



Statement from Directors of Project Coordination (Australia) Pty Ltd

Chairman Paul Murphy

Managing Director Gavin Murphy

Today, 19 March 2024, in our 50th year of business, we relinquished control of our construction company, appointing RSM Australia Partners as voluntary administrators.

We agonised over this decision, as any owner who has spent decades building and running a business would. There's no other way to describe it other than soul-destroying.

Today we informed our staff of our decision and the painful reality that we would have to let them go. We delivered the news at two meetings in our Canberra and Wollongong offices. They were emotional meetings and conversations. A quarter of our staff have been with us for 15 years or more, with many over 20 years.

We recognise this single decision affects many, including our subcontractors and suppliers, many of whom have been faithfully working alongside us for decades.

Despite seeing other construction companies collapse around us over the past year, we never thought we would be one of them. We thought we had the means, forward order book, capability and industry goodwill to get through this. Each of us has put substantial amounts of personal money into the company in an attempt to manage escalating labour, material and borrowing costs on fixed-price contracts with very tight margins.

Last Friday, 15 March 2024, we exhausted a range of capital raising options, and despite having \$120 million worth of projects in the field and a further \$90 million ready to start, we could not secure external investment. The situation was unsustainable.

"I'm devastated," said company patriarch Paul Murphy, 72, who was one of the original employees of Project Coordination when it started in Canberra in 1975 (see background below).

"The economic and regulatory environment that building companies are working in now is more challenging than any other I've experienced in the past 50 years – worse than the recessions in the 1980's and 1990's and the Global Financial Crisis in 2007/2008. Nothing has been as bad as this."

Background

Project Coordination Pty Ltd commenced in Canberra in 1975 with approximately 25 staff, including Paul Murphy. The company's first project was the completion of the Canberra School of Music.

The Company was restructured and named Project Coordination (Australia) Pty Ltd in 1981. Paul became the Managing Director in 1989 when he and (his now deceased) business partner Steve Conroy bought the company at that time. The company expanded in 2000, opening a second office in Wollongong.



Over its 50-year history the company has:

- delivered more than 900 projects worth more than \$2.5 billion across every state and territory in Australia, predominantly in the ACT and NSW
- managed the delivery of numerous landmark and well-known buildings including:
 - National Arboretum Visitor Centre (ACT)
 - CSIRO Discovery Centre (ACT)
 - North Beach Surf Life Saving Club and sea wall (NSW)
 - numerous residential apartment developments including Aurora and Estate (ACT)
 - new and upgraded facilities for public and private clients in the education, health, utilities and infrastructure, arts, defence, commercial, aged care, diplomatic and sporting sectors (ACT and NSW)
 - more than \$100 million worth of work at the Canberra Hospital
 - police stations, emergency services and university projects (ACT and NSW)
 - numerous electrical infrastructure projects (ACT and NSW)
- won more than 100 excellence in building awards
- donated more than \$2.5 million in cash or in-kind support to community initiatives, charities or groups, including local sporting clubs.