



Infrastructure company back on expansion path following crisis

WELLINGTON-BASED infrastructure consultancy Opus International says new markets in the Middle East and Asia are also now “on the radar” as the business looks to expand in Australia and Canada.

“We have a bit more confidence this year, than we did last year,” said outgoing Opus chief executive Kevin Thompson, who retires from the role on October 1.

Two years ago Opus said it intended to expand the business to 3500 staff by 2011, up by a third.

The global financial crisis put the international expansion plans on the back-burner last year, with staff cuts and non-replacement reducing the total headcount by about 10 per cent to 2500. Opus has offices in New Zealand, Australia, Britain and Canada.

New markets in the Middle East and Asia are also now “on the radar” for Opus, with a review of the strategic plan due soon.

“They will be on the table and given consideration,” Mr Thompson said.

Opus’ ultimate Malaysian parent company UEM and its

offshoot Opus Berhad, operate in Asia and Opus already does work with them. The existing arrangement is for Opus International to provide “support and cooperation”, providing expertise to help them develop skills and markets.

But UEM would like to see greater collaboration, “so we should be doing business in our own right, but in collaboration with UEM”, he says.

UEM holds 65 per cent of Opus but has indicated they would be willing to see that go down to 50 per cent to allow the issue of more shares to raise cash for growth opportunities.

Mr Thompson believes there is “great opportunity” in Australia where they plan to put much more effort in expanding the business, as well as building up the relatively small business in Canada, from a staff of 70.

But as for the British business, that will be “managed” rather than investing more there, till economic conditions improve.

The Australian economy had a good future and it was easily supportable from New Zealand.

The work programme in Australia has so far been around general public infrastructure, but Opus is looking to do more for the resources sector — but just infrastructure work such as roading and water facilities, rather than trying to become mining engineers.

Opus is big in Queensland and aims to build up in Western Australia and New South Wales.

Australians tend to be very parochial, but will treat those who live in the state as their own, even if they are Kiwis.

“They are not seeing us as a Kiwi company, but as a Western Australian company, and in Albany, we are the locals,” Mr Thompson says.

“We can’t service Australia from here (New Zealand). We have to do it from Brisbane, Sydney or Perth”.

Earlier this month Opus reported a net profit of \$10.4 million for the six months to June, thanks mainly to a big turnaround in the fortunes of its British business, returning to a trading profit from heavy losses last year.

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KEVIN THOMPSON
OPUS CHIEF EXECUTIVE