



INTERVIEW

Stan Perron has built a multibillion-dollar empire from nothing. **Kim Macdonald** reports on the former taxi driver who, at 92, is Australia's oldest working billionaire

Nonagenarian Perth businessman Stan Perron has a knack for simplifying things. He rounds his net worth to two or three billion dollars, give or take, and has an equally uncomplicated take on how he managed to acquire it: "Addition, subtraction and common sense," he says.

Perron — renowned numbers man, entrepreneur, ethicist and philanthropist — says these are the skills that he used to build an empire over seven decades and industries spanning property to mining, farming, retail and managed equities.

His rags-to-riches journey from a childhood living in a rural shanty is so closely linked to the development of the State that he can trace much of its history through his own meticulous ledgers.

Perron has done business with some of the great titans of WA, like Multiplex founder John Roberts, former premier Charles Court and developer Harry Hoffman, and has sold assets to some of its rogues, like Alan Bond and Yossi Goldberg.

His front row seat to the State's development even had him give a young, cash-strapped Lang Hancock and Peter Wright a start in the iron ore sector with a \$500 loan in 1959. Testimony to his Midas touch, that single loan has since paid him more than \$150 million in royalties.

But while most of his contemporaries have departed the business community — some dead,

some on the golf course — 92-year-old Perron still turns up to his East Perth office at 9am every day to work as chairman of the Perron Group.

Perron is the oldest working billionaire in Australia and, according to America's Forbes Group, he is likely the second-oldest billionaire in the world working five days a week, after America's George Joseph, the 93-year-old chairman of Mercury General.

His mornings are spent talking to managers with his 11 shopping centres and two skyscrapers, a portfolio that has made him the country's biggest private landlord, as well as key employees in his Toyota distributorship. The afternoons are invariably spent on the philanthropic trust he started in 1978.

Perron, who has no plans to retire, shrugs off his achievements with trademark humility.

"Well, I'm enthusiastic, I always have been," he says.

"I'm still keen enough to come into work every day."

"It keeps me young. My doctor says, whatever you do, don't retire."

Perth's business community claims Perron's legacy will be his handshake.

While his hands are a little shaky these days, his name has always been solid. He ran his exclusive Toyota distributorship on a handshake deal for 37 years, moving to a contract at age 76 after staff became anxious about their futures should he die.

At that point the Toyoda family, who own the world's biggest car manufacturing company, personally bestowed on him the only indefinite and privately held franchise contract in their global network.

One of his contemporaries, entrepreneur and Wildcats owner Jack Bendat, 90, sold Perron the Thornlie Shopping Centre on a handshake in the early 70s.

"He was known for doing business like that; there was no need for lawyers and contracts, you could trust him," Bendat says.

Harold Clough, the 89-year-old founder of Clough Engineering, agrees Perron's word is "as good as gold".

In 1961, the pair had been working on a joint venture bid ahead of a State government tender to build a railway in the Avon Valley when Perron got a takeover offer from Thiess Ltd for his earthmoving business.

Perron added a sale condition for Thiess to pursue the railway contract once the tender was opened on exactly the same terms he had already negotiated with Clough.

"At some personal risk and cost to himself, Stan Perron ensured that Thiess fully supported our joint venture agreement," Clough said.

"That was the turning point of my life. I thought when I grow up, I'm going to have a better life."

Stan Perron

A work still in progress



Perron started in the workforce 81 years ago, setting up his first enterprise as an 11-year-old, selling homemade plywood handkerchief boxes to mine workers in Lancefield in the Goldfields.

His grin is so boyish when he recounts the venture from his office that it is easy to imagine what he looked like as a child, though he did not smile much back then.

He admits it was a disappointing childhood, especially the 18 months he spent in Lancefield, where his father was a pipe fitter.

At the time, the local school did not teach his year level, so he was simply left to his own devices.

He made the best of the monotonous situation by turning to the only resources available to him — the fretwork skills he learned as a 10-year-old.

It proved to be a seminal point in his life. Not only did he start to hone a fairly simple business approach focused on profit margins but it also made him realise he wanted more from life.

He clearly remembers sitting in his family's shanty as a 12-year-old, with its dirt floor,essian cloth walls and no running water or electricity, and vowing to become a better provider than his father.

"That was the turning point of my life," he says. "I thought when I grow up, I'm going to have a better life than this." The next year the family moved to Boulder and he skipped

a grade at school despite his long absence from the classroom, graduating at age 14 as the Top Child.

Eager to get into the workforce, he eschewed a scholarship to Perth Modern High School and started an office job in Kalgoorlie.

He moved to Darwin at 18, bought a half share in a truck which he hired out, before evacuating two years later in the 1942 bombing and eventually making his way to Perth. His first WA ventures were a couple of milk bars and a taxi service, driving one cab himself and leasing out another three to drivers.

In 1946 he married Moreen Craig, a postmistress from Nungarin, and in the same year set out to pursue a plan that was as bold as it was visionary: building Perth's first ice-skating rink on Hay Street in the city.

Perron laughs now at the unusual plan he hatched with his brother Keith, recalling they were not daunted by the fact they had never even seen an ice rink, let alone used one. Nor were they put off by the fact they did not have any money or that the State was in the midst of a chronic post-war brick shortage.

At the time he was "enthused about the idea" and systematically set about raising the funds and then renting a disused brickyard where the brothers spent a painstaking six months making 200,000 bricks themselves.

The venture failed after the State government rescinded their building permit, leaving Perron and his brother almost bankrupt.

His trailblazing nature was again apparent in his first major venture, Perron Bros Earthmoving, which he set up in 1948 with two former army bulldozers. He later added a 250-horsepower scraper called a Euclid, a piece of equipment most believed could not be successfully employed.

But the Euclid proved a winner, capable of moving 10,000 tonnes a

► CONTINUED P10

Ethics man: Stan Perron at his East Perth office. Picture: Iain Gillespie

FROM P8

day — five times the usual daily load — and at less than half the cost. It helped Perron Bros become WA's premier earthmoving company, involved in iconic projects like Perry Lakes stadium, the Narrows foreshore and Kwinana's BP refinery.

Perron says it taught him the importance of investing in the latest and greatest technology, a philosophy he has continued ever since, as well as the value of hard work.

"I was working night and day in those days," he says. "Sometimes I would get up at three in the morning to go to Albany for a part, and then go back to Perth and put in a full day at work."

"I worked lots of hours, seven days a week."

On one occasion he and a colleague alternated as drivers on a trip into the Nullarbor to deliver spare parts to a truck driver who had broken down. When they returned after a non-stop 49-hour drive, his colleague went home to sleep, Perron went to work.

The group had a fleet of 70 vehicles when Perron sold it to Thiess for \$1.5 million — making him a millionaire just before turning 40.

But the milestone was followed by tragedy, with his wife dying a year later following a battle with breast cancer, leaving him to raise a 14-year-old son.

"I was devastated," he recalls.

Several months later a widowed nurse called Jean Brashaw caught his eye while he was making a blood donation. The pair embarked on a whirlwind romance and married in January 1963. Jean already had a son and the pair had a daughter together.

It would seem Perron's business mind never switched off, given his next venture stemmed from their wedding reception at the Charles Hotel in North Perth. While enjoying the festivities, he made a rough calculation of the profit margins at the popular establishment. He bought it later that year.

It started a love affair with property that spread to the purchase of other pubs and hotels, including the Merlin, which is now the Hyatt, and office developments like St Georges Court, Central Park tower and Sydney's 301 Elizabeth Street.

He was ahead of the pack with his investments in shopping centres, with the WA sector currently in the grip of intense competition. While other investors are now clamouring to get a foot in the door, Perron is focussed on upgrades at eight of his 11 centres, and can reel off the names of the latest labels to retail at the complexes.

Residential property has also been profitable for Perron, whose land divisions range from Ocean Reef to South Fremantle. In 2013 the impressive portfolio led him to become only the second West Australian inducted into the Australian Property Hall of Fame.

The other major component of his empire today is Prestige Toyota.

He had been given distribution rights as part of the sale proceeds from Thiess and faced an uphill struggle in the early days when Japanese products were on the nose, selling only 25 cars in 1964. It now sells 25,000 a year.

Perron's trailblazing was apparent in the mining sector too. He was the first person to mine ilmenite in WA. He also developed a high-powered magnetic separator to eliminate magnetite from tantalite deposits from the Pilbara, a venture he later sold to Lang Hancock.

Hancock paid only a third of the \$75,000 price tag, after a fall in US prices, and was also responsible for talking Perron into a costly and ill-fated manganese venture.

The pair met regularly to consider how Hancock



Recognition: Perron was inducted into the Australian Property Hall of Fame in 2013.



Magic touch: Perron buys the Merlin Hotel 1968.



Star couple: Perron and wife Jean in 1991.

could make up for it. "I used to have lunch in Kings Park every Friday with Lang and Peter Wright," Perron recalls.

"Lang always had ideas about how to make a fortune and they were never very successful."

"He never had any money. One day he said 'Let's put in £1000 each and I'll fuel the Auster aircraft; I know where there is some iron ore.'"

The resultant venture earned Perron \$100 million in royalties until 2012, and substantially more since, after a legal challenge to heirs Gina Rinehart and Michael Wright.

Perron says he has made his fair share of mistakes in business. He missed the last mining boom altogether, despite personal overtures from Andrew Forrest to invest in iron ore. He has also taken losses on some commercial properties.

But he believes his success comes down to his Rotarian value to be fair to all concerned. He is concerned about the falling standard of business ethics and contractual loopholes.

"I sponsor a course at university for ethics in business — it's something that doesn't exist in business today," he says.

"Lots of companies are floated, but with nothing on the ground half the time."

With his steady gaze, he then simplifies the key to success with infallible common sense.

"If you are fair in business, people will want to do business with you," he says. ■



Prestige: Perron at the Toyota WA distribution centre.