



The Canterbury Rebuild

Opportunities and challenges for Fletcher Building

Presentation to analysts
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Chief Executive, Infrastructure Division



Fletcher EQR



- Appointed in October 2010 to act as agent for EQC
- Project management role
- Brief covers residential repair claims: between \$10,000 and \$100,000 plus gst
- Geographical scope: Christchurch, Selwyn, Waimakariri, Hurunui, Ashburton and Timaru
- Remuneration: project cost + 3.5% margin on direct repair costs



Organisational Structure



Contracting workforce engaged on behalf of EQC

Quantum and Timing



- **Project Size**

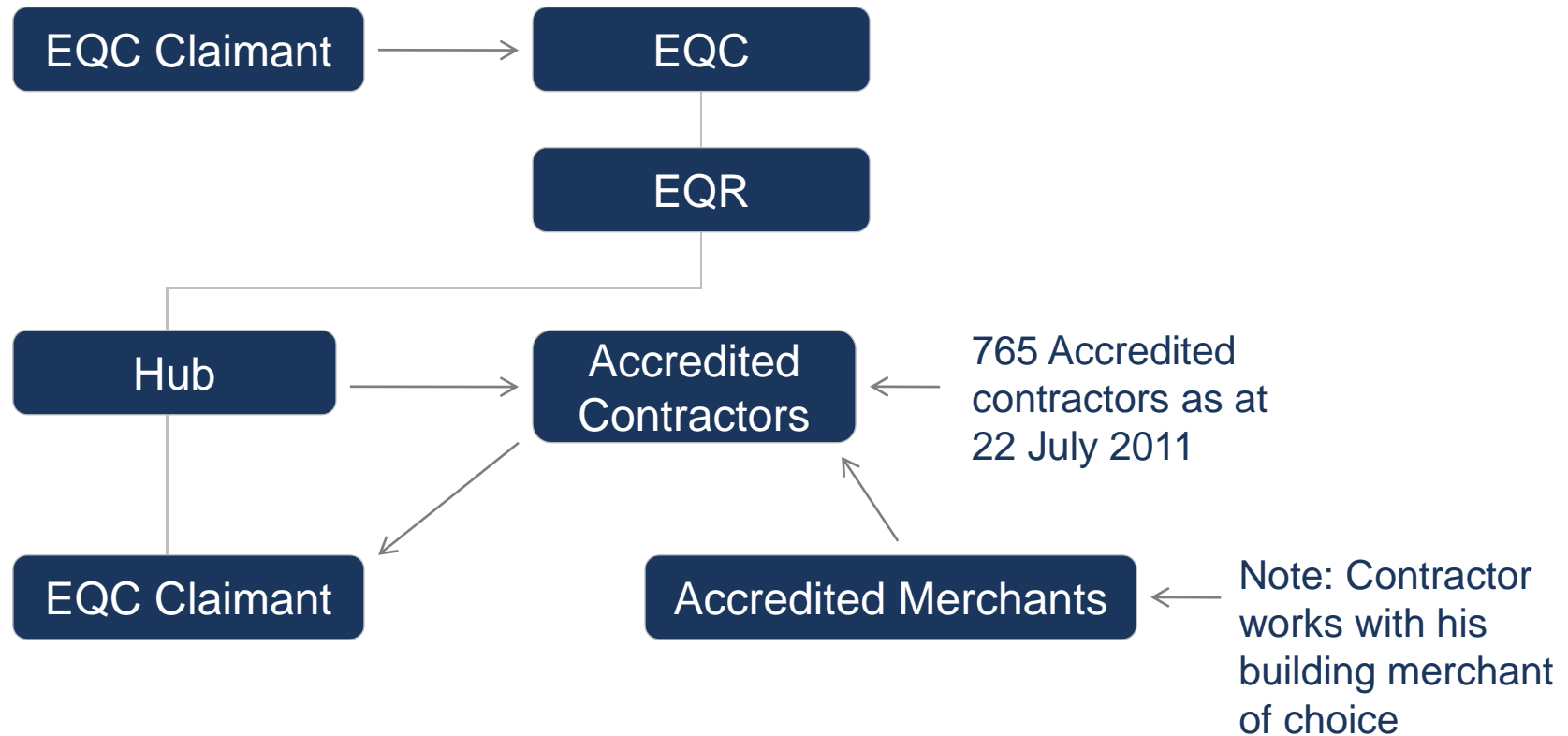
- Not yet quantified but best estimate currently approximately \$NZ 2.5B
- Caution needs to be applied in placing reliance on estimates

- **Project Programme**

- A number of factors will determine programme
 - Average size of each job
 - After shocks
 - Resources
 - Productivity rate
 - EQC settlement rules



Stakeholder Relationships



Materials Supply



- Materials comprise est. 35-50% of total value
 - Effects of multiple events still to be determined
- No favoured position for Fletcher Building subsidiaries
 - Supply is fully contestable
 - Contractors maintain their own links to supply base



Going Forward



- Competition for skilled labour once all construction sectors commence
- Accommodation
- Inflationary pressure
- Start / stop implications of after shocks



Current Status



Scorecard – to Friday 22 July

Hubs established	18 (consistent with original planning) 1 more in process of establishment
Contracting firms	765 accredited – well ahead of plan
People	5,900+ contractors, trades people and others inducted
Emergency repairs	Over 20,500 completed / 2,000+ in progress
Winter heat programme	9,313 completed – 6,861 heat pumps and 2,452 solid fuel burners and repairs
Full-scope repairs	9,861 completed or in progress
Payments	Over \$83m paid to contractors Currently paying \$500M pa (annualised)

Fletcher EQR



Time for questions

Infrastructure Alliance

**Stronger
Christchurch**
Infrastructure Rebuild Team

- To be established between Fletcher Construction, CityCare, MacDow, Fulton Hogan and Downer, with each having a 20% share.
- Christchurch City Council and CERA are also full participants in the Alliance
- The estimated value is between \$2b and \$3b with a 5 year build period (subject to after shock implications)

Infrastructure Alliance

Stronger
Christchurch
Infrastructure Rebuild Team

The Alliance concept emerged after the 22 Feb 11 earthquake when stakeholders wanted a procurement model for the infrastructure rebuild that:

- is faster;
- delivers better value for money;
- manages standards and resources across the city; and
- provides resilience for future quakes.



Infrastructure Alliance

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Infrastructure Rebuild Team

Scope

- Over 200km roads to rebuild
- Over 800km of pipes to rebuild
- Manholes and pumping stations
- Bridges, retaining walls, river banks
- Curbs, footpaths and berms
- Traffic islands, traffic lights, barriers and lightstands
- Parks, reserves and outdoor amenities



Infrastructure

Other opportunities in Engineering

- Port of Lyttelton - >\$300m
- Re-levelling buildings & houses
- Piling new buildings
- Ground remediation – liquefaction; stone columns
- Other councils – Selwyn, Waimakariri



BRIAN
PERRY
CIVIL

PipeWorks



Infrastructure Alliance

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Time for questions

Commercial Building



- First phase: Demolition
Grand Chancellor is the first of many hundreds, perhaps even 1000 demolitions
- Construction phase to follow resolution of:
 - Geotechnical issues
 - Resolution of new Code
 - Planning input, debate and resolution
 - Insurance claims
 - Economic feasibility assessment
 - Specific design

Commercial Building



CBD and Suburbs

- Outside CBD
 - Progress less constrained
- Overall commercial rebuild expected to have a longer tail than other sectors

Commercial Building



Time for questions