



— 2017-2018 ANNUAL REVIEW

OUR BUSINESS IS OUR PEOPLE







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OUR DIVERSE PORTFOLIO OF CAPABILITIES



AIRPORTS



BUILDINGS



COMMUNITY
INFRASTRUCTURE



DEFENCE



ENERGY



ENGINEERING
DESIGN



INDUSTRIAL



LANDSCAPING



LAND
DEVELOPMENT



MAINTENANCE



MINING AND
RESOURCES



OIL AND GAS



PORTS AND MARINE



PROPERTY
DEVELOPMENT



REGIONAL AND
REMOTE
INFRASTRUCTURE



RAIL



RENEWABLE
ENERGY



ROADS AND
HIGHWAYS



SPORT AND
RECREATION
INFRASTRUCTURE



TUNNELLING



WATER AND
WASTEWATER



CHAIRMAN'S REPORT

MICK POWER AM
GROUP BOARD CHAIRMAN AND MANAGING DIRECTOR

AS BMD CONTINUES TO GROW, WE STRIVE TO RETAIN THE VALUES WHICH HAVE SUSTAINED OUR BUSINESS FOR THE PAST 39 YEARS.

Our culture and values remain entrenched in our people and the way they go about doing their jobs. The significant number of long-term personnel within our business continues to convey our values and the BMD culture of 'doing things differently'.

Our established values reflect the key attributes which have contributed to our success since the organisation's inception in 1979. We continue to employ people who demonstrate our family values and ensure our tight-knit culture endures the continuous change which goes hand in hand with a growing business.

Each year, our 20 Year Club expands and this year we welcomed five new members, enhancing our ability to demonstrate our family culture through those employees which exhibit the enduring loyalty of our people.

The mantra 'our business is our people' also extends to the longstanding relationships we have developed with our key suppliers and partners including organisations such as Humes and Holcim, Boral, Iplex and Coates Hire. These relationships are distinctive within the urban development and civil infrastructure industries and our ability to maintain these long-term associations reflects our ongoing commitment to retaining our unique culture.

It is extremely pleasing to see our international arm, Prime BMD incorporate The BMD Way within the Philippines, despite the unprecedented rate at which the team is growing. We now have more than 150 employees constructing 11 live projects. Our long-term BMD employees who relocated to Manila to set up the business, have successfully instilled our operational ethos in the Filipino team by holding local versions of events including our employee recognition evening, the Dare Awards and through hosting Good Health & Wellbeing initiatives for employees and their families.

BMD recognises the positive impacts that a diverse organisation can have on our business and we continue to strive to increase diversity and empower our people through a range of practical and forward-thinking initiatives. In 2018, BMD launched our Paid Parental Leave Policy which includes 18 weeks full pay, or 36 weeks half pay parental leave for primary carers, and one week of paid parental leave at full salary for a secondary carer. The launch of this policy illustrates the importance we place on ensuring we remain an inclusive employer that provides flexibility and benefits which make BMD an employer of choice. It is through policies such as Paid Parental Leave that we can generate greater workplace participation and continue to attract and retain exceptional talent.

Celebrating success has always been at the heart of The BMD Way and continual recognition of milestones is an important aspect of retaining a high performing team. The last financial year saw BMD celebrate milestones within our Empower Engineers & Project Managers business which celebrated 30 years of operation in August 2017, 10 years since the construction of our first

project in South Australia, also in August 2017, and 20 years of operation in the Northern Territory in November 2017. Each milestone was celebrated through a special event attended by local staff, as well as key clients, suppliers, partners and subcontractors.

Recognition of our project teams and individual employees continues to be a priority for BMD and in 2017, almost 40 nominations were submitted to industry and training bodies including Civil Contractors Federation, Engineers Australia, Institute of Public Works Engineering Australia, Infrastructure Partnerships Australia and the Australian Institute of Project Management. I am proud to announce that 40% of individual and project awards submitted were either successful in winning an award or received a high commendation, illustrating the capacity and capability of our people, as well as our continued success in delivering best-for-project outcomes for our clients. In 2018, we are again placing a high priority on recognition of a diverse range of people and projects through increasing the submission of training, safety and industry awards to highlight our high performing people and teams.

While the BMD Group continues to expand horizons, both through industry diversity and geographically, I continue to be proud of the priority the organisation places on leaving lasting legacies in the communities we operate. Next year, BMD celebrates 40 years of operation and our future success will remain underpinned by developing our people, delivering world class infrastructure, and by employing locally based subcontractors and suppliers on our projects.



CORPORATE OPERATIONS REPORT

SCOTT POWER
GROUP EXECUTIVE DIRECTOR - OPERATIONS

With the Australian infrastructure market gaining momentum, BMD remains focused on recruiting and retaining people aligned with our value proposition and continues to concentrate on securing a pipeline of projects which provides our employees with long-term career and development opportunities.

Geographically, the BMD Group remains strong with projects delivered in every state and territory within Australia. Our international growth in the Philippines through our joint venture with a local partner, as Prime BMD, continues to prosper through 24 acquired contracts and a team of more than 150 full-time employees. With a significant infrastructure spend committed by the government, Prime BMD's technical capability, comprehensive business management systems, and international expertise is presenting strong market sustainability.

Ensuring our project portfolio remains sufficiently diversified across our operational markets remains a priority and BMD continues to target opportunities of varied size across both metropolitan and regional locations. This strategy remains a key point of difference for the business and provides acknowledgement of our broad capability, as well as the opportunity to expose our people to a greater breadth of experience.

Success in BMD's traditional markets continued this year, with 450 projects across seven regions contributing to our residential development arm, BMD Urban's \$477 million turnover. We sustained our reputation as a contractor of choice within the civil infrastructure space with the award of major road, rail and airport upgrade projects across the country. This success culminated in being named the preferred contractor of the Parkes to Narromine section of the Inland Rail project in New South Wales.

Our unique ability to offer clients integrated project teams to deliver end-to end-solutions was successfully demonstrated through the completion of projects including the iconic Parklands Project which housed athletes for the 2018 Commonwealth Games, and by sharing personnel and resources across business units to create flexible and adaptive project teams as demand required. Our vertical integration strategy was again illustrated through collaboration on residential estates

across the country, including Capestone in Brisbane's north which demonstrated coordination between developer Urbex, contractor BMD Urban, engineering design and project manager Empower Engineers & Project Managers and landscaper JMac Constructions.

After launching our first Reconciliation Action Plan in July 2017, BMD has focused on achieving the plan's deliverables prior to its completion in December this year. Updating and improving business systems and processes, as well as educating employees through conducting national cross-cultural awareness training has generated an increased understanding of the importance of achieving reconciliation in Australia.

Upholding our reputation of delivering quality projects for our clients in a safe manner continues to be underpinned by our investment in new technology and software to ensure our business systems remain industry leading. BMD's Contractor Management System is now accessible by our subcontractors to provide necessary information to facilitate a positive training legacy and support our Zero Harm goal.

BMD moves into the new financial year with a strong portfolio of projects across our six diverse business units, representing a significant opportunity to reinforce our capability and continue to exceed client expectations.

A portrait of Craig Mortensen, a middle-aged man with short, light-colored hair, smiling. He is wearing a dark suit jacket, a light blue shirt, and a dark blue tie with small white polka dots. The background is a blurred office setting with a blue wall and a green plant. A dark blue diagonal graphic element is overlaid on the right side of the image.

CFO REPORT

CRAIG MORTENSEN
GROUP EXECUTIVE DIRECTOR – CHIEF FINANCIAL OFFICER

The strength of BMD's diversification strategy into new geographical and industry markets was evident again in the 2017-2018 financial year.

The Urbex business delivered strong financial returns from its investments in the residential land development market, and the South East Queensland and Victorian markets remained strong throughout the year with both markets experiencing better than expected price growth. This trend has continued into the 2018-2019 financial year.

Both the urban development and infrastructure businesses continued to be challenged by the low margin environment. While turnover remained at levels of prior years, the margin environment remained tight due to competition, wages growth, and an increase in the cost of plant and materials, particularly in the New South Wales market. The transfer of uncontrollable risk from the principals to civil contractors continues to challenge the business as many of those risks, for example utility services, are unable to be managed other than through an increase in cost. Unfortunately, this approach results in contractual disputes which have become increasingly common in the civil contracting industry. To ensure the business has a manageable risk profile, BMD has continued to diversify into other sectors where contracts are more reflective of the risk that can be managed by both parties.

BMD's infrastructure division will continue to identify productivity gains and diversification from a geographic, market sector and capability perspective in order to protect budgeted margins.

Our expansion into Western Australia has continued to succeed with BMD Constructions securing three vital freeway projects in the latter part of the financial year. While not impacting the 2018 result, these will support the forecast work program for the financial year and make a significant contribution to the Group's financial performance for the year ahead. These projects are located in and around Perth, however, the business is also focused on growing its presence in the north of the state.

The focus on overhead reduction has continued across the Group. Automation of processes and the introduction of artificial intelligence (AI) in back office and finance processes is resulting in lower costs, improvements in the timeliness of reporting, enhanced analytical capability, and a reduction in error rates. A program of improvement initiatives through the use of AI was developed and will continue to be rolled out during the 2018-2019 financial year.

Another significant cost saving was the decision to manage BMD's light vehicle fleet internally. The key benefit derived is lower whole of life costs for all light vehicles.

Group financing activities focused on project specific funding for property development activities and our vehicle fleet. In addition to the support provided by the Group's corporate debt financiers, project specific funding was secured through internally generated equity and project specific debt. The Group continues to enjoy the support of its banks, non-bank financiers and providers of insurance bonds.

Compliance activities remain subject to constant review and testing. Pressure tests at project, management and Board levels were undertaken to assess the adequacy of responses to an event, whether it be safety, environmental or another crisis that could negatively impact the business, our people or the general public. These pressure tests delivered valuable improvements to compliance processes, procedures and required management responses.

The outlook for the 2018-2019 financial year remains positive given a strong forward order book, significant activity in the land development sector and a continued focus on overhead cost management.



BOARD OF DIRECTORS





FROM RIGHT TO LEFT

- ▼ **MICK POWER AM**
GROUP BOARD CHAIRMAN AND MANAGING DIRECTOR
- ▼ **ANDY MARCOS**
GROUP EXECUTIVE DIRECTOR – ADMINISTRATION,
INDUSTRIAL RELATIONS AND HUMAN RESOURCES
- ▼ **PAUL FOGARTY**
GROUP EXECUTIVE DIRECTOR – CONSTRUCTION
- ▼ **SCOTT POWER**
GROUP EXECUTIVE DIRECTOR – OPERATIONS
- ▼ **CRAIG MORTENSEN**
GROUP EXECUTIVE DIRECTOR – CHIEF FINANCIAL OFFICER

BMD: A SNAPSHOT

GROUP REVENUE
EXCEEDED

\$1 BILLION

2015-2016 – \$1.22 BILLION

2016-2017 – \$1.21 BILLION

2017-2018 – \$1.38 BILLION

REVENUE BY BUSINESS UNIT

BMD Constructions – 49.7%

BMD Industrial – 2%

BMD Urban – 35.5%

Empower Engineers &
Project Managers – 0.3%

JMac Constructions – 3.8%

Urbex – 9.8%



182
PROJECTS
AWARDED

CELEBRATED THREE
MAJOR OPERATIONAL
MILESTONES 

20 YEARS OF OPERATION IN
THE NORTHERN TERRITORY

10 YEARS

SINCE CONSTRUCTION OF OUR FIRST
PROJECT IN SOUTH AUSTRALIA



30

YEARS OF OPERATION FOR
ENGINEERING DESIGN BUSINESS,
EMPOWER ENGINEERS & PROJECT MANAGERS



ACKNOWLEDGED

the exceptional work undertaken by our people and project teams through submission of ▼▼▼

37 INDUSTRY AWARDS

40%

of submissions won or were highly commended


8235 > NEW LINKEDIN FOLLOWERS
790 > NEW FACEBOOK FOLLOWERS

9025

 NEW SOCIAL MEDIA FOLLOWERS

123 PROJECTS
REACHED PRACTICAL
COMPLETION



89% 
OF PROJECTS
AWARDED FROM
REPEAT CLIENTS



39 PROJECTS
ILLUSTRATED BMD'S
VERTICAL INTEGRATION
STRATEGY



36% OF OUR GRADUATES
ARE FEMALE

2015-2016 – **12.8**

2016-2017 – **12.1**

2017-2018 – **10.2**

SAFETY

TOTAL RECORDABLE INJURY FREQUENCY RATE (TRIFR)



OUR BUSINESS IS OUR PEOPLE



BMD IS NOT ONLY A FAMILY, IT'S A WAY OF DOING BUSINESS – THE BMD WAY. BMD EMPLOYEES SHARE A COMMITMENT TO FAMILY VALUES; COLLABORATE WITH THEIR PEERS, CLIENTS AND STAKEHOLDERS; ARE EMPOWERED TO THINK INNOVATIVELY; ARE DETERMINED TO DELIVER EXCELLENCE; AND CONSTANTLY STRIVE TO DO BETTER FOR THE BENEFIT OF THE COMMUNITIES IN WHICH WE OPERATE, THEIR TEAMMATES, AND BMD.

20 YEAR CLUB

BMD once again celebrated the loyalty and longevity of employees at our annual 20 Year Club event. Established in 2009, the club has grown to 79 members in 2018 and honours the significant contribution employees have made to BMD and their fellow colleagues. Group Board Chairman and Managing Director, Mick Power AM and his wife, fellow BMD founder, Denise Power inducted the new members at a function in Brisbane.



2018 20 Year Club event



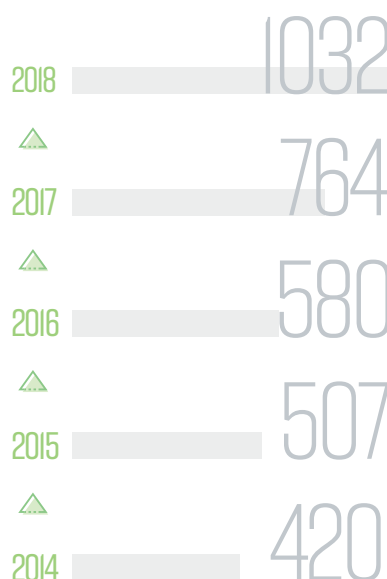
2018 Dare Awards, Victoria

DARE AWARDS

BMD's internal, peer nominated recognition program is held annually to showcase BMD's unique culture and the loyalty and dedication of our people who strive for ongoing success. Established in 2013, the Dare Awards continue to gain momentum with employees submitting more than 1000 nominations for their peers in 2018.

The annual event is also an opportunity for BMD to recognise and thank the partners of our employees who play an important role in ensuring the continued success of the BMD family.

INCREASE IN DARE AWARDS NOMINATIONS



PAID PARENTAL LEAVE

On International Women's Day, BMD launched a paid Parental Leave Policy which provides support to employees with growing families, and enables greater workforce participation while assisting in the attraction and retention of women at BMD.

The new policy includes:

- ▶ Paid Parental Leave for primary carers (not including government-funded parental leave) – 18 weeks at full salary or 36 weeks half salary maternity leave (allowing for up to 52 weeks leave in total including unpaid leave).
- ▶ Paid Parental Leave at full salary for secondary carer – 1 week, recognising the important role that secondary carers provide to families.

We understand the importance of family life outside work and the role BMD plays in facilitating flexibility in employment to achieve the optimum balance between work and personal responsibilities.

The inclusion of women in the engineering and construction industry remains a key focus for our business and it is pleasing to see the results of this emphasis through an increase in the number of female graduates employed in 2018.

BMD has a great family vibe which has allowed me to excel and learn new things. When I started as an undergraduate I worked in estimating for a year and a half and now I'm onsite. My career goal is to work my way up through the roles and one day become a Project Manager. I feel very much supported by BMD management to achieve this goal."

Sarah, Graduate Engineer and former QUT sponsorship recipient

GRADUATE PROGRAM

Our graduates are innovative, career minded, and closely aligned with our values and family orientated culture. Through our graduate program, BMD offers a variety of work across all facets of the industry, tailored roles to complement career ambitions, and guidance from mentors in the workplace to assist in the transition from university to real life employment on project sites. Our graduates are provided career progression and professional development opportunities of a large tier one company, with the flat management structure and relationship based approach of a small family owned business. In 2018, BMD welcomed 33 graduates to the BMD family, 36% of which were female.

At BMD, we recognise the benefits of providing real world experience to university students during their studies. In 2018 we employed 31 undergraduates across a range of industries including engineering, finance, environment, and safety. Additionally, we continued our long-term relationships and scholarship programs with Queensland University of Technology (QUT) in Brisbane and RMIT in Melbourne. Successful scholarship recipients were provided \$10,000 to assist with study associated costs, as well as an opportunity to complete paid work experience at BMD.



2018 BMD Graduate Day

I was the inaugural recipient of the BMD Group scholarship at RMIT University in 2012. The award of this scholarship led to vacation work through my final years of study which provided invaluable experience in preparing me for the workforce.

After spending time in the estimating team as a graduate, I moved onsite where I worked on an award-winning airside project. Since then I have diversified my experience through working on a level crossing removal project and a major road upgrade. What I like most about BMD is the culture which encourages team work, collaboration and responsibility, producing safe and effective engineers constructing high quality projects for our clients."

Luke, Site Engineer and former RMIT sponsorship recipient



Together with Civil Train, BMD has recently enrolled 20 of our South Australian workforce in traineeships

TRAINING AND PROFESSIONAL DEVELOPMENT

Our people are encouraged to progress their careers through a range of professional development programs, traineeships, and apprenticeships. The past year has seen BMD's second Fortitude program cohort continue to undertake a range of different modules aimed at developing the skills required to ensure the success of our next generation of leaders. The in-house administered program provides individuals within the business, training and development in areas including risk management, communication, culture and safety leadership, program expertise, and contract strength. The program demonstrates BMD's flat management structure and relationship based approach to developing our people, with participants learning directly from our most senior representatives within the business.

BMD recognises the benefit of engineers achieving chartered status to provide them with a globally recognised credential, synonymous with professionalism and respect. Supporting our engineers through the chartered status process remains a priority for BMD, and we are currently working with Engineers Australia to roll out our largest enrolment of chartered applications in BMD's history.

BMD continues to support Constructionarium Australia, a not-for-profit organisation conceived to develop practically minded engineers through providing students and graduates with "hands on" construction experience by building scaled down versions of iconic bridges, dams, and civil engineering projects from all around the world.

As Chairman of Constructionarium Australia, Peter Anusas General Manager Northern Region, BMD Constructions, supported Constructionarium's second build, held in 2018. The challenge involved constructing a scaled-down replica of the Story Bridge, which was built by 18 students and graduates under the guidance of several industry veterans.

In the past year, 17 site based employees completed traineeships to provide them with the skills and knowledge required to progress their careers as part of the BMD family. Traineeship opportunities will continue to be identified to provide employees with a nationally recognised qualification through a combination of on-the-job experience, formal training, and practical learning.

OUR PEOPLE ARE EXPERTS IN THEIR FIELDS

INDUSTRY RECOGNITION

The calibre of people who make up the BMD family is exceptional, as demonstrated by the industry award recognition our employees receive.



BAO, PROJECT ENGINEER

AWARD PROVIDER —

**CCF New South Wales President's
Gala Ball People Awards**

AWARD CATEGORY —

Engineer – Contracts under \$2 million

As the only full-time engineer on the Rosella Grove Reconstruction project, Bao was a key contact for the clients, UrbanGrowth NSW and Shellharbour City Council. With the support of her Project Manager and the rest of the BMD site team, she was pushed outside her comfort zone and was given the responsibility to make executive decisions at critical stages, leading to the project's completion some eight weeks ahead of schedule.



BEN, LEADING HAND

AWARD PROVIDER —

**CCF New South Wales President's
Gala Ball People Awards**

AWARD CATEGORY —

**Safety Champion Category 2:
Individual Award**

With every day presenting different safety risks, Ben makes it his priority to be on top of what individuals are working on. His hard work and dedication in the training of his team assisted in the development of a best performing site that had safety at the forefront of their minds.



GRANT, BUSINESS SYSTEMS MANAGER

AWARD PROVIDER —

CCF Victoria Training Awards

AWARD CATEGORY —

**Individual Achievement in Occupational
Health and Safety**

Grant has fostered real positive change in his short time at BMD. Changing people's mindsets is not always an easy thing to do and through his professionalism, tenacity, and passion for fostering a safe work environment, he has been able to achieve measurable improvements within Victoria's health, safety, environment and quality space.



SHARON, LEADING HAND

AWARD PROVIDER —

CCF Victoria Training Awards

AWARD CATEGORY —

Women in Civil Construction Excellence

Sharon is always looking for ways to provide support and motivation for her team to drive a high performing culture, and deliver best-for-project outcomes. By having established, hardworking, and successful women such as Sharon onsite, the next generation of female labourers have an accomplished role model to look up to, and a path to follow.



DIRK, SAFETY OFFICER

AWARD PROVIDER —

CCF Northern Territory Trainee and Apprentice Awards

AWARD CATEGORY —

Mature Age Achiever

Dirk's dedication to the creation of a safe working environment saw him recently promoted to the position of Safety Officer, and his commitment to safety and Zero Harm has been recognised by not only BMD's leadership team, but also his peers. His knowledge of BMD's systems is excellent and he continues to offer great support to onsite staff and the engineers in the Northern Territory.



KASS, LABOURER

AWARD PROVIDER —

CCF Northern Territory Trainee and Apprentice Awards

AWARD CATEGORY —

First Year Apprentice of the Year

Kass is a dependable, consistent and trustworthy employee who consistently encourages and shares knowledge with those, she works with. She leads by example, consistently demonstrating initiative and efficiently finding effective solutions to complex problems.

DARE AWARDS

Hear how some of our 25, 2018 Dare Award winners have delivered outstanding performance and significant contributions to BMD.



ENOLA, FLEET ADMINISTRATOR

South East Queensland Corporate Excellence Award

Enola is a proactive member of the fleet team, always looking to improve systems to ensure the needs of BMD and our employees are consistently met.



MICHAEL, ADMINISTRATION ASSISTANT

Victoria JMac Constructions Excellence Award

Michael is always eager to assist his team in any way he can, and improve his knowledge to drive the best outcomes for the JMac Constructions team. He has taken on The BMD Way with passion, and is an asset to the business.



CLINT, GENERAL FOREMAN

National Determined Award

Clint shows absolute commitment to drive the required outcomes and brings out determination in his entire team to get the job done.



BREANNA, LABOURER

National HSEQ Individual Award

Breanna sets the bar high for everyone onsite in regards to HSEQ. She always strives to make sure works are being completed in the safest manner, and with the highest quality outcome possible.



LEON, OPERATIONS MANAGER

National Empowering Award

Leon invests his time in mentoring the staff in Western Australia, and instils a culture of positivity and progression. He has an unwavering commitment to the team, and encourages and empowers every employee to feel ownership and pride for their projects.




JOSH, PROJECT MANAGER

South Australia Excellence Award

Josh leads and nurtures his teams to ensure the successful completion of projects, even under challenging conditions. He is always willing to help, and is dedicated to his teammates, his projects, and BMD as a whole.



STRIVING FOR RECONCILIATION



BMD'S FIRST RECONCILIATION ACTION PLAN WAS LAUNCHED IN JULY 2017 AS PART OF NAIDOC WEEK CELEBRATIONS. THE LAUNCH OF THE REFLECT RECONCILIATION ACTION PLAN HAS SEEN BMD COMMIT TO IMPROVING UPON THE COMMERCIAL AND EMPLOYMENT OPPORTUNITIES FOR ABORIGINAL AND TORRES STRAIT ISLANDER PEOPLES.

BMD'S COMMITMENT TO INDIGENOUS ENGAGEMENT IS ILLUSTRATED THROUGH OUR

106% INCREASE

IN SPEND WITH INDIGENOUS BUSINESS OVER THE PAST THREE YEARS



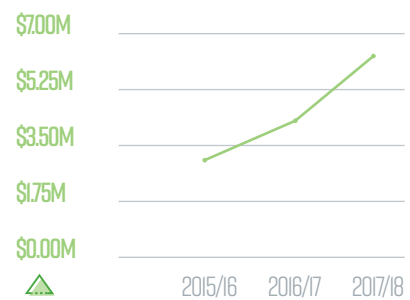
In BMD's Reflect Reconciliation Action Plan (RAP), we have committed to improving upon three core elements including respect, opportunity and relationships, all of which BMD incorporate into our own values, and the values we take into our projects.

The last 12 months has seen updates to BMD's business systems and procedures to ensure project teams can record, identify, and report on Indigenous relationships, engagement, employment, and training.

As part of a four year partnership with the Clontarf Foundation, BMD is committed to developing employment pathways for Clontarf students. An opportunity was identified to introduce Clontarf to recruitment agency Protech, who then formed a financial partnership with the organisation and identified employment opportunities for Clontarf graduates.

Throughout the year our employees attended cross-cultural awareness training to assist in driving cultural change, increase staff participation in the company's Indigenous initiatives and events, and help to educate our people on the importance of being culturally aware and competent.

Progress against the RAP deliverables will be reported in Reconciliation Australia's RAP Impact Measurement Survey in late 2018. Upon completion and acceptance of the Reflect RAP, BMD will look to elevate our commitment to reconciliation through an Innovate RAP.



INDIGENOUS BUSINESS SPEND

In late 2017, Protech and BMD collectively interviewed a number of year 12 students who were interested in employment

in civil construction. As a result, two students were offered positions on the BMD project for the second range crossing in Toowoomba. This has been a fantastic outcome not only for the young men who have found employment, but for all the students in the Toowoomba Clontarf Academies who have seen what is possible if they complete year 12."

Shane Kiely, General Manager – Partnerships & Communications, Clontarf Foundation

RAP

INDIGENOUS ENGAGEMENT TIMELINE



JULY 2017

BMD's Reflect Reconciliation Action Plan is launched as part of NAIDOC Week.



OCTOBER 2017

BMD employees attended the 2017 Victorian Cricket Carnival in Bulleen, and hosted a site visit for Clontarf's Toowoomba Academy to the Inner City Bypass project in Brisbane.

An overview of BMD's commitment to Indigenous engagement within the past 12 months.



NOVEMBER 2017

The Warrnambool Clontarf Academy visited the Princes Highway West Duplication project in Colac, south-west of Melbourne.



FEBRUARY 2018

BMD met with the Warmun community in Western Australia's Kimberley region to discuss opportunities to maximise Indigenous participation on the Bow River Bridge project.



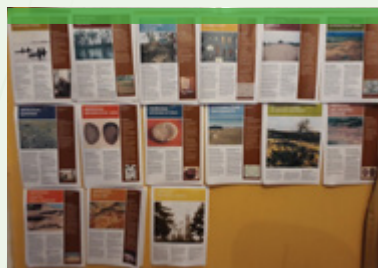
MARCH 2018

BMD proudly sponsored Northern Spirit in the flagship Aboriginal and Torres Strait Islander Rugby Union 7s tournament, the 2018 Ella 7s Coffs Harbour competition.



MARCH 2018

BMD was proud to see employee, Eulalia acknowledged for her contributions as a finalist in the Pacific Services Group (PSG) Holdings Pty Ltd Indigenous Female Employee of the Year Award category.



MAY 2018

BMD offices and project sites learnt about the history of the Traditional Custodians and the land on which our projects are built as part of the 2018 National Reconciliation Week theme, 'don't keep history a mystery'.



JUNE 2018

BMD attended the Clontarf Foundation Super Training Day at the Palmerston Academy in the Northern Territory. BMD Labourer, Sheldon was one of the first to graduate year 12 through the Clontarf Foundation 10 years ago and is now building his career with BMD.



LEAVING A LEGACY: BOW RIVER BRIDGE

BMD Constructions is delivering the Bow River Bridge Upgrade project in the Kimberley region of Western Australia. The project involves replacing the existing single lane bridge with a two lane concrete bridge which will improve safety for road users, and enhance flood resistance of the Great Northern Highway between Broome and Wyndham.

In addition to the bridge construction, BMD's scope of works involves completing approximately 2.3 kilometres of associated road approaches and a sealed parking bay.

BMD has extensive experience working in regional areas and is committed to building relationships with Traditional Custodian groups and local businesses to obtain a true understanding of remote operating environments.

Prior to commencing works, BMD identified opportunities to work with local Kimberley region and wider Western Australian individuals and businesses to assist with the project's construction. BMD's approach has been to engage with communities, Aboriginal businesses, corporations and individuals prior to site mobilisation, and establish and build respectful relationships.

These meetings discussed the project and its deliverables, talked through the change it would bring for the community, and the employment opportunities that would be realised for locals throughout the project.

As part of the Bow River Bridge project, BMD committed to achieving Aboriginal employment and business targets. Proactive, collaborative, and ongoing consultation with the land's Traditional Custodians, the Gija peoples, has led to positive engagement outcomes with project work undertaken by Aboriginal people through earthworks, bridge construction,

cleaning and administration activities, and the engagement of four local Aboriginal businesses including plant and machinery, earthmoving, surveying, and cultural awareness.

Driving a culture of respecting the region's Traditional Custodian group has also been a priority for BMD, with cultural awareness training undertaken by the project team. Led by Gija Elders in the Warmun community, the training provided an insight into cultural differences and local area history, assisting the further development of cross-cultural understanding between Aboriginal and non-Aboriginal project team members.

In line with BMD's commitment to supporting the communities in which we operate, the Bow River Bridge project is dedicated to leaving a positive community legacy, not only through the upgraded infrastructure delivered, but by upskilling local Aboriginal people engaged on the project, and through the provision of training including machine tickets. Given the significant meaning of the original Bow River Bridge structure to the community, BMD proposed a concept which will see the bridge remain intact as a memorial site.

Due for completion by the end of 2018, the Bow River Bridge project will improve connectivity for local Aboriginal communities, as well as freight operations utilising the Great Northern Highway. Project outcomes will have been delivered whilst protecting the cultural traditions and heritage of Traditional Custodians, and providing a lasting legacy to the local community through the establishment of long-term sustainable relationships based on mutual respect and trust.

Following the completion of the Bow River Bridge project, BMD will continue our commitment to engaging with Traditional Custodian groups through dedicated targets established on the Parkes to Narramine section of the Inland Rail project in New South Wales, and the Houghton River Floodplain Upgrade project in North Queensland.



Eulalia undertaking a smoking ceremony with Gija Elders in Warmun as part of the Bow River Bridge project



Basil and Eulalia onsite at the Bow River Bridge project

With BMD being awarded a job in the Kimberley region, I have had the opportunity to return to my country and join the Bow River Bridge project as BMD's earthworks Leading Hand. During my time working on the Bow River project I have been lucky enough to participate in cultural awareness training held by the Traditional Custodian group, the Gija people. Two beautiful women who are Elders in their community held the training and shared with us cultural traditions including smoking ceremonies and memorial site visits."

*Eulalia, Leading Hand
Proud Boonabah woman*

It's a privilege to be able to come back to Gija country here in Bow River as my Great Grandmother came from Doon Doon Community. It is great to be a part of an awesome team working on a remote project with a diverse group of people from all walks of life. I am extremely proud to be the first Indigenous Supervisor for BMD Western Australia and being the first of many to come. I am really excited about BMD's push for Aboriginal engagement as it's such a growing company in Western Australia."

*Nigel, Foreman
Proud Whadjuk/Binjareb man*

In 1966 I worked on the original Bow River Bridge with another local man Hal Rivers. It was very different back then, I worked as a general labourer with the trowel and wheelbarrow and we slept in tents on the concrete slabs near the riverbed. When I drive over the old Bow River Bridge with my grandchildren they always say "this is Grandpa's bridge". It makes me feel good when my grandchildren say that.

I am very proud to be working on the new Bow River Bridge as a Roller Driver."

*Basil, Roller Driver
Proud Yarwu man*



ZERO HARM – HEALTH, SAFETY, ENVIRONMENT, QUALITY



WE PRIORITISE THE HEALTH AND SAFETY OF OUR PEOPLE

The safety of our people, and those that come into contact with our projects is a non-negotiable priority for BMD. Our approach to safety is summarised by our Zero Harm goal which sees us strive towards ensuring our people, and the communities in which we operate are not harmed during our works.

BMD's path to Zero Harm is centred on setting clear targets, embracing safety leadership at all levels, management commitment, personal commitment, and compliance. At BMD, subcontractors are seen as an extension of our project teams, with each person inducted into The BMD Way of doing things differently with a priority placed on exceptional safety performance.

The combined BMD Group worked more than 7.1 million hours over the year and in this time, we reduced our lost time injury frequency rate (LTIFR) by 35% and our total recordable injury frequency rate (TRIFR) by 16%.

Emphasis was again placed on the continuous improvement of our people, procedures, and protocols with five pressure tests conducted at various project sites around the country. These tests assessed emergency protocol and included the auditing of documents, and personnel interviews to simulate a real life scenario. The mock emergency scenarios provided a platform to deliver recommendations for improvement, and educate project teams around their responsibilities in ensuring the safety of all personnel.

16% TRIFR REDUCTION ↓

Safety training days were held in Queensland, New South Wales and Victoria, and this year highlighted a particularly important topic within the construction industry, mental health. Presentations were delivered by Lifeline, Shane Webcke (WorkCover Queensland Safety Ambassador), Dan Hunt (Mental Health Movement), and Paraplegic Benefit Fund Australia, and complemented BMD's Employee Assistance Program. The program provides support and assistance to employees and their immediate family members in managing personal, financial, and work related challenges.

BMD recognises that projects are becoming more technically complex as Australia becomes increasingly urbanised. This complexity means we need to become far more adept at managing the risk of temporary works on our construction sites. Temporary works include any physical work to allow the permanent asset to be built such as traffic management, falsework

35% LTIFR REDUCTION

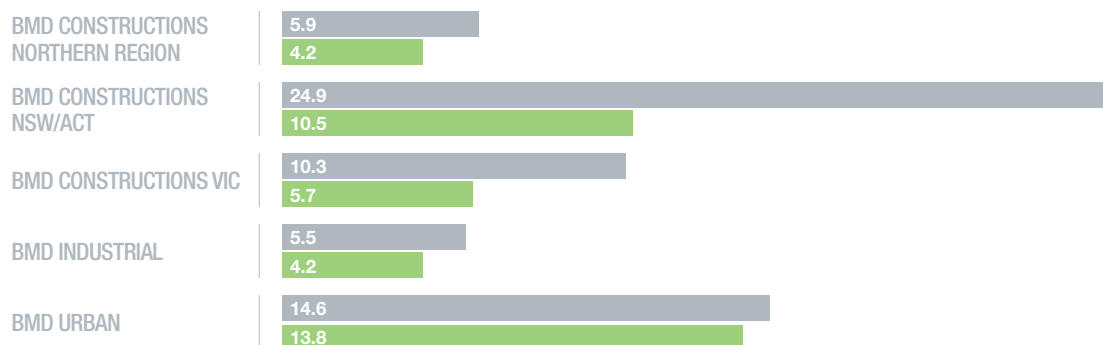
and formwork, slope stability, and platforms to support cranes and piling equipment. In partnership with a number of highly respected consultancies, we have developed a process and series of training modules so that we will always be prepared to manage the risk of temporary works, and provide our clients and people with the safest standard of service.

BMD's national health, safety, environment and quality plans, a continued focus on training, and adherence to core operating procedures has led to improved TRIFR outcomes in our operational business units and regions.

5 PRESSURE TESTS - ✓ - CONDUCTED

TRIFR REDUCTION

2016-17
2017-18



Safety training days were held in Queensland, New South Wales and Victoria, and highlighted a particularly important topic within the construction industry, mental health.

29% TRIFR REDUCTION

BMD CONSTRUCTIONS NORTHERN REGION

- Continuous improvement of close out of actions.
- New projects embracing the introduction of the SharePoint risk register.
- Contractor Management System compliance improvement of 33% in the last financial year.

24.9% TRIFR REDUCTION

BMD CONSTRUCTIONS NSW/ACT

- Quarterly safety workshops addressing key themes for continual improvement.
- Implementation of a leadership commitment schedule for each project.
- Key focus on selected incident investigations with timely senior management reviews.

45% TRIFR REDUCTION

BMD CONSTRUCTIONS VIC

- Development of a regional HSEQ Improvement Plan:
 - coaching, training and education of employees
 - systematically managing risk
 - preventative auditing and review of projects
 - active communication and consultation with employees.

24% TRIFR REDUCTION

BMD INDUSTRIAL

- Consistent communication around safety targets.
- Reinforcing that achieving Zero Harm is everyone's responsibility.



Shane Webcke, Queensland Safety Ambassador, discusses the importance of committing to work safely.

5% TRIFR REDUCTION

BMD URBAN

- Implementation of a zero cuts, slips and strains strategy.
- Reward and recognition program to acknowledge Zero Harm focused projects and individuals.
- Health, safety, environment and quality workshops held quarterly.



WE PROTECT THE ENVIRONMENTS IN WHICH WE OPERATE

BMD is committed to preventing environmental harm to the ecosystems and communities in which we operate. Through our goal of Zero Harm, we continually promote improvement to environmental management and strive towards ensuring the environments in which we work are not harmed during the construction of our projects.

The environmental management systems implemented on BMD projects favour adaptive environmental management practices to ensure the most effective environmental monitoring controls are implemented, to deliver industry best practice environmental outcomes.

BMD reported nil Class 1 environmental incidents in the last year, however an increase in our Class 2 environmental incident frequency rate to 1.5 illustrates we must continue to focus on undertaking monitoring, measurement, and improvement of environmental controls across the BMD Group operations.

The past year saw a focus on training health, safety, environment and quality staff as well as project personnel, in best practice erosion and sediment control to reduce non-compliance and achieve our target of zero environmental harm.

Environment month

In 2018, BMD celebrated the company's inaugural Environment Month which saw project sites and offices focus on recognising the cumulative impact of what we do every day. The Environment Month theme was "It all adds up!" and reminded employees that environmental impacts can occur over an extended period of time.

As part of Environment Month, each project site and office was required to undertake a number of initiatives during March including:

- ▼ Holding a BBQ with a gold coin donation towards a local environmental group or wildlife carer of the project or offices' choice.
- ▼ Conducting a minimum of two environmental toolbox talks on topics relevant to the region or project.
- ▼ Ensuring 50% of Activity Based Conversations conducted during March focused on environmental project elements.

With one billion disposable coffee cups used in Australia every year, and 92% ending up in landfill, BMD provided all 1700 employees with a reusable cup (made from mostly recycled materials) to help reduce the organisation's overall environmental impact.

BMD TV – Environment

BMD TV is an internal series of video episodes which highlights key health, safety, environment and quality topics across BMD including project learnings, achievements, and examples of industry best practice.

In 2018, BMD launched a specific environment episode of BMD TV which focused on the implementation of exceptional environmental controls. The episode featured BMD's innovative solutions to manage erosion and sediment control along the northern coastline, and the Cattle and Frances Creek Upgrade project in Ingham, which has successfully overcome the effects of three major flood events and delivered a challenging project within two sensitive waterways.



RENEWABLE ENERGY SOURCES REDUCE PROJECT FOOTPRINTS

BMD projects across the country are investigating and implementing the use of solar energy to reduce our projects' environmental footprints, and minimise the impacts of traditional power sources.

In South East Queensland, BMD Urban's Torhaven Stage 1 project ran completely off solar energy throughout the day, following the installation of solar panels and a battery system onsite.

The switch to solar energy allowed for the removal of a diesel-powered generator which saw both site noise and environmental footprint decrease, and has ensured site security, including flood lights and CCTV cameras are able to run during the night on solar battery.

BMD Constructions' Townsville CBD Utilities Upgrade involves upgrading water and wastewater assets through the installation of approximately 18 kilometres of water and sewerage pipework as well as the replacement of mains, some of which are up to 60 years old. The project has also implemented the use of solar energy to power the project's site office compound, with an "off the grid" solar system encompassing 11 solar panels which work off a battery system to power the laydown yard, crib facility, Foreman's office, ablution block, and security system.

While the solar solution was originally implemented due to the project's lack of access to grid power, the project team has since realised the positive impacts gained from the use of solar energy including reduction in the project's operational costs, and benefits to both the environment and local stakeholders through the minimisation of noise impacts generated from traditional power supply systems.

WE DELIVER QUALITY RESULTS FOR OUR CLIENTS

BMD recognises that robust quality management systems are essential to achieving successful project outcomes.



The roll out of tablets has assisted in accurate and real time record keeping on our project sites.

Through continued investment in new technology and software, we ensure our management systems have the structure, depth, and flexibility to guide the delivery of our diverse portfolio of construction and development projects.

The launch of an electronic form signing process has increased efficiency, and streamlined the process of conducting field activities including inspections and audits. The introduction of this process aligns closely with the roll out of tablets across the BMD Group's operations, following a successful trial of the technology last year. The accurate and real time record keeping achieved through the tablets has allowed key site staff to submit documentation requirements in the field, saving time and removing the need to work within a dedicated project site office.

The in-house development of an engineering drawing management system has improved data quality, version history management, and provided an effective solution to easily identify the most up-to-date PDF documents.

BMD continues to maintain third party certification of integrated safety, environmental and quality management systems and has upgraded to the ISO14001:2015 environmental standard and the ISO9001:2015 quality standard.

With subcontractors viewed as an extension of our project teams, the BMD Contractor Management System (CMS) provides information to support subcontractors, facilitates the provision of a training legacy by upskilling businesses to our stringent management systems, and assists in the achievement of BMD's Zero Harm goal. The CMS now also requires subcontractors to upload documentation for approval, and undertake required pre-site training through the BMD Online Training (BOLT) system.

By maintaining an adaptable and flexible approach to the continued enhancement of our systems and processes, BMD sustains our reputation for delivering innovative solutions, while minimising non-conformances within a geographically and industry diverse project profile.

SUPPORTING THE COMMUNITIES IN WHICH WE OPERATE

PROVIDING LASTING LEGACIES TO THE COMMUNITIES IN WHICH BMD OPERATES IS A COMMITMENT WHICH HAS BEEN UPHOLD SINCE OUR INCEPTION.

BMD currently provides support to eight organisations through formal partnerships in areas including arts and culture, sporting clubs, and community wellbeing. At a grass roots level, BMD supports the local communities in which we operate through a range of charities, events, and initiatives throughout the year. This support builds on our philosophy of engaging local subcontractors and suppliers to maximise opportunities for local input with a flow on effect in the training and development of locally based staff engaged on our projects.



We've had a relationship with Urbex for the last five years and if it wasn't for the company coming on board as a partner we wouldn't be able to put our 12 teams on the field each season. We're in debt to Urbex, and our other sponsors, and we look forward to continuing our relationship with them into the future."

*John Patterson, President,
Darwin Buffaloes Football Club*



Thank you to BMD for its wonderful support of the Foundation. With the help of BMD, the Foundation has been able to assist so many in the rugby league community ease the pain and burden with our visits and grants. The support is invaluable to help those who are doing it a bit tough."

*Mark Bunting, Qld Wellbeing Manager,
Men of League Foundation*

PARTNERSHIPS

BRISBANE LIONS



NORTH QUEENSLAND COWBOYS



CLONTARF FOUNDATION



BMD NORTHCЛИFFE SURF LIFESAVING CLUB



WYNNUM MANLY SEAGULLS



MEN OF LEAGUE FOUNDATION



BULLS MASTERS



DARWIN BUFFALOES



BRISBANE POWERHOUSE – POWERKIDS: LITTLE ARTISTS AT PLAY



Photo credit: FenLan Chuang





BMD CONSTRUCTIONS LEAVES LASTING LEGACY THROUGH CROOKWELL 2 WIND FARM PROJECT

OVER 60%

of spend on the Crookwell 2 Wind Farm project's contract value was spent within the Australian Capital Region, reaffirming BMD's commitment to supporting the local communities in which we operate.

The 60% equated to over \$12 million of spend within the Crookwell, Goulburn and Marulan regions and almost \$2.5 million within Canberra and the Australian Capital Region.

Local and regional involvement was made up of direct spend through the use of local subcontractors primarily located within the Goulburn, Marulan and Crookwell regions, direct employment through the creation of two new full-time and one new part-time position, and local sponsorship of community organisations within the Upper Lachlan community.

BMD Constructions delivered the Crookwell 2 Wind Farm as part of a consortium with Consolidated Power Projects Australia (CPP), with the project constructed under a Balance of Plant (BoP) contract. The combination of local spend by BMD Constructions and CPP exceeded the consortium's original commitment.

BMD is proud of the strong relationships formed with local suppliers and community groups during the project's construction and in addition to financial involvement, supported subcontractors to improve their safety systems and documentation to not only ensure compliance with BMD's systems but also bring them in line with industry best practice.

The contract comprised the design and construction of approximately 23 kilometres of gravel access tracks including drainage, 28 concrete foundations for the wind turbines, and construction of crane platforms and hardstands. The design and construction of electrical scope was completed by CPP and includes substations, equipment and buildings.

COMMUNITY

LOCAL SUPPORT



BMD proudly sponsored the Northern Spirit in the 2018 Ella 7s Coffs Harbour competition. As the flagship Aboriginal and Torres Strait Islander Rugby Union 7s tournament, the event is a key tool to bring the game to a wider Aboriginal and Torres Strait Islander population. The sponsorship is an extension of BMD's commitment to supporting local communities, with BMD currently constructing two projects along the New South Wales northern coastline.



BMD, together with property development business Urbex, was proud to sponsor the 2018 Chain Reaction Challenge. Urbex General Manager Peter Sherrie and the Sunkids team rode 1000 kilometres through New Zealand's South Island, and raised \$1.5 million for children's charities AEIOU Foundation and the Ronald McDonald House.



BMD is proud to have partnered with local South Australian football club, the Mt Lofty Devils, as major sponsor. As a local contractor with more than 10 years' experience in South Australia, we are proud to support local organisations both financially and through in-kind services.



As part of construction of the Crookwell 2 Wind Farm project in the Upper Lachlan Shire, BMD was proud to support the Laggan Piglet Races to raise funds for the Upper Lachlan Foundation which offers support to community organisations and groups within the region.



BMD's South Australian team continued their long-term support of the Cora Barclay Centre by raising \$17,500 through their participation in Loud Shirt Day, and by hosting a special Distinguished and Distilled event. The Cora Barclay Centre's mission is to help children who are deaf or hearing impaired to learn to speak and reach their full potential through intensive early childhood intervention, school years and early adult support, psycho-social development, and ongoing assessments.



BMD was proud to sponsor the Lower Clarence Magpies for the 2018 Northern Rivers Regional Rugby League season. The sponsorship was part of our commitment to support the local communities in which we operate, with BMD currently constructing two projects within the Yamba and Northern New South Wales region.

SUPPORT



BMD partnered with Sport Access Foundation to fund a grant which helps young Australians with a disability participate in sport and achieve to the best of their abilities. The BMD grant is available to an Indigenous youth with a disability residing in the Northern Territory. BMD's partnership of the Sport Access Foundation builds on the long-term support we have provided to more than 20 local sporting organisations and community groups.



BMD was incredibly proud to be part of the inaugural Construction's Big Night Out in 2018. Our fundraising efforts have provided much needed support to Smart Pups Assistance Dogs, through the purchase and training of four pups for families in need. Smart Pups is a not-for-profit organisation dedicated to providing assistance dogs to children with a variety of special needs.



BMD's team at the Thompsons Road Upgrade project supported a pop-up adoption weekend at the Lost Dogs' Home in Cranbourne West. The BMD team gave up some of their time to show support for the great work the Lost Dogs' Home does for lost and abandoned dogs and cats in need. BMD also provided some additional signage to assist in promoting the adoption weekend.



YEAR IN REVIEW: BMD CONSTRUCTIONS NORTHERN REGION

OUR CAPABILITIES INCLUDE:



Queensland's infrastructure market conditions remain the biggest challenge for BMD's Northern Region Constructions business unit, with a lack of contestable projects and indications that the market will remain subdued for a further two years. Combating the downturn through well-conceived diversification strategies has effectively insulated the business, which has continued to deliver new service offerings whilst maintaining our reputation of collaborative contracting through the delivery of almost 70% of projects for repeat clients in the last 12 months.

Our Queensland operations were buoyed through the award of a respectable amount of work over the past 12 months, the most notable being Brisbane's new runway at Brisbane Airport in 50/50 joint venture with CPB Contractors. Sector diversification has also remained a key strategy, with increased participation in airfield and defence work including multiple packages of work at RAAF Base Amberley, south-west of Brisbane.

Fostering teams to lead the delivery of projects safely and collaboratively, while exceeding client requirements, remains a business necessity and in the last 12 months, the region has successfully recruited over 200 employees and invested in eight graduate engineers.

Through participation in BMD's annual graduate program, the region's newest employees were inducted into our culture and way of doing things differently – The BMD Way. BMD's emerging leaders program, Fortitude has also led to the development of eight new Project Managers within the Northern Region, ensuring a strong cohort of capable leaders to deliver successful projects to the exacting standards our long-term clients have come to expect.

Within the last year, INLink, a joint venture between BMD Constructions and Fulton Hogan was announced as preferred contractor of the Parkes to Narromine section of the Inland Rail project in New South Wales. The award of this project provides significant opportunity for our Queensland employees to relocate and support construction of this incredible nation building project.

Geographic diversification is yielding considerable benefit, with our Western Australian business now firmly established. We have recently been awarded three design and construct tenders for Main Roads Western Australia, providing in excess of \$140 million of work. The Mitchell Freeway Southbound Widening, Kwinana Freeway Northbound Widening – Russell Road to Roe Highway, and the Smart Freeways – Kwinana Freeway Northbound projects will transform Perth's urban road network to support population and economic growth, and ensure consistent and improved travel time for all road users. The award of these projects follows the successful completion of the Treendale Bridge over Collie River project which was recognised for construction excellence through the Civil Contractors Federation Western Australia Category 4 (project value \$10 million to \$30 million) 2018 Earth Award.

2018 will see the delivery of BMD's first project in the Kimberley, the Bow River Bridge. This important community infrastructure project was delivered within a 16 week timeframe, with the 250 metre long structure providing enhanced flood resistance of the Great Northern Highway between Broome and Wyndham. During construction, meaningful and respectful collaboration with Traditional Custodian groups and local businesses led to the delivery of a positive community legacy in line with our commitment to Indigenous engagement and understanding of remote operating environments.

In the last 12 months, BMD has had its first foray into "heritage engineering" with the award of the iconic Toowoomba Range Clearance Upgrade project. The works involve lowering 11 brick lined, heritage listed railway tunnel floors to create necessary clearance to transport high cube freight shipping containers via rail.

The Cattle and Frances Creek Upgrade project, south of Ingham has demonstrated BMD Constructions' ability to rapidly self-perform works with the project team successfully managing three flooding events during construction. Despite facing almost double the region's monthly rainfall during the beginning of 2018, the project is on track to be completed prior to the scheduled practical completion date.

Collaborative contracting continues to be a topic of discussion within the construction industry. With growing evidence of improving market conditions in the medium term, clients are moving away from the boundaries of lowest price objectives and focusing on non-price criteria which aligns directly with BMD's family values and reputation of being recognised as a collaborative contractor of choice. We are becoming increasingly selective in our tender approach and will continue to bid projects which align with our diversification strategy and focus on the value of collaboration in contracts.



TREENDALE BRIDGE OVER COLLIE RIVER

CLIENT ———
MAIN ROADS WESTERN AUSTRALIA

As principal contractor, BMD Constructions completed an engineering feat with the successful delivery of the incrementally launched 44-metre bridge over the Collie River on schedule and within budget.

The bridge was delivered through an incremental launching method due to poor ground conditions present on the southern side of the river, which would have been unable to support a large crane to lift the beams into place. The method is the second of its kind for client Main Roads Western Australia, with BMD Constructions successfully completing the Coolup East Bridge Replacement over Murray River in 2016 using the same technique.

The project implemented a safety focused culture to achieve BMD's goal of Zero Harm with zero lost time injuries over the 74,191 hours worked. There was an average between 20 to 40 workers onsite at any one time, with a total of 160 people inducted on the project over its duration.

Given the high volume of subcontractors and suppliers, BMD focused on communication to drive a close team committed to safety and high performance to deliver to the client's expectations.

The suburbs surrounding the new Treendale bridge including Millbridge and Treendale are some of the fastest growing areas in Western Australia. The project was delivered for the benefit of these communities, with connection of the two areas critical to the local road network. Road users can experience the benefits of shorter travel times, improved traffic flow and connectivity with the bridge over Collie River completed.



**ACKNOWLEDGED
FOR CONSTRUCTION
EXCELLENCE**

**WON THE CIVIL CONTRACTORS
FEDERATION WESTERN AUSTRALIA
CATEGORY 4 (PROJECT VALUE \$10
MILLION TO \$30 MILLION) EARTH
AWARD 2018.**



It's been a pleasure working with BMD on the construction of the new bridge over the Collie River. Throughout the process, the BMD team has been engaged, easily

accessible, and committed to making sure the Principal's needs were met. Each representative demonstrated a commitment to the project, but moreover the motivation, skill and knowledge to keep a complex and dynamic project on track. The professionalism and spirit of teamwork made the experience enjoyable. Being one of the first incrementally launched composite bridges of this size anywhere in Western Australia, the project presented a vast array of technical challenges for the young team and BMD consistently found creative ways to resolve unexpected problems encountered onsite. I have no hesitations in giving BMD the highest of recommendations and look forward to working with them again on future projects if the opportunity presents."

*Superintendent's Representative,
Main Roads Western Australia*





YEAR IN REVIEW: BMD CONSTRUCTIONS SOUTHERN REGION

OUR CAPABILITIES INCLUDE:



A rapidly growing population has provided economic momentum to BMD Constructions' Southern Region operations, with unprecedented investment in roads and transport infrastructure leading to prospects within BMD's traditional and emerging markets in Victoria, New South Wales (NSW) and the Australian Capital Territory (ACT).

Increased workload has augmented the need to retain our core personnel group who are aligned to BMD's values, and enhance project teams to deliver the exceptional outcomes that BMD has become renowned for. Continuing to provide professional development and training opportunities for personnel is an enduring priority, with our collaborative approach to contracting and flat management structure remaining a key point of difference in the recruitment of new personnel.

Achieving BMD's Zero Harm goal remains a priority for the Southern Region, with both the NSW/ACT and Victorian divisions reducing their total recordable injury frequency rates by more than 45% within the last financial year. In May 2018, NSW and the ACT achieved one million hours lost time injury free (LTI), while Victoria remains LTI free since May 2017 and is also approaching one million hours LTI free. Adherence to BMD's national Health, Safety, Environment and Quality Improvement Plan, as well as the introduction of region specific improvement plans has driven notable positive change within the Southern Region.

We completed works for Sydney Airport Corporation Limited (SACL) after meeting a challenging target end date on the Qantas Drive reconfiguration project as

part of the Sydney Airport Development Plan. This project was the culmination of more than three years of collaboration between BMD and SACL through works on numerous landside projects to improve access to Australia's busiest airport.

Through relationships and locality established on the Kapooka Olympic Highway project by our ACT team, BMD formulated a unique approach to successfully deliver the Bomen Enabling Roads project, a major economic driver for repeat client, City of Wagga Wagga.

In Victoria, our long-term relationship with government body, Major Road Projects Authority (MRPA) (formerly VicRoads) was strengthened through the award of the Yan Yean Road Upgrade project in Melbourne's outer northern suburbs, and the Thompsons Road Upgrade Stage 2 project, south east of Melbourne. The Thompsons Road Upgrade Stage 2 project builds on the work already underway as part of the Thompsons Road Upgrade Stage 1 project, which strengthens our expertise in the rail sector through the removal of one of Melbourne's 50 most dangerous level crossings. BMD is also delivering a level crossing removal project at Sydenham for the Level Crossing Removal Authority. Removal of the Melton Highway level crossing will safely carry road users over the train line through three traffic lanes, bike lanes and footpaths in each direction.

Within the last 12 months, BMD successfully completed an important noise attenuation project adjacent to the M80 Ring Road for MRPA. The project involved the design and construction of 1.9 kilometres of noise wall between the Tullamarine Freeway and Pascoe Vale Road with extensive traffic management planning resulting in the project being delivered LTI free.

Our NSW team have improved flood immunity in Sydney's North West Growth Area through the successful delivery of road infrastructure upgrade project, Schofields Road for key client, Roads and Maritime Services. During the last financial year, BMD Constructions was awarded a third package of works on the Australian

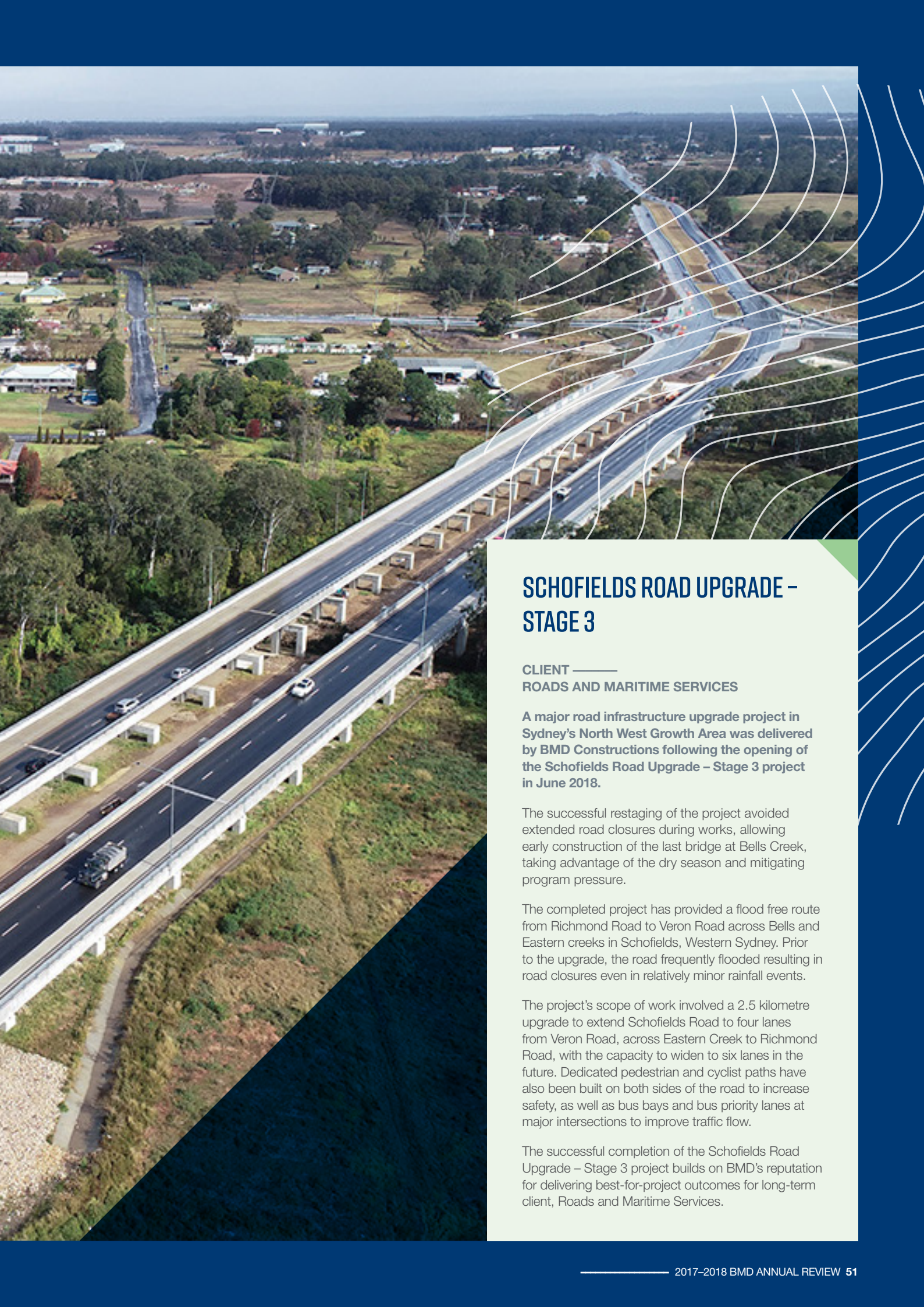
and New South Wales governments' jointly funded Woolgoolga to Ballina Pacific Highway upgrade. The award of the main civil contract complements BMD's delivery of the bridge building contract between Tucabia and Shark Creek, as well as the temporary and permanent diversion lanes between Maclean and Devils Pulpit. With major packages of work underway in northern New South Wales, a continued focus on the recruitment and retention of key resources is a priority.

Complementing BMD Industrial's foray into the renewable energy sector through completion of two solar power projects, our NSW team delivered the Group's first windfarm, Crookwell 2, located north of Goulburn. The project demonstrated BMD's policy of engaging locally based suppliers and owner operators, and maximised local input through strong relationships formed with subcontractors and community groups. The completed project has generated 91 megawatts of renewable energy for Canberra, contributing to the ACT's 100% renewable energy target.

With a high percentage of current contracts delivered for repeat clients, we continue to focus on maintaining our reputation for delivering quality products safely, on time, and via the collaborative contracting method synonymous with BMD amongst government clients. Opportunities within traditional rail, road and bridge infrastructure markets continue to present, with the business unit focusing on diversifying our current offering through renewable and traditional energy sector prospects.

Fundamental to our success within the booming Southern Region market is engaging our employees through training, development and generation of long-term employment paths to ensure we are best placed to deliver the significant opportunities presented. With a strong pipeline ahead, and a focus on our industry diversification strategies, our philosophy of 'our business is our people' is more important than ever before.





SCHOFIELDS ROAD UPGRADE – STAGE 3

CLIENT ———
ROADS AND MARITIME SERVICES

A major road infrastructure upgrade project in Sydney's North West Growth Area was delivered by BMD Constructions following the opening of the Schofields Road Upgrade – Stage 3 project in June 2018.

The successful restaging of the project avoided extended road closures during works, allowing early construction of the last bridge at Bells Creek, taking advantage of the dry season and mitigating program pressure.

The completed project has provided a flood free route from Richmond Road to Veron Road across Bells and Eastern creeks in Schofields, Western Sydney. Prior to the upgrade, the road frequently flooded resulting in road closures even in relatively minor rainfall events.

The project's scope of work involved a 2.5 kilometre upgrade to extend Schofields Road to four lanes from Veron Road, across Eastern Creek to Richmond Road, with the capacity to widen to six lanes in the future. Dedicated pedestrian and cyclist paths have also been built on both sides of the road to increase safety, as well as bus bays and bus priority lanes at major intersections to improve traffic flow.

The successful completion of the Schofields Road Upgrade – Stage 3 project builds on BMD's reputation for delivering best-for-project outcomes for long-term client, Roads and Maritime Services.



YEAR IN REVIEW:

BMD INDUSTRIAL

OUR CAPABILITIES INCLUDE:



BMD Industrial continue to strengthen the Group's position in a versatile market and remain industry leaders in the delivery of mechanical, electrical, water and wastewater, and renewable solutions for an assortment of clients.

The team continues to focus on opportunities within the resources and renewable energy sectors and successfully completed the Group's first two solar projects including the Lakeland Solar & Storage project located in North Queensland, and the Daly River Solar Plant Stage 2 project in the remote Indigenous community of Nauiyu in the Northern Territory.

The Port of Brisbane Cement Plant Civil Works project mobilised in January and involves earthworks, the installation of approximately 440 precast piles to a depth of 42 metres, and construction of a silo support superstructure including ground slab with pile caps, suspended concrete plant deck for mechanical equipment at 10 metres above ground, and a suspended concrete silo deck at approximately 14.5 metres above the ground. The works are being undertaken within the operational area of the Graincorp existing terminal facility, with the team keeping safety front of mind due to the extremely tight project footprint.

BMD Industrial's work in the wastewater sector saw the team deliver our first brownfield full process design and construct sewerage treatment upgrade project, the Ravenshoe Sewerage Treatment Plant for client, Tablelands Regional Council. The upgrade works incorporated the use of some existing infrastructure and the integration of new infrastructure to provide a budget cost, while successfully delivering the required water treatment process to comply with the negotiated draft licence and future proof the plant for the growing Queensland region.

Following the completion of the Ravenshoe Sewerage Treatment Plant Upgrade, the Industrial team moved north to Leanyer to begin construction of the Leanyer Sanderson Waste Stabilisation Ponds project. The \$15 million project for Power and Water Corporation involves upgrading inlet works to improve the integrity of the ponds to reduce odour. BMD Industrial, in conjunction with BMD Urban, are delivering civil, mechanical and electrical related works as a design and construction contractor, allowing the team to deliver smarter solutions for the client's end users by reducing long-term maintenance issues.



The Kingborough Sewerage Upgrade project for repeat client, TasWater is progressing well with the team having now completed construction of the large concrete Intermittently Decanted Extended Aeration bioreactor at the Blackmans Bay Sewerage Treatment Plant. The project is on track for commissioning before the end of 2018.

Contributing to BMD's Zero Harm goal remains a priority with the team achieving a 24% decrease in our 12 month rolling average total recordable injury frequency rate. Consistent communication around safety targets and reinforcing the fact that achieving Zero Harm is everyone's responsibility remains at the forefront of the Industrial team's health, safety, environment and quality improvement strategy.

Within the last 12 months, BMD Industrial welcomed new senior management members to the team. With their past experience supporting the continued growth of our expertise in the water and solar industries, we are looking to further expand our current project portfolio within these capabilities. With the Australian mining recovery continuing to strengthen, we remain optimistic in returning to the resources industry as suitable opportunities arise.

LEANYER SANDERSON WASTE STABILISATION PONDS INLET WORKS UPGRADE

CLIENT ———
POWER AND WATER CORPORATION

The Leanyer Sanderson Waste Stabilisation Ponds were constructed in 1972 and treat wastewater from schools, Royal Darwin Hospital, commercial premises, and 50,000 residents across Darwin's northern suburbs.

Under a design and construction contract, BMD Industrial is upgrading the treatment process to improve wastewater treatment and the facility's environmental outcomes through construction of a new inlet structure.

Design optimisation has led to the removal of a proposed secondary pump station in favour of overland drainage and the comprehensive consolidation of all mechanical equipment, leading to key savings for client, Power and Water Corporation.

The inlet structure has also been designed for ease of future upgrades, with elevation providing sufficient hydraulic head capacity for future expansions.

Further upgrades and maintenance works at the plant were scheduled to commence following the completion of the project. As a result of the project team's collaborative relationship with the client, BMD Industrial is managing the tight interface to allow for additional works to begin without disruption.



YEAR IN REVIEW: BMD URBAN

OUR CAPABILITIES INCLUDE:



BMD Urban continues to strengthen our position as one of the country's key urban development and minor infrastructure contractors.

Our project portfolio extends to every mainland state and territory in Australia and our relationship based approach to contracting continues to underpin our organisation's success, illustrated through the 74% of projects delivered for repeat clients.

With 117 projects awarded, equating to more than \$350 million of work, the last 12 months have demonstrated our capacity to remain flexible and adaptable to the fluctuating national residential market. During the last year, 450 projects across seven regions have contributed to the businesses turnover of \$477 million, and our teams continue to deliver innovative solutions for private and government clients in industries including residential, industrial and commercial land development, energy infrastructure, building, pipeworks, sporting facilities, and community infrastructure.

A focus on approaching estimating as one cohesive team was prioritised, with employees across the country successfully collaborating, sharing resources, and managing workload to tender more than \$2 billion worth of work in the last 12 months.

A major strength of BMD Urban's capability is the growth of our self-performing capacity across our operations. More than 50 employees have travelled interstate to assist with increased workload, and support the transfer of knowledge around sewer, stormwater and water reticulation with our growing teams within the Victorian, Northern Territory and South Australian regions.

Our capable, long serving workforce continues to foster our unique approach to contracting and assists in embedding our family culture and national values into new employees to retain The BMD Way of doing things differently. This philosophy is synonymous with delivery of best-for-project outcomes for clients and we are proud that over 20% of our workforce have been part of the BMD family for more than 10 years.

BMD Urban projects and employees received extensive industry recognition in 2017, with Minnippi residential estate in Brisbane receiving a national Civil Contractors Federation Earth Award, and the London Street Bridge Upgrade project in Adelaide receiving an Institute of Public Works Engineering Australia (IPWEA) award. The ability of our capable workforce was acknowledged through eight individual awards, in training and women in civil categories.

BMD Urban has continued to exhibit BMD's vertically integrated strategy, collaborating with every BMD business unit to leverage local resources, utilise existing project and region knowledge, and reduce margin on margin costs for clients. Major projects successfully demonstrating this strategy include the Leanyer Sewerage Treatment Plant Upgrade project in Darwin in conjunction with BMD Industrial; the Springfield Sports Field and Commonwealth Games Parklands projects in South East Queensland which subcontracted works to BMD's landscape construction arm, JMac Constructions; residential estates Capestone in Brisbane and Zuccoli in Darwin which has seen BMD Urban work closely with design arm Empower Engineers & Project Managers and property development business unit, Urbex; and Brisbane's new runway at Brisbane Airport through the sharing of pipe crews with BMD Constructions.

A continued focus has been placed on growing our portfolio of projects with national developer clients including Stockland, Lendlease, Avid, Villa World and Defence Housing Australia. This growth has highlighted the need to drive consistency in the way our people deliver projects, and a priority has been placed on ensuring personnel correctly execute BMD's processes and procedures, driving consistent results across our residential estates nationally.

With Australia's residential market generally remaining buoyant, BMD Urban is well placed across the country to service growth markets including New South Wales, Australian Capital Territory, Victoria and Queensland. With the ability to reassign resources from lull and recovering markets such as Northern Territory, South Australia and Western Australia, BMD continues to serve long-term clients with certainty, despite varied market conditions. Diversification of our core offering in the Northern Territory has seen BMD Urban deliver commercial and industrial land development projects as well as water and wastewater projects, and our building capability remains strong in South Australia through the delivery of projects including the Nan Hai Pu Tuo Temple and STEM works package projects.

The safety of our people, and the communities in which we operate is our priority and we continue to focus on reducing cuts, slips and strains which remain an area for improvement within the BMD Urban business. Across the 2.9 million hours worked within the last 12 months, our total recordable injury frequency rate was reduced by 6% and our lost time injury frequency rate decreased by 21%. We remain focused on achieving our Zero Harm goal by implementing initiatives including our national health, safety and environment improvement plans, safety training days, and by taking a top down approach to safety, led by the senior leadership team.

After embarking on a simplification project to ensure our processes remain a valuable tool for key site staff, the use of tablets in the field were implemented after a successful trial period. Following the delivery of positive results, BMD Urban will look to implement a similar project for engineering and project management staff. An emphasis on simplification aligns with our focus on doing what we do well by challenging and developing our people, enhancing our existing client relationships, and continuing to build our capability within progressive industries.



BMD was appointed as the contractor to replace the existing London Street Bridge over the railway line. BMD engaged suppliers,

contractors and key stakeholders in a unique way providing timely and consistent communications with updated timelines and information. The support for the local community was evident in BMD's engagement of local contractors and through purchasing goods locally to the benefit of the wider community. I commend BMD on a project well done. I would recommend BMD as a contractor without any hesitations."

*Manager Civil Operations,
City of Port Lincoln*



COMMONWEALTH GAMES PARK 'N' RIDE OVERLAY

CLIENT ———
DEPARTMENT OF TRANSPORT AND MAIN ROADS

Queensland Government authority, Department of Transport and Main Roads awarded BMD Urban the Park 'n' Ride Overlay package of works as part of their planning for the 2018 Commonwealth Games. The scope of works involved setting up temporary transport hubs and carparks to cater for the increased number of people visiting the Gold Coast during the event. The 6-week long project involved the installation and pack down of necessary temporary infrastructure at 42 individual sites and included:

- ▼ 12,000 car park spaces
- ▼ 5 kilometres of water filled barriers
- ▼ 4 kilometres of temporary fencing
- ▼ 12,500 metres of crowd control barriers
- ▼ 22,000 metres of bunting
- ▼ 12,000 metres of temporary pedestrian matting
- ▼ 140 concrete security blocks
- ▼ 75 toilet blocks with tanks and generators
- ▼ 104 light towers.

During the Commonwealth Games, as an additional scope of works, the project team were called on a Saturday night, to assist in the construction of six new bus loading platforms complete with walkways, barriers and ground improvement.

After six hours of cooperation between BMD Urban and two other companies, the job was completed in the early hours of the morning due to excellent collaboration and teamwork.

After the Commonwealth Games ended on 15 April 2018, the project team successfully demobilised 90% of the transport overlay in just one week. This included reopening four train stations and two schools within the first eight hours following the closing ceremony.

BMD worked collaboratively with the client, local government, service providers, Games' officials, and the public to ensure sites were maintained with minimal disruption to operations, residents or businesses.

The Commonwealth Games Park 'n' Ride Overlay project demonstrates BMD's flexibility and dedication to completing quality work on time, under budget and with no safety or environmental incidents, despite extremely tight timeframes.





YEAR IN REVIEW:

EMPOWER ENGINEERS & PROJECT MANAGERS

OUR CAPABILITIES INCLUDE:



While Empower Engineers & Project Managers (Empower) continue to deliver in traditional markets including complex land development and road design projects, a diversification strategy has provided dividends for the company.

Diversification into new capabilities including airports, and mining and resources has been successfully achieved and moving forward Empower will continue to capitalise on these sectors. Geographic expansion in road design is being achieved nationally using the BMD Group's vertical integration strategy with Empower targeting projects in Western Australia, Victoria, and South Australia. Building experience in both airside and landside airport works remains a priority with Empower exploring potential opportunities at airports including Darwin, Townsville, Gold Coast, and Brisbane.

Empower was awarded the Darwin Airport Commercial Terminal Apron Surface Overlay project and as lead consultant will run six specialist subcontractors to deliver the project which includes survey, geotechnical works, site movement management, pavement assessments, horizontal and vertical design modelling, lighting adjustments, and overlay design.

We continue to remain focused on the mining sector, with our commitment in this space leading to the award of a number of projects across a range of Central Queensland mines including works for Wesfarmers Resources at Curragh coal mine near Blackwater, Rio Tinto at Kestrel coal mine, near Emerald, and Ensham Resources at Ensham coal mine, also near Emerald. These projects include road upgrades on and off mine site, an assessment of a coal wash plant water reuse thickener, and piled foundations for an underground extraction fan installation. The diversity of clients and work in this sector is now beginning to foster new opportunities for fellow BMD Group company, BMD Urban.

Empower continues to illustrate BMD's vertical integration strategy through collaboration with fellow BMD Group business units to deliver exceptional project outcomes for residential estate projects across the country. A focus on delivering water bodies including lakes,

dams, wetlands, and basins across a number of projects has highlighted our ability to deliver intelligent design through a successful client partnership model. The last 12 months has seen Empower contribute to the creation of a lake at Capestone residential development in Brisbane, preliminary modelling for potential water bodies as part of the Zuccoli residential estate in Darwin, and various irrigation dams, stormwater runoff, water harvesting diversions and water harvesting pipe networks in close collaboration with the Minnippi residential estate project team.

As a team of dedicated engineering design professionals, our people continue to advance their skills through the completion of university studies and specialised training in stormwater, pavement, and detailed design. Our employees work closely with niche consultants as required to deliver a wide range of projects that continue the further diversification of our offering to clients.



WELLINGTON STREET UPGRADE

CLIENT ———
REDLAND CITY COUNCIL

Empower was engaged to deliver the multi stage design for the duplication of 4.3 kilometres of arterial carriageway along Wellington Street and Panorama Drive, between Russell Street/Wellington Street and Boundary Road/Panorama Drive in Cleveland, Queensland.

Repeat client, Redland City Council engaged Empower to deliver design and documentation works from preliminary phase through to final detailed design including full geometric modelling and detailing, pavement and intersection designs, services and utilities relocation, traffic counts, road safety barrier assessments and road safety audits, and Department of Transport and Main Roads Roadside Impact Severity Analysis.

The project and subconsultant team delivered geotechnical investigations, concept to detailed design with associated documentation, site specific management plans, as well as For Construction drawings for traffic, lighting and signalisation to upgrade two existing signalised intersections, construct new signalised intersections at four locations along Wellington Road, and upgrade two non-signalised intersections.

Through detailed investigation and planning, the design team overcame challenges including extensive services relocations in a constrained and congested corridor to deliver seamless design interface from the existing two lane carriageway to the new four lane carriageway. Fauna crossings were also integrated into the design to allow local wildlife to cross the road in two locations.



YEAR IN REVIEW:

JMAC CONSTRUCTIONS

OUR CAPABILITIES INCLUDE:



Despite varying market conditions in JMac Constructions' (JMac) operational regions of North Queensland, South East Queensland and Victoria, the commercial landscape building construction business achieved record turnover in the 2017-2018 financial year.

JMac continues to deliver innovative landscapes within residential developments, through parklands, playgrounds, recreational spaces and sporting facilities, and unique building projects. Our integrated ability to provide a complete landscaping and building service allows us to deliver industry leading project outcomes to an array of clients across the private and public sectors.

Our pipeline of work in North Queensland was buoyed by the Queensland Government's Works for Queensland program, which provided \$400 million for numerous infrastructure upgrade projects in the state's regional centres.

As part of Works for Queensland Package 1, JMac delivered multiple projects for Townsville City Council including the Edison Park upgrade which involved construction of a dog off-leash area, new irrigation, pathways, pedestrian bridges, and a fitness combo-unit station. After the successful completion of the Stage 1 upgrade to the iconic Strand Water Park, JMac was awarded Stage 2 which provided more shade and seating throughout the park and was successfully delivered ahead of schedule with minimal impact to water park users.

The South East Queensland market remains strong with JMac delivering multiple projects as part of residential developments, as well as various public infrastructure and commercial development projects. We continue to successfully collaborate with BMD Urban within this region, illustrated through the on time, and on budget delivery of milestone project Parklands Village Heart as part of the 2018 Commonwealth Games athletes' village. JMac was also a major contributor to the successful delivery of hard and soft landscaping works as part of the Northshore Hamilton project for Economic Development Queensland. JMac continues work on the Springfield Central Sports Complex for client Lendlease, which once completed, will provide sports facilities for the community of Greater Springfield, the largest master planned city in Australia.

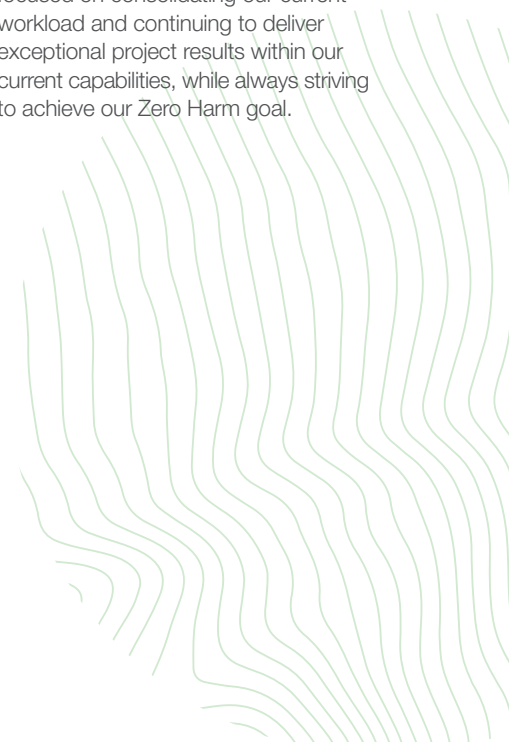
Within the last financial year, JMac continued to diversify within our commercial and residential building arm to focus on servicing Urbex's internal needs and assist in continuing to deliver best-for-project outcomes for our long-term local government clients in South East Queensland. Construction of the Yarrabilba Sports and Community Centre, a 380m² fully accessible community clubhouse with change rooms, offices, commercial kitchen and function room, commenced in March 2018 with JMac working closely with client, Logan City Council, to identify cost savings and reduce the overall cost of construction.

While the market has remained challenging in Victoria, JMac's re-established team in the region have begun to exhibit dividends with the award of packages of work for major development clients including Stockland, Villa World, and Frasers Property. Within the last 12 months, the team successfully secured works as part of major residential developments

including Sunbury Fields in Sunbury, north-west of Melbourne, and Cardinia Views in Pakenham, south-east of Melbourne. A continued focus on building a solid baseload of work remains a priority, while also continuing to target opportunities in the residential development and local government space.

The capability and capacity of our close knit team was again illustrated through the achievement of record turnover in both North Queensland and across the business unit as a whole. While the team has not experienced significant growth, in terms of number of employees, their ability to meet challenging program targets, coupled with their expertise in the construction space, sustains JMac's reputation as an industry leader in the delivery of unique and varied projects.

Moving forward, JMac will remain focused on consolidating our current workload and continuing to deliver exceptional project results within our current capabilities, while always striving to achieve our Zero Harm goal.





NORTH SHORE P6 ENTRY WORKS

CLIENT ———
STOCKLAND

JMac continued our long-term relationship with client, Stockland as part of the P6 Entry Works project at the North Shore residential estate in Townsville.

The project involved landscaping for the estate's new display village, construction of a playground, kids sport surface, outdoor Cross Fit facility, and café precinct. The project team also completed feature entry statements and constructed the village's boulevard. In a first for JMac, the project involved the installation of a Kangaroo Air Jumper, a massive inflatable pillow for children to use within the village.

Inclement weather during construction saw Townsville receive 1 metre of rain in the two weeks leading up to the project's public opening. The collaboration and commitment of the project team saw successful delivery of the project mere hours before 5000 people attended the display village's opening event.

The display village showcases what the North Shore community is all about, and features 16 homes from 10 local builders. JMac is proud to have delivered an iconic project for the Townsville community and looks forward to continuing our relationship with Stockland in North Queensland.



PARKLANDS VILLAGE HEART

CLIENT ———
GROCON DEVELOPMENTS PTY LTD

The Commonwealth Games was one of Australia's largest and most prestigious sporting events of the decade, where athletes from around the world converged on the Gold Coast in April 2018 to compete in a range of sporting pursuits. JMac contributed to the success of the event through creation of a recreational precinct for the Commonwealth Games athletes.

The Parklands Village Heart project involved major landscaping works including all streetscapes throughout the precinct, formed concrete walls, decorative pavements, and bespoke custom furniture.

The project also included the installation of the Village Heart which was the epicentre of the entire village. The centrepiece of the Village Heart was a large custom designed cantilevered, resin infused, composite fibre building with an integrated programmable water curtain complete with integral feature lighting.

During construction, the project team identified that local knowledge and understanding of the complexities of the built environment surrounding the proposed location for the disc would be paramount to delivering such an important piece of infrastructure. By utilising the latest in point cloud scanning technologies during the project, the client was able to realise significant cost savings whilst having confidence that the installation process was completed safely and seamlessly.

YEAR IN REVIEW: URBEX

OUR CAPABILITIES INCLUDE:



7 ACTIVE RESIDENTIAL ESTATES

Urbex has continued to adapt to changing market environments, diversifying our product offerings and focusing on growing our national residential land portfolio, with seven active residential developments.

With major infrastructure being delivered across Queensland and Victoria over the last 12 months, a boost to jobs and population growth in these markets has been realised. Strong demand in both these regions saw a healthy up take of land at our Capestone project in Mango Hill, Queensland and Mandalay in Beveridge, Victoria. In early 2018 we also commenced Harriet Lane, which comprises 49 generous sized lots in the growing northern Gold Coast corridor.

In the last 12 months Capestone in Brisbane has reached a maturity where sufficient public amenity and recreational nodes have been delivered, including the commencement of construction on the final stages of the lake. This has resulted in the sale of six medium density sites, positioned adjacent to the lake and the rail station precinct, with developed product forecast to enter the market in early 2019. In the last six months our first lakeside lots were also launched to the market and are now 30% sold.

Urbex's success as an industry leader in delivering residential communities can undoubtedly be attributed to the commitment shown by the entire team. The quality of our people has enabled us to deliver award winning communities to the market as well as acquire new opportunities. Urbex continues to partner

with fellow BMD Group companies on projects across our portfolio, and this integrated business model remains key to our success. This collaboration has been particularly evident at Capestone, where we delivered four stages and met our financial year targets.

Urbex is now well on track to deliver the Group's first apartment development, which will target the owner occupier market in Brisbane's bayside suburbs of Wynnum and Manly. We look forward to working with JMac Constructions who will build the apartments and deliver these landmark projects.

Having had a strong presence in North Queensland for almost two decades, Urbex has now commenced our first development in the Cairns region. Enclave, just 7 kilometres from the Cairns CBD, has had strong purchaser interest to date. Settlement of the land was effective in March, with lots expected to be released to the market in September 2018.

After previously taking out the Queensland branch award, Minnippi in Cannon Hill was awarded the 2017 National Civil Contractors Federation (CCF) Category 4 Earth Award (project valued \$10 million to \$30 million). This national industry award recognised the quality outcomes delivered under challenging conditions, including on time and budget delivery of the development with exceptional presentation and enhancement of the environment.

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LOTS SOLD

As with all our residential communities, the point of sale experience offered by the Urbex Realty team remains the key to continued sales performance. We believe our ability to understand purchasers' affordability thresholds and housing requirements place us in a unique position to continue to expand the Urbex experience. Urbex Realty this year broadened its service offering to include resales and commercial leasing, and we look forward to growing in this space in the future.

CIRCA 700 LOTS RELEASED TO THE MARKET

A key focus this year will be to progress and align Urbex's digital marketing initiatives within the everchanging digital space. This will ensure we have integrated strategies to grow and engage our potential purchasers and existing residents effectively.

In the year ahead, we will be exploring opportunities in Western Australia and South Australia, as well as Victoria. Urbex looks forward to continuing our delivery of exceptional communities around Australia, both on our own and in joint venture partnerships.





MANDALAY

Forming part of Melbourne's growth corridor, Mandalay at Beveridge remains the leading golf course based residential community in Melbourne, with exceptional value for money house and land solutions on offer. A joint venture between Newland and Urbex, Mandalay has benefited from not only a strong population growth but the uniqueness of the product offering, in what is a very competitive area.

Having delivered over 1000 lots to the market since commencing in 2007, the project has excelled, with titled lots to market within 12 months of sale, resulting in little wait for land in the booming Melbourne market. Upon completion, up to 2100 new homesites will have been created. BMD Urban continue to undertake the development's civil works, delivering over 350 lots in the last financial year.

Centred around a golf course designed by the late golfer Peter Thomson, the 18 holes are framed by rolling hills and challenge even the most experienced golfers. For residents, both present and future, having lush green lawns to look at, maintained by the club, is a strong attraction. The championship golf course was voted 45 in Australia's top 100 public access golf courses in 2018.

Over 40% of the 260 hectare development is dedicated to an expansive network of open space, providing residents plenty of options when venturing outdoors. With lot sizes averaging 500m², these larger spaces are proving popular for families seeking space and a resort-like lifestyle, still within easy reach of surrounding amenities.

The development also includes Club Mandalay, a unique lifestyle precinct. The popular community hub offers a haven for residents, providing a fully equipped gym, fitness room, outdoor heated pool, children's water park area, tennis courts, café/bistro, and a function room.

Current sales activity is focused on the north-east corner of the project in stage 23, which is a super stage of 73 lots, 36 townhouses, and encompasses a primary school site and a future retail area. The development continues to track extremely well, with an estimated completion in 2023.



YEAR IN REVIEW: PRIME BMD

OUR CAPABILITIES INCLUDE:



BMD's international strategy demonstrates the philosophy 'our business is our people'. BMD is providing international opportunities for Australian based employees, fostering a loyal and capable workforce through respecting culture, maintaining trust, upskilling local employees, and instilling The BMD Way through the support of senior management seconded offshore to cultivate our relationship based approach to contracting.

Through the successful delivery of the Victoria International Container Terminal project at Port of Melbourne, BMD established a relationship with international client, International Container Terminal Services Incorporated (ICTSI). This led to an opportunity to export our unique offering internationally through delivering the value of a local contractor in the Philippines, with international heritage and construction expertise, providing comprehensive business management systems and strong technical construction expertise.

BMD's infrastructure capability in the Philippines is being delivered by entity, Prime BMD which is a partnership with local based Prime Metroline Infrastructure Holdings. With operations in the Philippines established in 2017, BMD has been working in the region for 18 months with our first full year of operations occurring in the 2017-2018 year. An aligned corporate structure has ensured the placement of risk strategies and processes to support our offshore growth strategy.

Since establishment, Prime BMD has achieved success in 25 contracts acquired, totalling AUD\$105 million in works and grown the team to 150 full-time employees, including four seconded long-term BMD personnel. With 146 full-time Filipino employees, BMD has focused on upskilling the team to our Australian industry leading system, and invested in training resources in cost estimation, planning, constructability and risk management.

Prime BMD combines international heritage and expertise, comprehensive business management systems, and strong technical capability to upskill the workforce to a culture focused on BMD's goal of operating incident and injury free, and ultimately achieving Zero Harm. BMD's export of our strategic capability is supported by our comprehensive core business management systems, processes, and nucleus management team of long-term BMD staff. The investigation and implementation of specific training programs has assisted in addressing identified skills gaps in the Philippines, including ensuring the completion of trades. With an entirely local team, higher supervision has been required to implement BMD's stringent approach to safety and systems.

Prime BMD is delivering infrastructure to significantly improve the quality of life for the expansive ASEAN community. Through public-private partnership projects in conjunction with local partners, Prime BMD is delivering foreign aid infrastructure, and privately funded developments. With a commitment from Government to a robust infrastructure agenda and a project pipeline including airport, port, rail and highway projects, Prime BMD's capability is well aligned and market sustainability is evident.

The business is now self-sufficient from a funding perspective and generating sufficient cash to fund its expenses. It is predicted the business will break even in March 2019, with a significant growth in profit forecast following the award of several major port projects at the Port of Manila.

OUR NETWORK

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EMPLOYEES

18 NATIONAL AND
INTERNATIONAL OFFICES

1 FAMILY



