS AND INVESTORS
See more online – www.businessnews.com.au/directors-shareholdings

Rank	Director	Companies	Total value 2017 (\$m)	Total value 2016	Change %
1	Andrew Forrest		4,880.0	6,488.8	-24.8
		Fortescue Metals Group	4,861.6		
		Vimy Resources	7.4		
		Poseidon Nickel	5.6		
		Admedus	3.9		
		Impact Minerals	1.3		
		Centennial Mining	0.3		
2	Kerry Stokes		3,014.4	1,945.3	55.0
		Seven Group Holdings	2,966.5		
		Capilano Honey	32		
		BC Iron	15.9		
3	Chong Soon Kong*	United Overseas Australia	615.7	-	
4	Mark Creasy		530.6	503.0	5.5
		Independence Group	405.2		
		S2 Resources	12.8		
		Legend Mining	8.1		
		Azure Minerals	63.3		
		Marmota Energy	0.3		
		Myanmar Metals	6.2		
		Orion Minerals	0.4		
		Coziron	34.3		
5	Chris Ellison		402.1	331.5	21.3
		Mineral Resources	397.8		
		Yellow Brick Road	4.3		
6	Rod Jones		234.7	239.7	-2.1
		Navitas	229.2		
		Spookfish	5.5		
7	Peter Larsen	Navitas	119	129.4	-8.0
8	Tony Lennon	Peet	144	88.1	63.5
9	Josef El-Raghy		133.8	119.0	12.4
		Centamin	129.8		
		AIC Resources	4.0		
10	Michael Fotios		125.4	96.1	30.5
		Genesis Minerals	0.8		
		Galaxy Resources	72.8		
		Pegasus Metals	0.6		
		Eastern Goldfields	45.2		
		Redbank Copper	2.8		
		Oklo Resources	1.8		
		Horseshoe Metals	1.5		
11	Barry Patterson		107.1	108.1	-1.0
		Dacian Gold	15.1		
		Sonic Healthcare	81.9		
		GR Engineering	10.1		

* Malaysian resident

Rank	Director	Companies	Total value 2017 (\$m)	Total value 2016	Change %
12	Anthony Billis		99.3	88.4	12.3
		Tribune Resources	62.5		
		Rand Mining	36.8		
13	Ron Sayers	Ausdrill	94.7	45.7	107.3
14	Allan Buckler	Altura Mining	77.9	-	
15	Neil Biddle	Pilbara Minerals	64.2	19.6	227.7
16	Bill Beament	Northern Star Resources	61.8	39.4	56.8
17	John Rothwell	Austal	56.9	60.8	-6.4
18	Paul Dalglish	RCR Tomlinson	53.3	-	
19	William Hames	Cedar Woods Properties	51.9	48.8	6.3
20	Peter Cook	Metals X, Westgold Resources	50.9	27.7	83.7
21	Gavin Caudle	Sumatra Copper & Gold, Finders Resources	48.6	-	
22	Frank Tomasi	Southern Cross Electrical Engineering	48.3	32.0	50.8
23	Robert Branchi	Automotive Holdings Group	48.2	53.6	-10.1
24	David Watson	CTI Logistics	47.9	24.3	97.1
25	Robert Brown	Cedar Woods Properties	44.4	38.7	14.7
26	Peter Newton	Metals X, Westgold Resources	42.0	-	
27	Brad & Mark Mioceovich	VEEM	40.8	-	
28	Henry Lam	Vietnam Industrial Investments	39.5	-	
29	Graeme Rowley	Fortescue Metals Group	38.6	44.4	-13.1
30	Michael Caratti	Lycopodium	37.7	25.9	45.5
31	Gary Johnson	Lepidico	37.6	-	
32	Rob Velletri	Monadelphous Group	37.4	23.2	61.4
33	Ian Gandel	Alkane Resources	37.4	40.1	-6.8
34	Ross Norgard	Nearmap, Brockman Mining	36.7	36.0	1.9
35	Ian Middlemas	Odyssey Energy, Equatorial Resources, Paringa Resources, Cradle Resources, Berkely Energia, Salt Lake Potash, Prairie Mining, Syntonic Wireless, Piedmont Lithium, Sovereign Metals	35.0	27.2	28.7
36	Peter Van Der Made	BrainChip Holdings	34.7	-	
37	James Graham	Wesfarmers	33.6	-	
38	Malcolm Watkins	Australian Finance Group	33.1	-	
39	Karl Simich	Sandfire Resources	31.7	30.2	4.9
40	Richard Goyder	Wesfarmers, Woodside Petroleum	31.2	33.5	-6.9
41	Ian Trahar	Seafarms Group	30.4	32.5	-6.5
42	Ken Chee	8I Holdings	29.3	-	
43	Kevin Matthews	Australian Finance Group	28.3	-	
44	Chris Morris	Smart Parking	28	-	
45	David Reed	Neometals	27.9	-	
46	Antonluigi Gozzi	LiveHire	26.9	-	
47	Paul Mantell	Altura Mining	26.2	-	
48	Michael Haywood	LiveHire	25.8	-	
49	John Davidson	Carnegie Clean Energy	25.6	-	
50	John Chan	Finbar	25.2	-	

Source: BNIQ, Morningstar.

WEALTH CREATORS

53 results from our index of 92,996 articles, 9,160 companies and 31,203 people.

Mark my words podcast

01 Dec 2017 by Mark Beyer, Mark Pownall

The state's wealth creators. ...

Business spreads the tentacles of transition

30 Nov 2017 by Mark Pownall

Like the 1980s, we have wealth creators picking trends and diversifying for their core business. ... difference from the 1980s is these entrepreneurs have real wealth behind them, not a sea of debt and ... the mining boom, or investors who made their wealth from resources and want to find alternatives to ...

Wealth is worth celebrating

26 Oct 2015 by Editorial

In the interim, many others involved in FMG have been on our wealth creators' list and numerous other ... has. Many of the companies mentioned had their founders in our inaugural wealth creators' list in 2007. ... capital to pursue growth, then things are, in real terms, going backwards. Certainly wealth cannot be ...

Beament, Creasy hit wealth sweet spot

26 Oct 2015 by Mark Beyer

shares in listed companies worth more than \$10 million each, according to the updated BNiQ Wealth ... Creators list. How they got there tells a tale about changing business fortunes in the state. For starters, ... wealth – represented by known listed share holdings – has also fallen, by about 25 per cent, to \$5.7 ...

Property, tech entrepreneurs feature on young rich list

30 Oct 2015 by Mark Beyer

Beament also made the list. Mr Beament was ranked number 15 on Business News 's recently published Wealth ... Creators list of directors holdings, a position which is compared solely on the value of shares in listed ... Mike Cannon-Brookes and Scott Farquhar, who have a combined wealth of an estimated \$2.3 billion. ...

Big trends among biggest employers

24 Aug 2015 by Matt Mckenzie

Sector that's the real wealth creator." Coles' competitor, Woolworths, too, has put on staff, up by about ...

CEO Survey Results- the year ahead

13 Jan 2015 by Staff Reporters

The current generation of wealth creators can leave for future generations. David Hobbs, Greyhounds WA ... offer opportunities to be explored. And the increasing wealth across SE Asia means our wine and food ... which we haven't properly taken advantage of. We need to share our wealth with all parts of the ...

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