



ANNUAL REVIEW
2014/2015

We see things differently



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GROUP

The BMD Group expanded geographically to become a truly national company with projects operating in every state and territory of Australia.

BMD Urban's annual revenue reached record highs with the award of 114 contracts, delivered by 550 staff.

Secured position 14 in Brookfield Multiplex's Top Construction 100 based on contracts won for 2014/2015.

BMD's strategy of vertical integration saw the highest levels of collaboration on projects across the Group's five business units.

WESTERN AUSTRALIA

Established BMD Constructions and BMD Urban presence in Western Australia with the opening of a Perth based office.

Appointment to key Western Australia Main Roads projects including Vasse Bypass.

Built on BMD's existing capabilities in airport infrastructure with the successful delivery of the Busseton Airport's apron expansion, facilitating further Fly In Fly Out (FIFO) operations in the region.

NORTHERN TERRITORY

JMac Constructions successfully collaborated with BMD Group companies to deliver landscaping works for multiple stages of the Zuccoli Village, Tiger Brennan Drive and the City of Palmerston's Goyder Square.

Appointed to our first Managing Contractor role for the Tiger Brennan Drive upgrade which is a testament of BMD Constructions in house systems and commercial capability.

The Civil Contractors Federation Training Awards 2014 recognised the achievements of three BMD Urban staff taking out First Year Apprentice of the Year, Indigenous Trainee Award and Mature Age Achiever Award.

NORTHERN QUEENSLAND

Civil Contractors Federation (CCF) awarded the 2014 Earth Award to the CairnsConnect Joint Venture, comprising of BMD Constructions and Albem Operations, for the design and construction of the Bruce Highway Upgrade, Cairns. This project also received the Engineers Australia Excellence Award for Category 7: Project Infrastructure over \$50 million.

Savings of \$5 million were achieved on the Blakeys Crossing Upgrade in Townsville. The project was also delivered on time and Lost Time Injury free.

The Hay Point Expansion – Phase 3: Pre-reclamation, quarry and reclamation project was awarded the Time Saving Initiative Award by Queensland Mining Contractors.

Appointed to Aurizon's \$33 million rail triplication, Aldoga Rail Project (WIRP Segment 2), completing the final segment of the Wiggins Island Rail Project (WIRP).

BMD Urban continued to secure repeat work with Defence Housing Australia at Bluewattle Estate, where more than 150 lots were delivered.

SOUTHERN QUEENSLAND

JMac Constructions worked consistently throughout the year on Greater Springfield's Robelle Domain lagoon, the largest of its kind in the Southern Hemisphere.

Completed APLNG's Combabula Project works recordable injury incident free as well as engineering 20% in cost savings for APLNG.

Contributing to JMac Constructions highest turnover of \$50 million, projects awarded included Karawatha Forest, Beenleigh Town Centre, Ripley Water Play, Commonwealth Games Parklands Project and Roma Street Parklands.

Successfully completed and opened Brisbane's newest tunnel, the \$1.5 billion Legacy Way.

Built on BMD's collaborative reputation to deliver the Robinson Road Open Level Crossing Replacement Project three months ahead of schedule, as part of the Geebung Overpass Alliance with partners Brisbane City Council and SMEC Australia.

BMD Constructions' work on Brisbane Airport Corporation's New Parallel Runway Phase 1 – Civil Works earned them the Engineers Australia (Queensland) Environmental Award.

BMD Urban appointed to redevelop the former Gold Coast Parklands site into what will serve as the Athletes Village for the 2018 Commonwealth Games.

220 lots were delivered across a number of projects by BMD Urban for longstanding client, Stockland.

NEW SOUTH WALES

Strengthened our reputation and capability in the New South Wales roads sector, securing key new projects in Sydney's South West Growth Centre including the \$110 million Bringelly Road Upgrade – Stage 1 project.

Secured new works at Sydney Airport for Sydney Airport Corporation Limited and continued to demonstrate our ability to safely deliver projects in high risk operational environments whilst managing multiple interfaces and stakeholders.

Achieved more than 250,000 man hours Lost Time Injury (LTI) free at the Camden Valley Way – Stage 3 project site.

Implemented the Southern Region Safety Improvement Plan (SIP) which has significantly contributed to reducing incidents involving people and plant interaction.

Focused our efforts on behavioural based safety leadership and increased the awareness of risk and change management within our business.

Welcomed more than 100 new staff into the New South Wales BMD Constructions and BMD Urban teams, successfully integrating them into 'The BMD Way'.

Bringelly Road Upgrade – Stage 1 repeatedly considered best practice example of erosion and sediment control during site audits conducted by client, Roads and Maritime Services.

AUSTRALIAN CAPITAL TERRITORY

Rolled out Construct Health's 'Switch on for Work' safety initiative, working towards Zero Harm.

Completed more than 250,000 hours Lost Time Injury free in the ACT.

Delivered multiple stages of the Lawson South Estate on behalf of the Land Development Agency, with the final stage completed eleven weeks ahead of schedule.

Teams from the ACT started works on Roads and Maritime Services' Bridges for the Bush, \$39 million Kapooka Bridge replacement on the Olympic Highway near Wagga Wagga.

VICTORIA

Continued to expand our VicRoads portfolio, securing the \$55 million Buangor Bypass project and the \$12 million High Street Road duplication.

Zero environmental incidents while completing dredging activities at Wyndham Harbour.

Independently secured BMD's largest ever project, the \$200 million container terminal expansion for new client, Victorian International Container Terminal (VICT) at the Port of Melbourne's Webb Dock site.

Achieved more than 500,000 man hours Lost Time Injury (LTI) free at the Port of Melbourne Roads and Services package site.

JMac Constructions completed an \$8 million landscaping project as part of the Port of Melbourne's Road and Services package delivering soft landscaping, boardwalk, shared user path network, public fitness equipment and furniture including beach showers, seats and drinking fountains.

BMD Urban continues to be presented with additional stages at the Merrifield Project, now totalling almost 500 lots awarded. The Merrifield Project is to become Victoria's largest fully master-planned mixed-use community.



TASMANIA

BMD Industrial commenced work on BMD's first Tasmanian based project with the upgrade of eleven wastewater treatment plants on behalf of TasWater.

SOUTH AUSTRALIA

Appointed to construct the iconic \$8.4 million Henley Square redevelopment in Adelaide.

BMD Urban demonstrated our diverse capabilities with the installation of an 18 metre tall granite Buddha statue at the Nan Hai Pu Tuo Temple in Sellicks Hill.

Following an Early Contractor Involvement process, BMD Urban was appointed to the \$4.5 million Kauri Parade, Seacliff tennis court project on behalf of the City of Holdfast.

CAPABILITIES

AIRPORT



BUILDING

RAIL

DEFENCE

INDUSTRIAL

MAINTENANCE



OIL AND GAS

PORT AND MARINE



TUNNELLING



ROAD AND HIGHWAY



RESOURCES AND ENERGY



URBAN
DEVELOPMENT

WATER AND WASTEWATER

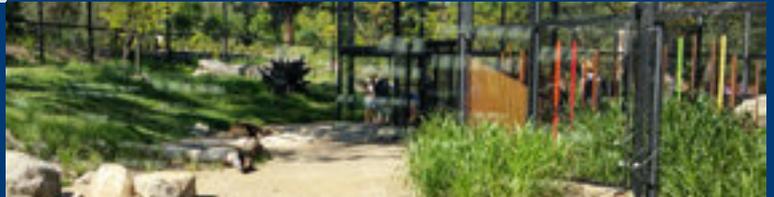


LAND DEVELOPMENT



REGIONAL AND REMOTE
INFRASTRUCTURE

LANDSCAPING



BUILDING CONSTRUCTION



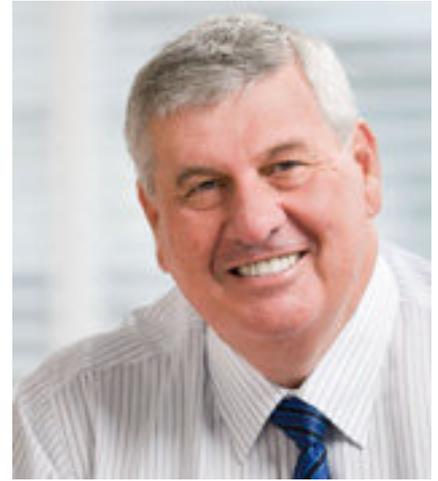
SPORTING AND RECREATIONAL

ENGINEERING DESIGN



As we continue to grow and
" **expand**, our **culture** remains
our point of difference.

CHAIRMAN'S REPORT



The achievements of the BMD Group throughout this financial year have redefined our capabilities and established new benchmarks for our operations.

This year has seen the successful completion of our largest project to date, the \$1.5 billion Legacy Way tunnel in Brisbane, as well as our expansion into new regions and industry sectors.

Applying our learnings over the past 36 years in business, these new ventures have all been executed following careful planning and consideration. Our longevity in business has allowed the BMD Group the courage to take calculated risks to sustain our growth, and broaden our scope at a manageable pace. With the full support of the BMD Board, our strategies have delivered exceptional outcomes for our business and our clients.

As we continue to grow and expand, our culture remains our point of difference and this has once again seen us supported by our loyal client base. Few companies can boast having anything similar to our '20 Year Club' with more than 64 employees having dedicated their careers to the BMD Group.

Our people continue to show their dedication to our shared Health, Safety, Environment and Quality goal of Zero Harm. We have once again reached new benchmarks in this space, proving that we can continually improve and innovate to reduce, and ultimately remove, risk to our people, the community and environments in which we operate.

BMD's approach to business is firmly underpinned by a philosophy to 'support the local communities in which we operate' – a philosophy that we established in 1979, long before local industry participation initiatives were formerly introduced into the industry. We are proud of the long-term, key supplier relationships that have developed as a result of this philosophy.

Our ability to have a positive impact in the community is intrinsically tied with our support for Aboriginal and Torres Strait Islander engagement. We continue to strive to provide tangible opportunities and this year the BMD Group has partnered with the Clontarf Foundation. The Foundation, and their school-based academies, advocate to improve education, well-being and employment prospects for young Aboriginal men.

By striving to do better, the BMD Group has continued to prosper, paving our way to a sustainable future.

Mick Power AM
Group Board Chairman and Managing Director

THE BMD GROUP

BMD Constructions offers civil construction services for major infrastructure projects throughout Australia. Expertise, experience and resources are applied across the industry sectors of transport, water, rail, port, resources, and oil and gas. The company engages in projects ranging in value from \$1 million to in excess of \$1 billion as a principal contractor, managing contractor and in joint venture with other major contractor and design partners.



BMD Industrial, a division of BMD Constructions, is managed by a group of highly experienced industry executives who assemble professional project teams to deliver structural, mechanical, piping, electrical, fuel systems, water and wastewater solutions for a diverse range of clients and industries.



BMD Urban is a specialist civil and building contractor to the urban development industry. The company draws on over 36 years of experience from within the BMD Group and utilises robust management systems, delivery methodologies and a relationship based approach, specifically tailored to the needs of this industry. Integrated services can be offered in partnership with BMD Consulting, JMac Constructions and Urbex to achieve seamless and cost effective project delivery.



BMD Consulting provides civil, structural and geotechnical engineering design, project management services and Mechanical, Electrical and Civil (MEC) design via its strategic alliances. BMD Consulting's experience includes residential, commercial and industrial developments, infrastructure and resource projects across metropolitan, regional and remote areas. Key services include planning and feasibility studies, trunk road corridor planning, water and sewer infrastructure network planning, flood studies, stormwater quality management, detailed design and documentation of infrastructure (roads, earthworks, stormwater, water and sewer), structural engineering and shoring and foundation design.



JMac Constructions specialises in landscape construction including residential, commercial, industrial, public infrastructure, environmental rehabilitation and long term care and maintenance. From streetscapes, boardwalks, public structures, stone entry statements, playgrounds and parklands, JMac Constructions has the ability to successfully construct and create unique landscapes of all shapes and forms.



Urbex is an innovator in residential and commercial development, undertaking wholly owned projects and joint ventures in developments of varying scale and size. Harnessing leading talent in project structuring, planning, management, delivery and marketing, Urbex delivers excellence in the creation of new communities to meet the lifestyle needs of Australians today and into the future.



CORPORATE STRATEGY

OPERATIONS



The BMD Group has continued to demonstrate our business acumen through our foresight to expand our capabilities and geographical footprint as well as our resilience in spite of the downturn in key markets and regions.

This year saw BMD expand our offering to Western Australia and Tasmania, making the BMD Group a truly national company. Our entrance into Western Australia has been well received by clients in our traditional capabilities of roads, highways and land development.

BMD Industrial has continued to grow and increase their market share delivering mechanical, electrical and civil projects for clients across Australia. With the appointment of BMD Industrial to TasWater's wastewater upgrade program, a site-based team was mobilised to Tasmania for our pioneer project in the state.

In building the BMD Group, a major objective was to provide an integrated service offering to our clients. This year has best demonstrated our vertical integration capabilities with multiple BMD businesses collaborating to deliver projects such as Johnson Ridge and Zuccoli in the Northern Territory and Capestone in south-east Queensland.

These projects have seen each business excel at their core capabilities as Urbex delivered development management; BMD Consulting undertook engineering design and project management; BMD Urban completed civil construction works and JMac Constructions provided landscaping and maintenance works.

BMD Urban has once again excelled this year with record numbers of tenders and projects delivered. The business has significantly contributed to the BMD Group's overall turnover of \$1 billion. Since BMD Urban's establishment in 2012, they have worked on iconic projects throughout Australia and this year those include the former Gold Coast Parklands site, the Boulevard project in Palmerston, Northern Territory and the Merrifield development in Victoria.

A major success of the past financial year has been the successful, on time delivery of the Legacy Way tunnel in Brisbane, Queensland. This project saw BMD provide senior management coverage across all disciplines including BMD systems used for the entire project, the supply and maintenance of all information technology as well as management of all payroll for the Transcity Joint Venture. The project has been recognised by the industry with the award of numerous accolades including the Infrastructure Partnerships Australia Project of the Year, the International Tunnelling Award and the International Road Federation Global Road Achievement Award for Environment and Community Mitigation.

We have continued to apply our relationship based approach to our projects and clients. Maintaining our culture and 'The BMD Way' has been a key focus as we continue to grow and expand, ensuring that each of our people understand what it means to do business with BMD. This comes through investing in our new and existing workforce. We have continued initiatives including 'new starter' and graduate days for the record number of personnel we engaged this year.

To support our people in the delivery of projects, BMD continues to invest in our systems and this year introduced a national Contractor Management System to streamline the induction and procurement of service providers. Upgrades to the BMD Online Training Program (BOLT) and Foreman's App throughout the year has ensured these provide tangible and realistic training and assistance to our people.

As we approach the coming year, BMD will continue to build upon our heightened capabilities with existing and new clients across Australia with the primary objectives of achieving Zero Harm, working collaboratively and increasing value for money by encouraging innovation and applying our learnings from 36 years in business.

Scott Power
Group Executive Director - Operations

A nighttime photograph of a modern building and a large pool. The building is illuminated with warm lights, and the pool is lit with blue and purple lights. Several colorful umbrellas are visible in the foreground. The sky is dark blue with some clouds. The overall scene is vibrant and modern.

“ All business units have **risen** to their relevant challenges to deliver a solid result with a Group turnover **exceeding \$1 billion.**”

CORPORATE STRATEGY

FINANCE



The BMD Group has been strengthened by confident growth in the southern region which has seen significant investments in infrastructure, as well as our planned geographical diversification as work commenced from our new Western Australian office. The success of our strategies has catered for the continued downturn in the resources sector impacting our northern region operations.

All business units have risen to their relevant challenges to deliver a solid result with a Group turnover exceeding \$1 billion.

This year BMD Urban has sought opportunities for integration with other business units including Urbex, BMD Consulting and JMac Constructions. Record tender workload saw appointments to projects that have exceeded expectations. The current strength of the property market is expected to continue into the new financial year and BMD remains well positioned to benefit and leverage this.

Defying the general industry trend, BMD Consulting has delivered a solid outcome for the Group and continues to expand their service offering to both internal and external clients.

This year has seen Urbex continue its expansion through land acquisition for future land developments in south-east Queensland, which has delivered strong financial outcomes for the Group. Future acquisitions are planned for development in the short to medium term.

BMD Constructions has been impacted by the downturn in construction for the resources sector during the year and the increase in competition in all regions. The division also experienced delays between project award and the start of construction across much of its business. This industry trend has cost implications for all parties, including detrimental impacts on margins, which has impacted their financial contribution to the Group.

Despite this outcome, the strength of the market in New South Wales and Victoria facilitated growth for BMD's infrastructure operations in the southern region, which in turn largely offset the effects of the reduction in resources related works.

Following our entry into the Western Australian market in late 2014, these operations performed well throughout the remainder of the year, making a positive financial contribution to the Group. We remain confident that this expansion will reap significant benefits and build upon the financial strength of the Group during the upcoming financial year.

As BMD Industrial has been able to showcase their work to new clients, providing credible and tangible outcomes, the business has grown their contribution to the Group.

The BMD Group balance sheet remains strong, based on the performance of all business units and the support of our financiers and bond providers. Our financiers continued to underpin the growth of the Urbex development business through continued financial support for all projects.

BMD's corporate support units continue to deliver upon their objectives, providing strong back office support, while also continuing to challenge efficiencies to ensure economical solutions are found. Automation of processes and the removal of unnecessary activities continues to be a focus across all corporate support functions.

Looking forward, the forecast is for another year of growth for the entire Group with the economic outlook boding well for all market sectors in which the Group operates.

Craig Mortensen
Group Executive Director - Chief Financial Officer

PROJECT HIGHLIGHTS

LEGACY WAY

In June 2015, BMD proudly opened the \$1.5 billion Legacy Way tunnel to Brisbane motorists, easing congestion between the Western Freeway at Toowong and the Inner City Bypass (ICB) at Kelvin Grove.

Over four years in the making, with our Transcity Joint Venture partners, Acciona and Ghella, this project took our people on a journey into the complexities of an internationally significant project. BMD successfully adapted to the scale of technical problem solving and learnt from the rich experience of our Spanish and Italian partners.

The result is a world-class, award winning piece of infrastructure that has exceeded expectations and maintained high industry acclaim even amid the negative publicity generated by previous Brisbane tunnel projects.

During the project tender, having seen Brisbane City Council's vision for the project and Brisbane Botanic Gardens, our BMD team developed a plan to return the western worksite as an expansion of the gardens. Transcity constructed a 4.6 hectare expansion with more than 31,000 new plantings, new features, including an 18 mega-litre lagoon, forest and lagoon walks, picnic facilities, nature-themed playground and an interactive kitchen garden. This was the largest upgrade of the gardens since its opening in 1970.

The successful delivery of the project can be attributed to our ability to deliver unique and innovative design and construction solutions for both surface and underground activities as well as seamless logistical operations required in the precast facility, underground excavation, tunnel fit-out and commissioning.

With the project now open, the tunnel provides motorists with a four minute journey between the Western Freeway and the ICB, and reduces traffic congestion on alternative routes.

HIGHLIGHTS:

Strong safety performance with more than 9,000 employees, over 7 million man hours worked and no major incidents on the project.

High density urban setting – project involved major realignments and upgrades of the Western Freeway and ICB. 90% of work was completed behind barriers offline, resulting in a seamless transition for motorists and limited night work.

Minimised community impacts – working closely with the client, Brisbane City Council, Transcity implemented a community and stakeholder relations strategy, achieving 100% of the costed KPI and \$6 million in contractor bonuses.

Operation, maintenance and commissioning – large technically difficult scope successfully commissioned, in line with a prescriptive project deed and client requirements.

Western Freeway Upgrade – additional scope of work negotiated with the Department of Transport and Main Roads, with an expedited program to be delivered in line with tunnel opening.

Industry best practice in noise and vibration modelling – vibration monitoring conducted at more than 250 locations throughout tunnelling activities, enabling tunnelling to occur under Queensland's oldest and heritage listed Toowong Cemetery.

Collaboration with Brisbane City Council to change the project scope to include an underground conveyor tunnel to transport the one million cubic metres of excavated spoil to the Mt Coot-tha Quarry.

World record breaking excavation performance by two 12.4 metre diameter double shield Tunnel Boring Machines.





EASTBOUND

80

LEGACY WAY

80

80

LEGACY WAY

EASTBOUND

RIGHT TURN ONLY

NO LEFT TURN





PORT OF MELBOURNE – ROADS AND SERVICES

In partnership with BMD Constructions, JMac Constructions completed the \$8 million landscaping package as part of the Port of Melbourne's Webb Dock Port Capacity Project.

The project was JMac Constructions' largest landscaping contract to date in Victoria, with invaluable constructability, maintenance and durability input provided during design development.

To achieve the client's brief of additional screening, landscaping and improvements to parklands, JMac Constructions delivered a new boardwalk, shared user path network, landscaping, fencing, public fitness equipment and furniture including beach showers, seats and drinking fountains.

Within the environmentally sensitive sand dune area at Perce White Reserve, JMac Constructions established rigorous environmental controls to manage the potential spread of weeds and erosion. The existing native vegetation was retained and more than 150,000 new plantings undertaken including new dunal species.

JMac Constructions regularly provided information to the Port of Melbourne's Port Capacity Project Community Liaison Group, ensuring the group was aware of upcoming works in order to mitigate potential construction impacts.

The entire project team undertook safety training with certified external training organisations and contributed to the joint JMac Constructions and BMD Constructions Lost Time Injury free achievement for the entire project.

HIGHLIGHTS:

The project was completed Lost Time Injury free.

Site based project team contributed to the successful engagement of nearby residents during construction.

All client stipulated program timeframes were achieved, allowing public access to Perce White Reserve during summer.

JMac Constructions' design input saw innovations resulting in extensions to design life, reduced maintenance and improved durability.





“The ultimate success of the project to deliver on time and to budget was a significant challenge from the outset of the project. The alliance model was adopted to give the project the best chance to meet the expectations of Council, and the work performed by the GO Alliance has proven that when the right people and organisations are involved, stretch targets and challenging timeframes can be met.”



Alan Evans, Executive Manager,
City Projects Office, Brisbane City Council

ROBINSON ROAD OPEN LEVEL CROSSING REPLACEMENT PROJECT

BMD Constructions successfully collaborated with Brisbane City Council and SMEC Australia to deliver the Robinson Road Open Level Crossing Replacement Project as the Geebung Overpass Alliance.

The alliance delivered on all client requirements, as well as completed the project three months ahead of schedule and significantly under budget. BMD’s most proud that these achievements were reached while also delivering on all other project objectives around safety, quality, environment, community and traffic.

Project challenges included a constrained work site incorporating the existing, operational Geebung Train Station and open level crossing as well as a unique mix of residential, industrial and retail stakeholders nearby.

The project was awarded the Public Relations Institute of Australia (Queensland) Golden Target Award for Community Relations, acknowledging the exceptional level of communication that was delivered to key stakeholders throughout construction.

BMD Constructions is proud to have delivered on all project objectives including improving safety, pedestrian and cycle links, removal of the open level crossing, reducing traffic congestion and increasing rail efficiency.

HIGHLIGHTS:

Excellent community and business stakeholder satisfaction evidenced by a Key Performance Indicator result of 99.8%.

Nil traffic accidents during construction and a Key Performance Indicator score for traffic management of 99.1%.

Practical completion achieved three months ahead of schedule.

Project delivered significantly under budget.

12 months Lost Time Injury free working.



BMD

SEAMUS

BMD

“ Our people **continue to rise** to the challenge of new project appointments **across Australia.** ”

PEOPLE, SAFETY,
ENVIRONMENT, QUALITY,
INDIGENOUS ENGAGEMENT



PEOPLE

BMD's company motto of 'our business is our people' remains a key focus in the recruitment and retention of staff across Australia.

There has been significant growth in New South Wales and Victoria this year with more than 100 staff taking up new opportunities in the southern region. In addition to BMD's standard induction process, these staff have been supported with a number of new starter days that provide an opportunity to build relationships with other new starters as well as senior management representatives.

We have been working to forecast resourcing requirements across Australia to ensure that we strategically approach our own people, as well as recruit new team members for these projects, ensuring appropriate lead times to properly instil the BMD culture.

Our people continue to rise to the challenge of new project appointments across Australia, trusting BMD to support their future development while building the business across every state and territory.

We are continuing to standardise our business operations across Australia, ensuring consistency and making transfer opportunities easier to embrace.

A record number of graduates were employed in 2015, all of whom attended BMD's annual two day graduate initiative. This included team building activities at BMD Northcliffe Surf Life Saving Club where they competed against some of Australia's best Ironmen and women.

We also proudly continued our annual staff recognition program, the Dare Awards, again this year. The awards, named after Mick Power's father, Dare, showcased BMD's unique culture and the loyalty and dedication of our people who strive for ongoing success.

SAFETY

Zero Harm – A BMD HSEQ Initiative

The safety of our people, environments and communities are our highest priority and BMD is committed to improving our HSEQ culture, and striving to achieve the goal of Zero Harm.

BMD continues to invest in our people and our systems with new initiatives aimed at improving our safety performance and strengthening our service offering.

This year BMD has launched Safety Improvement Plans (SIP) for BMD Constructions (northern and southern regions) and BMD Urban, detailing explicit areas and activities to focus our efforts towards. Areas that sought improvement included safety leadership, people and plant interaction, fitness for work and improving inductions.

One of the biggest highlights of the year was the exemplary safety results that the SIPs delivered, including a record low Total Recordable Injury Frequency Rate (TRIFR) of 5.0 for BMD Constructions northern region while delivering key projects such as Legacy Way.

Safety achievements

Worked more than 6 million man hours across all projects, states and territories.

29% reduction in BMD Group's Total Recordable Injury Frequency Rate (TRIFR).



Continuing our commitment to investing in preventative strategies for health and safety, we have expanded our engagement of Construct Health and their 'Switch on for Work' readiness program. Construct Health ensures that our teams are physically warmed-up to perform site based, manual handling duties as well as carrying out ergonomic assessments of plant and equipment.

This year BMD engaged Joanne Crottee to carry out a nationwide tour of our sites, promoting the importance of sun safety through her 'Danger Sun Overhead' presentations. BMD has also coordinated free skin checks at a number of sites.

The rates of suicide in the construction industry remain devastatingly high and BMD has continued our collaboration with Mates In Construction to provide support and education to our people. Mates In Construction now operate in all BMD Urban sites in southern Queensland with BMD encouraging interested individuals to complete 'Connector' training – providing a peer support system on sites.

To assist with the treatment and management of workplace injuries, BMD, in conjunction with our national medical provider JobFit, introduced the 'JobFit Injury Assist Hotline'. This hotline provides medical advice to project personnel for the immediate management of workplace injuries. It also provides a triage booking system for medical treatment. This service has been well received by the project teams as processes are streamlined to increase efficiencies.

ENVIRONMENT

The BMD Group has continued to work towards our goal of Zero Harm for environmental management. Encouragingly, the continued development of our systems and people has seen a 75% reduction in the Class 2 Environmental Incident Frequency Rate from 2.0 to 0.5. We have also continued our excellent track record of no regulatory prosecutions for Class 1 environmental incidents.

Understanding the importance of compliance, proactive key performance indicators were set around environmental inspections and communications, of which 100% were achieved.

Coupled with the significant growth in the Group's southern region operations, there was an increase in environmental resources engaged. This has resulted in industry best practice environmental management being implemented across our projects, including Webb Dock Roads and Services, Victoria, as well as Kapooka Bridge and the Bringelly Road Upgrade – Stage 1 in New South Wales.

The geographical expansion of the Group has seen us meet the challenges of undertaking projects in new environmentally and climatically diverse areas such as the Vasse Highway in Western Australia, Tiger Brennan Drive in the Northern Territory and south-eastern Tasmania on behalf of Taswater.

As we are now operating in every state and territory of Australia, we have proven our ability to adapt and continually improve our standards of environmental management, while meeting the requirements of each regulatory region and a range of clients.

QUALITY

Ensuring that BMD's systems and processes meet and surpasses the needs of our people, as well as our clients and stakeholders, remains a key focus for the Group. Ease of use, consistency and accuracy have played a key role throughout the year in the development of new systems.

In order to effectively grow our business, we are taking our contractors along with us with the rollout of the Contractor Management System (CMS). This allows the BMD Group to retain contractor's qualifications, training and other vital information and share it across our five companies. This has improved safety and environmental compliance through awareness and consistency along with reducing repetition and increasing efficiency in engagement.

The 'Foremen App' is now being utilised across the country, allowing field staff to electronically enter docket and track training in one location.



We have now expanded our BMD Online Training (BOLT) covering the key topic of quality and commercial awareness. In the upcoming financial year we are programmed to release our self-orientation program for new starters to produce a more seamless onboarding process along with compliance training around our key procedures for all staff to increase their knowledge base.

INDIGENOUS ENGAGEMENT

BMD continues to focus on increasing our commitment to Indigenous Engagement across the Group. With extensive experience working in regional and remote areas and within Aboriginal and Torres Strait Islander (ATSI) communities, our policies, plans, initiatives and training programs support our commitment to provide equal opportunities.

BMD has formed a working group to begin formally establishing our commitment to reconciliation through a Reconciliation Action Plan (RAP). Our RAP will document what we will do within our sphere of influence to contribute to reconciliation in Australia. It will outline practical actions we can take to build strong relationships and enhanced respect between ATSI peoples and other Australians, and it will set out BMD's aspirational plans to drive greater equality by pursuing sustainable opportunities.

The Group will consider the issues that affect reconciliation and what can be done by BMD as an organisation to make a positive contribution through building relationships, gaining greater understanding of ATSI culture and contributions and opportunities to increase ATSI participation in our workforce.

In early 2015, the BMD Group formalised a partnership with the Clontarf Foundation that will assist the foundation in their school-based academies while also providing mentorship opportunities, demonstrating vocational opportunities within BMD and the broader construction industry. Several visits have been conducted across Australia where BMD staff have attended academies and spoken with students.



An Indigenous Engagement and Training Initiative was launched at our Gold Coast Parklands project in late 2014 that saw us partner with Boystown to provide meaningful employment to those interested in the construction industry. This initiative has resulted in three full-time, permanent employees being engaged on the project with further training opportunities, including Certificate III in Civil Construction, being explored.

BMD is continuing its support of the Former Origin Greats (FOG) in their commitment to inspiring and developing the next generation of ATSI leaders. FOG's work towards 'closing the gap' in education and employment remains closely aligned with BMD's own goals for creating a more inclusive society.

We have also opened dialogue with the Quandamooka people, traditional owners of the Bayside and Bay Islands in south-east Queensland, with the strategic intent to positively contribute to the creation of employment and development opportunities for local ATSI people and businesses, in our local area.

YEAR IN REVIEW

BMD CONSTRUCTIONS

This year has provided many challenges and opportunities for BMD Constructions across Australia. The future proofing of the business in previous years has allowed BMD to apply our geographical diversification strategy with great success. We have been well positioned in the southern region and new markets in Western Australia to provide new service offerings while maintaining our reputation for safety performance, quality and collaborative contracting.

In the southern region, we have continued to diversify our capabilities, now applying our broad experience in project delivery, effective stakeholder management and continuing to take a collaborative approach with clients into more complex operational environments. This has been most successful in our works at the Port of Melbourne where BMD has been delivering the Roads and Services package, as well as the Victorian International Container Terminal (VICT) Webb Dock expansion.

In New South Wales we have maintained our drive to establish our position as contractor of choice in the burgeoning roads market. With unprecedented investment in New South Wales roads, BMD has worked across major projects including our largest New South Wales road project to date, the Bringelly Road Upgrade – Stage 1.

At the outset of this financial year, it was apparent that the Queensland market would face significant downturn in expenditure. To ensure that our business remained competitive and resilient, we focussed on driving down our operating cost base and offered a wider scope of service to our trusted clients. In particular this meant applying our expertise in project scope and design management to our resource based clients.

The less favourable market conditions in Queensland provided us with an opportune time to broaden our geographical footprint by investing in a new regional business in Western Australia. At the outset of this endeavour, a more regional and sustainable approach was adopted, ensuring our internal capabilities would be able to deliver for our new clients.

Our expansion into Western Australia has been welcomed by our new clients with four projects won in as many months including the Main Roads Western Australia Vasse Bypass Project and Busseton Airport apron works.

The fruits of our labour in terms of BMD Constructions' Northern Region Safety Improvement Plan has meant that at the end of the 2014/2015 financial year, we reached a record low Total Recordable Injury Frequency Rate (TRIFR) of 5.0. This consistently excellent performance is across all projects, from minor rail shutdown works for Aurizon in North Queensland to the completion of the \$1.5 billion Legacy Way tunnel in Brisbane.

BMD Constructions' appointment to our first Managing Contractor role for the Tiger Brennan Drive Upgrade in Darwin has demonstrated the strength of our systems and commercial capabilities of our business. The project team has worked collaboratively with our client and local contractors to motivate and enable them to take part in the project and has in turn expanded Darwin's skills base.

HIGHLIGHTS:

Engineered more than 20% of cost savings on the earthworks scope on behalf of APLNG's Combabula Gas Compression Facility.

BMD Constructions appointed to the \$200 million expansion of the Webb Dock container terminal at the Port of Melbourne.

All dredging activities at Wyndham Harbour were completed without environmental incident.

Achieved a record low TRIFR of 5.0 in BMD's northern region.

The Legacy Way tunnel project was completed on time and opened to the public in June.

Delivered the Robinson Road Open Level Crossing Replacement Project in Brisbane three months early, defect free and with more than 90% of all Key Performance Indicators achieved.





BMD INDUSTRIAL

BMD Industrial has continued to adapt to the needs of the market, expanding capabilities and focusing on building experience in fuel systems and wastewater.

While the past financial year has seen the resource sector slow down, BMD Industrial has completed a record number of tender submissions seeing a geographical spread of projects undertaken.

BMD Industrial entered the Tasmanian market with the upgrade of eleven wastewater treatment plants. This design and construct project has exemplified BMD's ability to enter new markets, effectively resourcing national projects and utilising our strong systems and processes.

Fuel systems continues to be a focus as we have completed projects in Sydney, Darwin and Canberra on brownfield fuel expansion and upgrades.

Piping projects in the past twelve months have included remote projects such as the Bingegang Pipeline Realignment in Middlemount, Queensland as well as urban projects including Melbourne Underground Rail Loop (MURL) Station and Tunnel Fire Hydrant System Upgrade.

BMD Industrial remains well positioned to service clients throughout Australia, strengthened by the support of, and opportunity to, collaborate with other BMD Group business units.

BMD URBAN

Consistent and sustainable growth has always been one of our underlying objectives and we have surpassed our expectations this financial year with great support from new and existing clients.

Throughout the year our growth has been supported by strong relationships and our determination to consistently implement and refine our business processes. This commitment has yielded significant benefits for our business and our partners over the last twelve months.

BMD Urban's revenue reached a new record high with the award of 114 contracts delivered by 550 staff across Australia. The construction of 3580 residential allotments over the last twelve months confirms the importance of our relationships with our development industry clients and our place as a major contributor to the growth and development of the Australian community.

In order to achieve our business objectives, we must ensure the safety, health and wellbeing of our people. This focus has always underpinned our goal of Zero Harm and BMD Urban is making steady progress in this area, achieving a 30% decrease in our twelve month rolling average Total Recordable Injury Frequency Rate (TRIFR), nil class one environmental incidents and six of our regions finished the year Lost Time Injury free.

These achievements serve to put the spotlight on the work that remains if our ultimate goal is to be realised and sustained. Our national Safety Improvement Plan (SIP) brought a sharp focus to those areas where we need to improve. We will adopt a similar approach

for the coming year with a relentless drive to safeguard the wellbeing of our people and the environments in which we work.

Our expansion into Western Australia in late 2014 confirms our capacity to provide cost effective locally based services to local, regional and national clients in every mainland state and territory. The business has put considerable efforts into acclimating ourselves into the Western Australian marketplace with emphasis on geographical diversification and utilising our experience resourcing and delivering remote projects.

The delivery of high quality service to our clients regardless of the location of their project or its scope or scale is the primary means through which we will achieve our consistent and sustainable growth objective. We have had great success with the selective movement of our people across geographical boundaries as the need and opportunity arises. We have facilitated the sharing of knowledge and better ways of doing things as well as the promotion of teamwork and ongoing development of our staff. We have continued to strive to position BMD Urban as a great place to work and a great company to work with and these efforts have been returned with strong levels of staff retention and repeat business from our clients throughout the year.

“Your five selected initiatives in the plan are great to see. These are a clear example of commitment by a national contractor to proactively improve safety culture and practices,” Peter Squires, National Project Manager, Stockland Residential



BMD CONSULTING



The success of our vertical integration strategy, partnering with BMD Group companies on numerous projects across land development, resources and road infrastructure, offset the turbulent start to the year as our external clients determined their requirements.

Building on the previous years, the diversification of our sector capabilities saw BMD Consulting deliver projects for private investors, institutional investors and all levels of government.

BMD's design and construct capability, and capacity to respond quickly to client's needs, has gained more interest over the past year. BMD continues to demonstrate our ability and willingness to tailor a model to meet corporate or project risk appetite. Our differentiated service offering for design and construct projects includes intently understanding client needs, transparent approach to managing risk and sharing our lessons learnt through options analysis of how we can best deliver requirements.

During the past year, we have successfully delivered design and construct projects for the private sector as well as local and federal government. This year saw our largest design and construct project between BMD Consulting and BMD Urban with the successful completion of the design for the \$12 million Chambers Flats Road duplication and signalisation project in Queensland for Logan City Council. Also in partnership with BMD Urban, we worked closely with Defence Housing Australia (DHA), to successfully establish their requirements and deliver the design package for 80 lots at RAAF Base Darwin.

Land development, the origins of our business, remained a steady source of projects as we carried out engineering design for external clients including Zuccoli in Darwin for the Land Development Corporation and Urbex, and Teviot Downs in Brisbane for the Lateral Property Group. We also collaborated with BMD Urban for their clients, providing integrated planning, design and construction.

Our master planning team has applied their expertise to significant trunk road corridor planning projects within the growth corridor south of the Logan Motorway for Logan City Council, as well as further sewer planning peer review projects in the same areas.

While the resources sector has suffered a significant downturn this year, we have maintained our presence completing Ergon's regional depot upgrades at Biloela, Monto, Mundubbera, Dalby, Kingaroy and Cunnamulla in Queensland.

This year we were excited to work on the remote Aboriginal and Torres Strait Islander community housing project in Kowanyama on Cape York, working with various departments of the Queensland Government and the local community via the Kowanyama Aboriginal Shire Council. This project will see the delivery of 25 new land parcels for the community.

A particular focus of the year has been maintaining our core skills while diversifying our service offering to clients. Our efforts have seen us source a group of trusted design partners, who are able to complement our suite of expertise, and work collaboratively with us to deliver client's needs from a central source. Through this process our clients have maintained confidence in our standards and ability to deliver as we have sourced the best people for project teams.

We look forward to building these alliances and continuing to expand our diversified service offering to our current and prospective clients in the coming year.



JMAC CONSTRUCTIONS

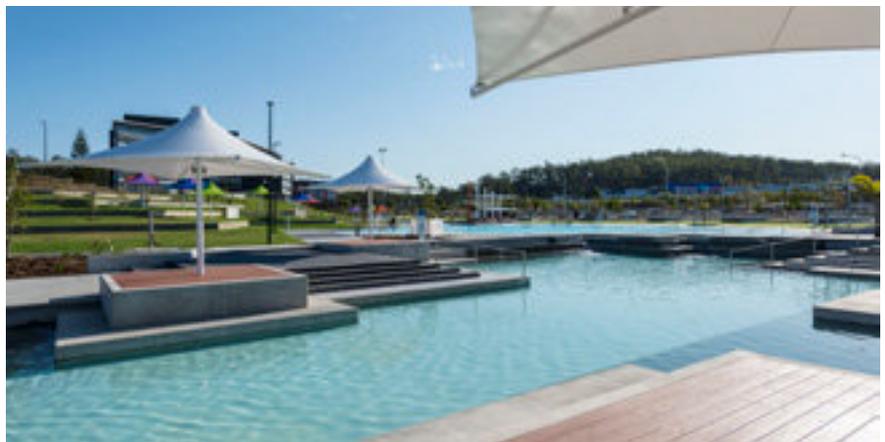
Despite difficult market conditions, JMac Constructions achieved our highest turnover this year through partnering with existing clients, extending service offerings into maintenance and successfully collaborating with BMD Group companies.

While achieving our highest turnover to date is a phenomenal achievement, we are most proud of achieving this while maintaining nil Lost Time Injuries (LTI) throughout the year. We have implemented new safety initiatives in order to achieve our LTI milestone including adopting a more rigorous Personal Protective Equipment (PPE) policy.

This year has afforded JMac Constructions the opportunity to demonstrate our strong capabilities and diverse expertise on iconic projects throughout Australia.

In Victoria we successfully completed \$8 million worth of work as part of the Port of Melbourne's Roads and Services project. The project included the delivery of landscaping improvements to parklands, a new boardwalk, shared user path network, public fitness equipment and furniture including beach showers, seats and drinking fountains.

Also in Melbourne, we completed the Melbourne Zoo's Predator Precinct. This was a highly specialised project and is now the third enclosure JMac Constructions has completed for the Melbourne Zoo.



Throughout the year we have worked to complete Robelle Domain, an open space, public parkland servicing Greater Springfield. This included the construction of a 3,660m² lagoon, the largest of its kind in the southern hemisphere. Further to the lagoon, the project included 3,500m² of turf and gardens with 11,000 plants, a kiosk and facilities block.

In early 2015, Brisbane City Council appointed JMac Constructions to deliver the Karawatha Forest Discovery Centre. The purpose built centre will include meeting and theatre rooms, indoor and outdoor shelters, learning spaces inspired by nature as well as pathways and a carpark expansion.

Working with BMD Urban, we started site works for the Commonwealth Games Athletes Village at the Gold Coast Parklands in June. This collaboration will see us deliver seven hectares of open parkland, combined with the athlete's village hub.

We continue to work with our longstanding clients in north Queensland including James Cook University, Townsville Hospital, Mackay City Council and Stockland at their North Shore Development.

The quality and attention to detail of our work in the Northern Territory continues to deliver repeat work with existing clients across both residential developers and local government. Throughout the year we have continued work on multiples stages of Urbex's Zuccoli Village.

Following the successful delivery of The Boulevard – Stage 1 for the City of Palmerston in early 2015, we were awarded the \$5.4 million contract for Goyder Square – Stage 2. What will be the city centre's 'green heart' includes water features, shade structures, performance spaces and a large outdoor video screen.



URBEX



Maturing market conditions in Urbex's operational regions has generated a solid platform of projects. Strong, sustained interest from residential investors has driven record price growth, lowered residential return expectations and confirmed that residential properties are the preferred investment sector.

Our business objectives, focussing on owner-occupier buyers over the past 18 to 24 months, with the presentation of our communities and purchaser endorsement by way of relocating from neighbouring communities, has resulted in profitable outcomes.

A key focus of our growth has been partnering with our preferred display builders nationally. These strategic alignments have allowed all parties to achieve growth and profitability through our shared values of commitment, accountability and trust.

The display builders have presented their homes exceptionally well, and by ensuring that home displays reflect market requirements, Urbex has achieved strong sales in our communities.

In Brisbane's north, Capestone at Mango Hill has seen Urbex complete four residential land releases and opened a 22 home display village. The Mango Hill location is also Australia's only Transit-Orientated Development with the train station positioned in the centre of the community. This affords all 8,000 residents access to the train station and retail centre within a ten minute walk.

Our \$10.5 million community clubhouse and sports facility opened in June 2015 at Mandalay in Beveridge, Victoria. The first class recreational hub features a gymnasium, pool and tennis courts supplemented with a community bistro, restaurant and function facilities. The community's Peter Thompson designed 18 hole golf course has been ranked in Australia's top courses.

Urbex proudly opened the Northern Territory's first all-inclusive, disability and able-bodied, park this year as part of the Zuccoli Village community in Palmerston. Built within a 1.5 hectare park, the facilities were well received by the community. An eight home display village was also opened with a further two architecturally designed, sustainable homes being constructed by the National Housing Affordability Taskforce. The village's retail centre site was acquired by Morris Property Trust with construction set to commence in the new financial year.

As with all our residential communities the point of sale experience offered by the Urbex delivery team remains the key to continued sales performance. We believe our ability to understand client's affordability thresholds and housing requirements place us in a unique position to continue to expand the Urbex experience.

Further exciting new communities are currently underway, ready for release in the new financial year including Minnippi at Cannon Hill in Brisbane and Turtle Sands at East Point in Mackay.



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BOARD

1. Mick Power AM, Group Board Chairman and Managing Director
2. Scott Power, Group Executive Director – Operations
3. Andy Marcos, Group Executive Director – Administration and Human Resources
4. Craig Mortensen, Group Executive Director – Chief Financial Officer
5. Paul Fogarty, Group Executive Director – Construction
6. David Young – Non-Executive Director



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GENERAL MANAGERS

1. Peter Anusas, General Manager (Northern Region) – Constructions
2. Jeff Gallus, General Manager (Southern Region) – Constructions
3. Colin Mitchell, National General Manager – Strategy
4. David Moody, National General Manager – Urban
5. Matthew Beggs, General Manager – Consulting
6. Jason Lindsay, National General Manager – JMac Constructions
7. Wayne Rex, General Manager – Urbex
8. Paul Elliot, General Manager – Industrial

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BMD is a national group of companies engaged in engineering design, construction and land development for clients and partners in the urban development, transport and infrastructure, resources and energy sectors.

With approximately 1,700 staff throughout Australia, BMD has the resources and experience to deliver projects ranging in size from \$1 million to over \$1 billion.

www.bmd.com.au
