



DANIEL GROLLO
CEO - Grocon

DEVELOPMENTS FOR THE GOOD OF ALL, NOW AND IN THE FUTURE

Grocon began the same way as many major projects, with plans and concrete. CEO Daniel Grollo is the third generation of his family to head the company, which grew from a concreting business begun by his grandfather Luigi Grollo in the 1950s, into a construction business captained by his father Bruno Grollo in the 1980s and is now Australia's leading privately owned development and construction company. The company's contribution to the built environment includes many of Australia's tallest buildings, and some of our most environmentally sustainable developments. Today, concrete poured on a Grocon site is likely to be "green concrete", something the dynamic visionary at the helm hopes will become an industry-wide phenomenon. Interview by Willow Aliento.

WA: How has Grocon grown and developed, and how has that process been steered?

DG: We've come a long way over the past ten years, both internally in our own growth and our peoples' growth, and also in our geographic footprint. We have responded to community needs and are meeting

those needs better.

We have far stronger processes, a more corporatized structure with good governance. There is a Board of Management which is supported by an Advisory Board and by Committees. It's a strong organisational structure.

From an environmental and occupational health and safety point of view, we have aspirations to leadership in both areas, to respond to community concern about the environment and about safety.

I believe we are working better with local communities, we provide a lot of sponsorships in areas where we do projects and contribute what we can to the community. The concept of lending a hand to those in need is ingrained at Grocon. We have an employment program with 12 people employed nationally at present who come from disadvantaged backgrounds - they might come from the Juvenile Justice system, or the Brotherhood of St Laurence or the Salvation Army. It's a great partnership program.

Our core values are safety, community, sustainability and innovation.

WA: How has the industry changed in terms of how business is done?

DG: The industry is getting more sophisticated in how it operates, though the total output still needs to improve. There are some things the building industry cannot be proud of, and there are other things we can rightly be proud of.

The demands on the industry are greater than they have ever been in terms of Occupational Health and Safety and Environment. The industry is measured in so many ways now, and the things we are measured by, like the level of dispute, levels of employment, are measured differently.

WA: How has the industry changed in terms of materials and labour?

DG: In terms of materials, the big change is sustainability, that's the big thing going forward. Materials have changed so they are more efficient on site, and there has been a lot of product enhancement around materials.

Recycling of materials is another big change. For our project on Liverpool Street in Sydney, we had to demolish 20 storeys to put 40 storeys up. We recycled 94 percent of that building, only six percent went to landfill. Ten years ago across the industry it would have been six percent to recycling and 94 percent to landfill. This recycling achievement is being replicated across the industry, and is an example of how the industry is picking itself up.

The challenge for the industry as a whole going forward is ensuring it is not just the Tier One companies - changes need to flow right across the industry to even the smallest builders. The industry leaders need to play their part, and the industry bodies need to play their part through education and example.

In terms of labour, there is still a significant undersupply of labour in Australia, and for the foreseeable future we are going to continue to struggle with 'is there enough resource? Is there enough labour supply? It is an ongoing challenge.

WA: What is the best way to tackle the 'skills shortage'?

DG: There is a need to train and increase the number of apprentices. I fear the construction industry has a long, painful road ahead of lack of human resource. In the CBD it is easy to attract labour, but in regional areas, mining areas and places like the North West Shelf, we will continue to see foreign labour coming into the country.

WA: How does the built environment shape the culture of a place?

DG: It is something in everyone's subconscious; we like to be around nice things in nice environments. If you have a look at where people are congregating, it is always around a good urban environment. Good urban planning, good urban marketing and good architecture are critical. The measure of success from a development and construction perspective is how buildings are used after they are finished. Well designed places can do wonders to people and society.

WA: Is there a certain Australian 'style' to major projects, and if so, what are its main features?

DG: There is an Australian style, it is a combination of the architecture and the materials, sandstone in Sydney, bluestone in Melbourne. Architects in Australia are quite avant garde compared to some countries, and the projects we go about building are at a pretty high level. When you look at other projects around the world, you can see we are still a developing country. In Australia we are still building a lot of major new projects, but around the world there are more big refurbishments, as those places have been built out.

WA: What kinds of developments best serve regional areas?

DG: Infrastructure is critically important to regional areas. The aspiration is to make those communities stronger, and the provision of infrastructure is the key to success, things like IT, roads, rail links, and sewage. Social infrastructure comes into it as well. PPPs are going a long way towards solving the initial cost burden - I see more PPPs into the future, and better engagement of the private sector.

WA: How has construction begun to embrace environmental sustainability? Is building 'Green' a challenge or an opportunity (or both)?

DG: It is both a challenge and an opportunity. It is unavoidable, I have no doubt pursuing sustainability will see exponential changes in the next five years, far larger than the changes we've seen to date. It is an opportunity for the first movers, where the organisation has been positioned that way. It is a challenge for those who have not yet stepped up to the mark, but for those who have, it is a big opportunity.

WA: What have been the real advances in constructing Green Star rated buildings?

DG: We have gone about designing differently to meet and address Green Star requirements. The big changes are around lighting, sectioning lighting into zones, using sensors to turn on lighting in those zones, and there have been changes in airconditioning - we are seeing a lot more use of chilled beams. There has been a lot of creativity around materials and materials content, such as more recycled content and consideration of the health effects of materials. There have been changes around the use of architectural sun shading, and also how space is used.

WA: Is the Green Building Council becoming a strong influence on how projects are delivered?

DG: I have been a member since its inception, and yes absolutely it is an influence. There are more and more advances, and I think the GBC will go from strength to strength as we work on the tools. The GBC will do more steering, have more power and voice with government, and provide more education.

WA: Are the ideals of Green Star being properly embraced by financiers and owners (including Government) to the extent that appropriate budgets are being set?

DG: Financiers and owners are aware of what the agenda is, but I don't think they are aware of just how significant a place we are going to. The way owners and financiers will really appreciate it is seeing where it is taking us within five years' time. We've got a million miles to go, but we will get there very quickly. With carbon accounting, people will be looking at property for a reduced carbon footprint, and there will be a price premium for Green Star rated property.

WA: As a CEO, how does hands-on site experience early in your career shape your management style today?

DG: I have an appreciation for what goes on on-site, and people feel I'm engaged with them. The guys I was on-site with are now in leadership positions, and I am fortunate to have those experienced people around me. I am very appreciative of my time on-site, it is a good starting point to spend time on the floor.

WA: Why has Grocon chosen such an integrated approach to construction, rather than using subcontractors for specific project tasks like formwork?

DG: It gives us greater control around quality and output. It is a higher operating cost model, but there are advantages around time and predictability. Also, every individual working at Grocon owns in their own way, along with their family and friends, what we create. That's a great spirit to have in the organisation.

WA: What are the projects you feel proudest of?

DG: I am proud of them all, we do some great work. The clean up around the bush fires for the Victorian Government took us right out of our skill set. The creation of the MCG was important. 1 Bligh Street, I am in love with the environmental achievements there. We do smaller works too like Defence Force facilities, and I am proud of those achievements.



WA: How can projects improve the 'triple bottom line' - dollars, environment and community wellbeing?

DG: An example is our Common Ground projects in New South Wales, Victoria and Queensland, where we are constructing homeless facilities that are not just providing a roof over one's head, but have all the support services such as medical and psychological services and training. It is a good contribution to cities that have been very good to us. We are building those at cost, a certain degree of what we put back into the community we do at no margin. We did the same with the Victorian bush fires work. And if there are any cost savings with those projects, we give that back to the Government.

WA: How can corporate responsibility best be expressed, and what are the benefits of doing so?

DG: The big benefit of corporate responsibility is around the perceptions of the community and stakeholders, including Government and the authorities, and around the pride in the workforce. For example, there

is one man working with us as part of a program who came from three generations of unemployment. He is now two years into a trade and it has changed his life. And the people around him who support him feel they have done something more beneficial than just coming to work and being paid for it.

I can't understand people who can't get their head across it.

WA: What aspirations do you have for your company?

DG: We want to stay a private company. We want to be industry leaders in safety and environmental sustainability, and be at the cutting edge of that. We want to continue to work at and enhance our community engagement. We want to continue to innovate. Compared to the publicly listed firms, we are a featherweight in a heavyweight bout, but we are always out there trawling for new ideas.

WA: What aspirations do you have for the industry?

DG: My aspirations are to push the recent learning and achievements

through the industry. I want our industry to lead the world in safety and environmental sustainability. The way Australia can be relevant to the world is it can be like a lab, we can create new techniques around how to build or what to build and be at the forefront of the world.

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