

**MARTIN MONRO
MANAGING DIRECTOR, WATPAC LIMITED**

With more than three decades of success and growth, Watpac Limited has become a national leader in the building construction, civil and mining and specialised construction markets. Established in 1983 as Watkins Pacific, after two years of rapid growth and completing projects such as the iconic Brisbane Entertainment Centre, the group was listed on the Australian Securities Exchange (ASX: WTP).

Today Watpac employs more than 1,200 people throughout Australia in construction and mining services. Their competitive advantage comes from a diversified business strategy, combining the strength of its national reach and depth of local expertise and networks.



On the first anniversary as Managing Director, Martin Monro spoke with ANCR on the past, present and future of Watpac in Australia.



With 26 years experience across construction and 11 years with Watpac since it acquired Grant Constructions in 2004 when you were Managing Director - How much has influenced your leadership style at Watpac?

Everything - the good and bad in both business and personal life has influenced my leadership style and shaped me into who I am today. I'm always growing and learning. When I entered the construction industry in the late 80s I arrived amidst a troubled and challenging environment of industrial unrest. Coming from an industrial relations background I understood the power of relationships and the importance of integrity and ensuring what you say you actually deliver.

My time in Indonesia from 1999 to 2002 was spent in a relatively remote location. Being in this environment certainly teaches you a lot about business, organisational structures, yourself and how to deal with ambiguity and shifting circumstances.

There was a great deal to learn when moving to the operational side. Transitioning to CEO and Managing Director roles came more naturally with the greatest adjustment being the idiosyncrasies that come with a publicly listed company including communicating with a Board of Directors rather than reporting to a single boss. My career to date hadn't prepared me for this. But that was half the fun. It was exciting and challenging.

Staff loyalty is important at Watpac and with your background in psychology, HR and industrial relations, what is your approach to retaining good people?

My background certainly helps shape my actions. Open and honest communication with staff and clients is key. I'm direct, but I feel this is part of getting people on-board. It is important to provide our people with context and information about the environment they're operating in, the organisational strategy, what's impacting the organisation and creating a sense of belonging. I expect everyone to deliver on promises safely, collaborate to accomplish a shared purpose, lead by example, achieve solutions that make a difference, and act with integrity and respect.

I'm committed to creating a 'one team' approach to achieve innovative and quality solutions for our clients. Our industry can be tough and challenging at times and Watpac is recognised for having a team of professionals who are prepared to be clear about who we are and what we're good at, consistently delivering the best and striving to exceed client expectations. The continuity within our teams is almost unheard of. Our teams rarely change, moving from one job to the next. The camaraderie that's built up is fantastic and ultimately our clients reap the rewards.

What do you consider Watpac's proudest achievements and most notable projects?

Watpac's transition from a one-region builder [in south-east Queensland] into a genuinely national contractor over the last decade is by far our single most significant achievement. We now have a broader, more comprehensive and geographically diverse portfolio.

Some of our standout milestone projects in Queensland include the massive 6-stage Gabba [Brisbane Cricket Ground] redevelopment and Suncorp Stadium in Brisbane. There's also the award-winning and truly world-class Boggo Road Urban Village and Ecosciences Precinct and Health and Food Sciences precinct at Coopers Plains, which is Australia's first multi-agency centre dedicated to solving some of the country's biggest environmental issues.

For our Victorian team, there's the multi-million dollar transformation of Melbourne Park including the Rod Laver Arena and Australian Tennis Centre. Watpac was responsible for the award-winning design that achieved a LEED Gold rating for ecologically sustainable development.

Finally, the multi-award winning One Central Park, part of Sydney's landmark \$2 billion Central Park precinct that encompasses residential, retail and commercial space, is our

largest project to date and has been a coming-of-age project for our New South Wales team.

What's your vision and strategy for Watpac?

Today Watpac's focus remains on consolidation and profitability as we continue to streamline operations, enhance our competitive positioning and create long-term, sustainable shareholder value. Over the past decade, our strategic acquisitions have seen the company broaden its services into all mainland Australian states. We're well positioned to grow even further, particularly within building construction. It's our backbone, our history and expertise. We know our capabilities and strengths and strive to be the best.

What future challenges do you envisage Watpac facing?

The biggest challenge for Watpac is also one that our industry faces—keeping the high cost of labour in balance with productivity. In Australia we have highly productive, highly skilled, well-paid labour—and I'm all for this. At Watpac we're very mindful that excellence and productivity must be appropriate for the cost. This industry does really well in so many areas and we should be proud of this. However we need to ensure we don't slip into an efficiency 'black hole' of high-cost and low productivity, as this will lessen our international competitiveness.

What do you think Watpac demonstrates as a leader in your field?

Our 30-year track record of success is demonstrated in the landmarks we've helped create that have been delivered by a skilled workforce, our best practice safety and management systems and our common sense approach to achieving excellent project outcomes. Watpac supports the industry's move towards reducing its environmental footprint and adopting sustainable development practices. We've undertaken a significant number of Green Star projects and will continue to seek further opportunities in this area.

In April 2013, leading international construction company BESIX Group acquired a major share holding in Watpac. How has this alliance affected or benefitted Watpac?

While BESIX has added another dimension to our reputation in Australia, there are two aspects to their arrival into Watpac's world, the shareholder owning 25% - a welcome arrival to our share registry - and the major international contractor with a vast understanding of international construction activities. A major benefit is the bringing together of complementary skills, allowing us to compete in market sectors that we've been unable to consider previously. The alliance will enable Watpac to retain our unique Australian

heritage and local networks, while accessing the expertise and reach of an international industry leader. Overall the future is a very exciting one.

You're a Board Member of the Australian Constructors Association—What policies would you like to see implemented at state and/or federal level in regards to a safer construction industry?

OH&S is crucial in our industry and it is Watpac's number one priority. I previously led the development of a national OH&S framework within Watpac that now underpins our safety values and processes across our national operating divisions. Good safety practices are recognised, rewarded and shared across the Group so that our people and operational communities continuously benefit from this focus.

From a policy perspective I believe there's still room for a more nationally consistent OH&S legislative framework around the country. State Premiers and the Prime Minister need to all be creating and issuing the same policy across the industry Australia-wide.

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