

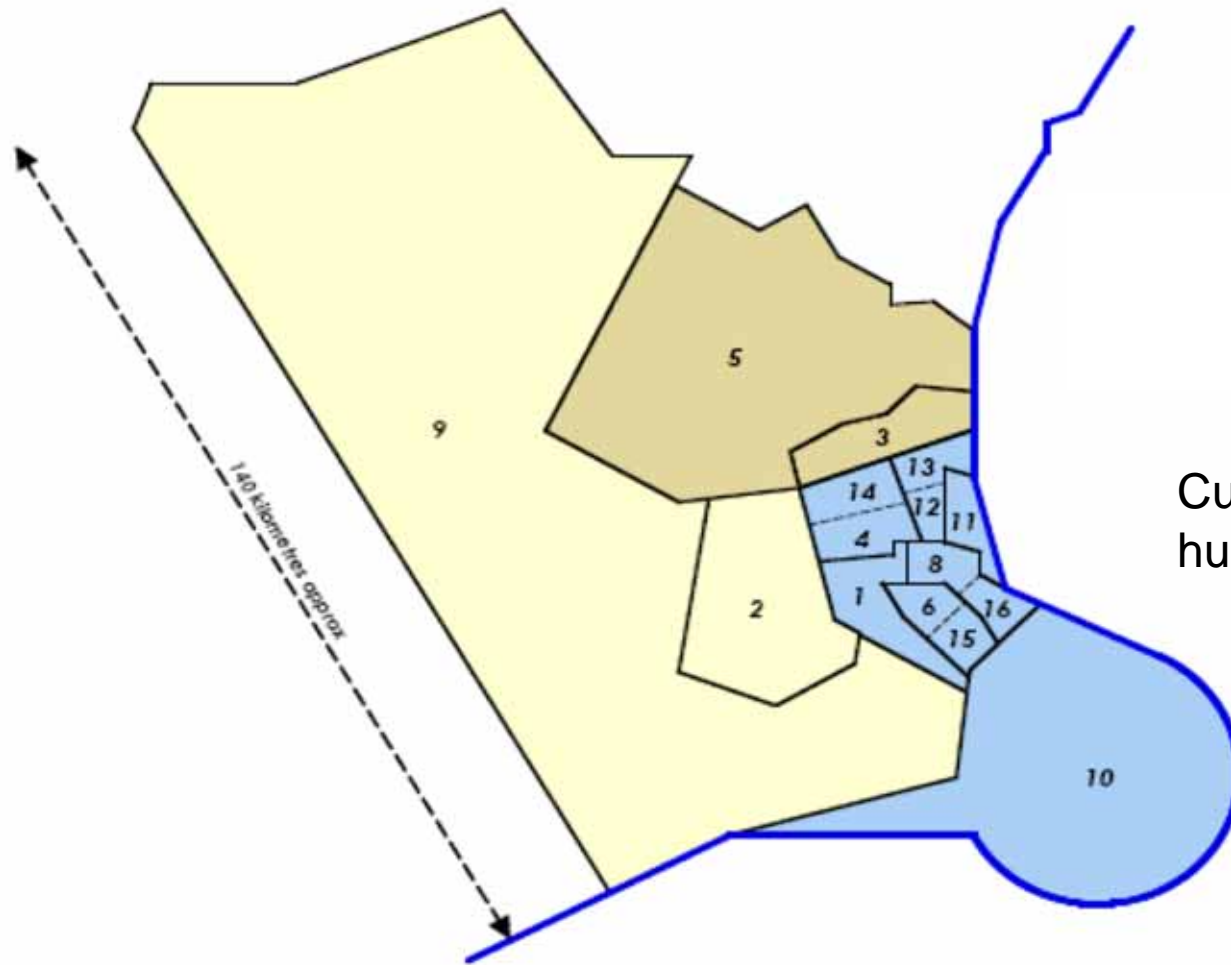


Workforce development for the Christchurch residential repair programme

David Peterson

The basics

- **Fletcher Construction** appointed in October 2010 to run the project management office for EQC
- **Fletcher EQR** is the business unit set up to perform the residential repairs in \$10k to \$100k range
- Fletcher EQR is **project managing** the repairs... not doing them
- At a rough guess... project size of **\$3bn over three to four years**
- Double the original guesstimates of the task
- On that basis... **\$60 - \$80m per month**, on average, going in to the local economy



MAP DEFINING THE EQR TERRITORY
Diagrammatic only

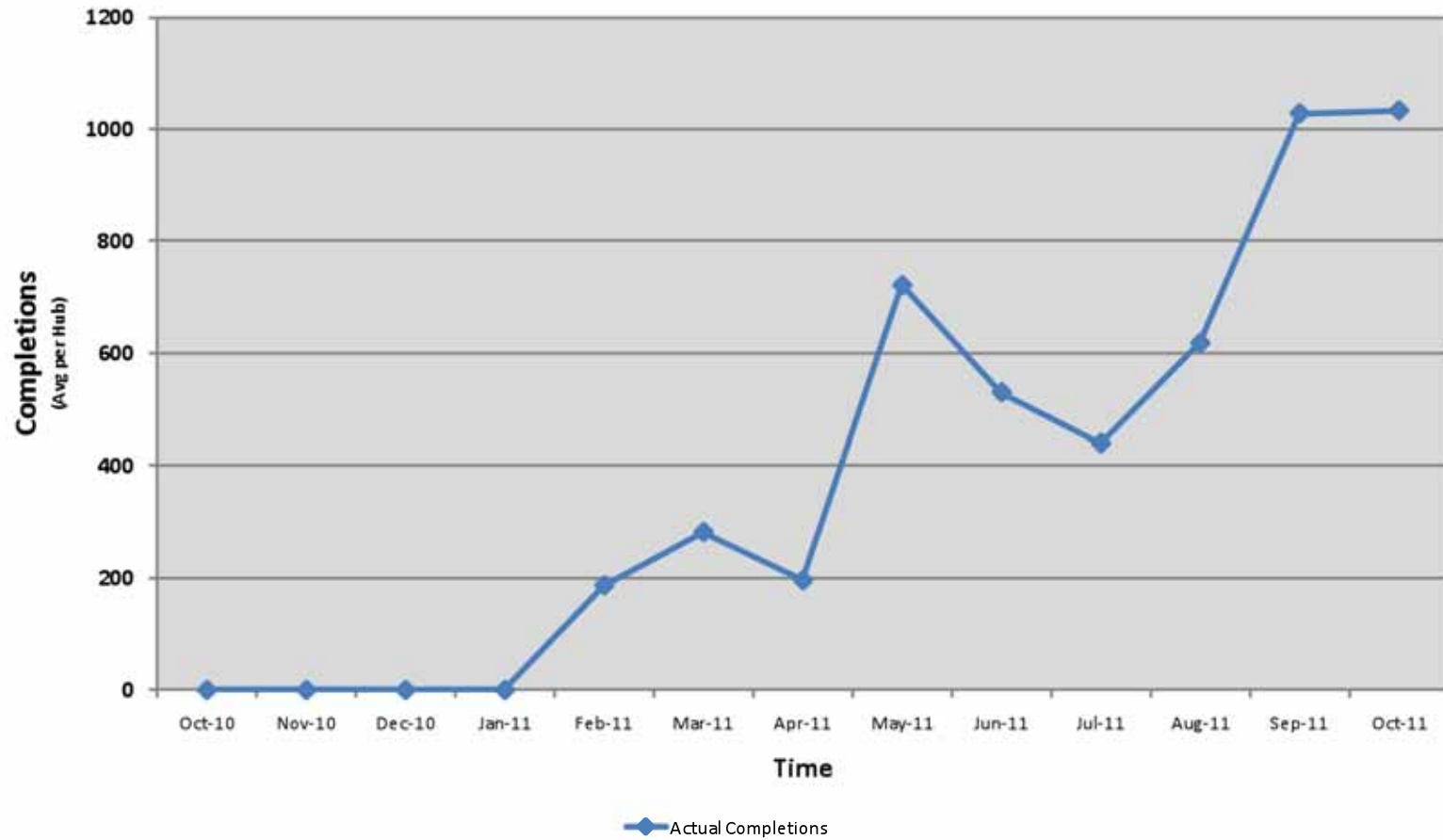
Currently 20 operational hubs including Timaru

Ph.(03) 341 9934	
Waimakariri District Council	
Street Address: 11 Cass Street, Kaiapoi	
3	Kaipoi Hub
Suburbs	Service FNO Code: 1200
Clarkville Kaiapoi Kaitaki Pines Beach	
Ph.(03) TBA	

Scorecard – 18 October 2011

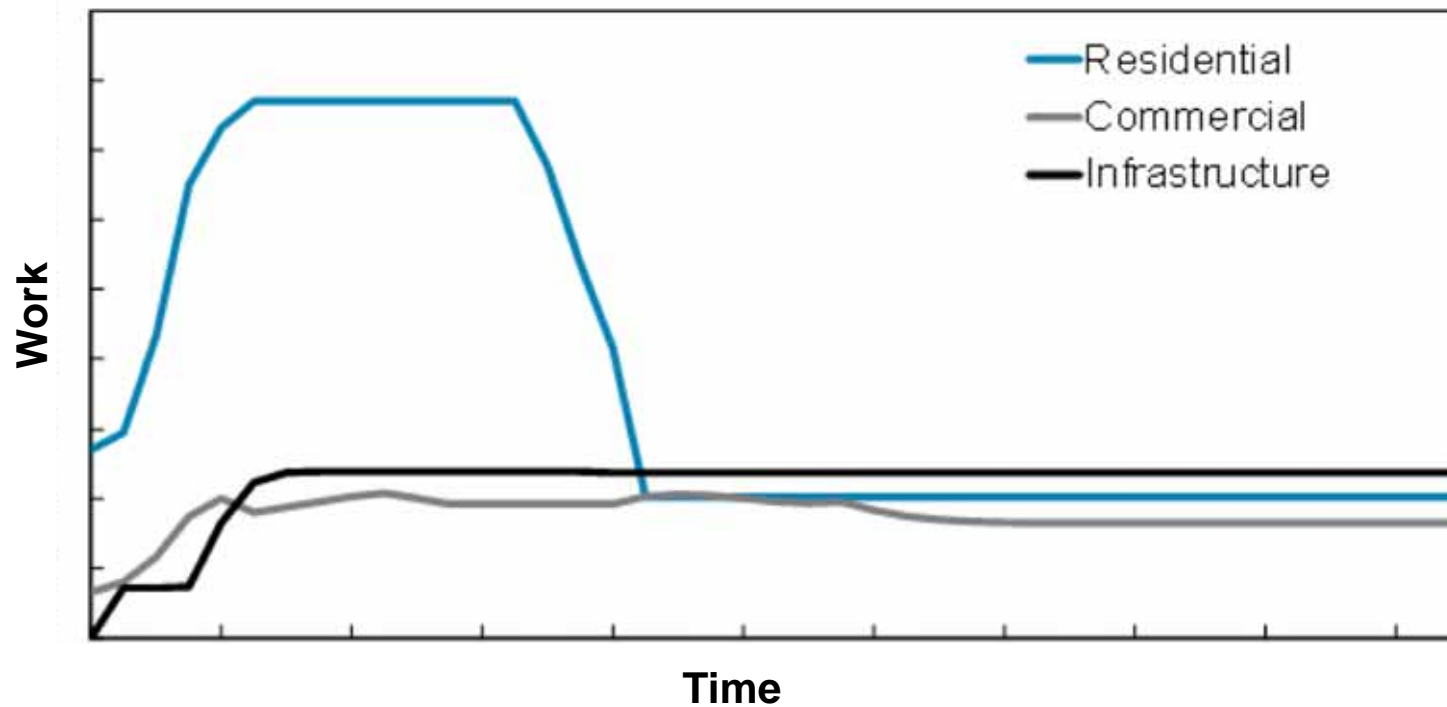
Hubs established	19 Hubs (consistent with original planning) Bishopdale is under establishment
Contracting firms	925 accredited to date – well ahead of plan
People	7,614 contractors, trades people and others inducted to date
Emergency repairs	27,797 completed / 1,460 in progress.
Winter heat	11,838 completed 7,616 heat pumps and 4,222 solid fuel burners
Full-scope repairs	19,622 completed or in progress 5,000 completed
Payments	Currently paying \$500M pa (annualised) \$203M paid to contractors

Full Scope Home Repairs – Current Progress



Indicative Work Flow

Repair and reconstruction activity



Where will the workforce come from?

- There is currently a surplus of tradespeople in Canterbury for the volume of work
- ... but this will move rapidly to a shortfall when
 - The residential programme accelerates
 - Other insurers commence
 - Infrastructure and commercial work ramps up
- Additional workers needed over and above local labour force

Indicative Workforce Requirement

Our requirement is heavily weighted to finishing trades

	Census 2006	Current Work Rate	At Double Work Rate	%
Painters	867	1,150	2,300	43%
Plasterers	699	350	700	13%
Other Trades	—	1,200	2,400	44%
Total	—	2,700	5,400	100%

Note: Numbers are estimated, and progressively updated

Emphasis on local businesses

- We are making a production line out of the residential repair business
- Therefore we will make local businesses bigger and better
 - Prioritising local contractors and tradespeople
 - Training programmes to deliver required skills on time
 - Recruiting contractors and workers from further afield when needed
 - Work with contractors to facilitate expansion / labour uptake

Training will be critical to the strategy

- Opportunity to train or upskill local workers
- Fletcher EQR will support and participate as required
- Identifying the training required – in conjunction with
 - Training providers
 - Contractors – important those trained need to be attractive to contractors
 - Other stakeholders
- Promoting commitment from contractors to take on workers

Business Improvement

Improving safety awareness, quality control and back office functions

Quality control

- Accreditation process based on industry schemes – Master Builders, Certified Builders, LBP
- Working with BRANZ, DBH, EAG and manufacturers on solutions
- Job supervision
- Assisting contractors to understand and deliver on their accountabilities

Safety

- No contractor, worker or customer to be harmed
- We will take the lead to reduce the injury rate in the residential sector
- The contractor is directly responsible, but we will drive performance through safety management framework, training, mentoring – eg.
 - General H&S plans
 - Site-specific H&S plans
 - Incentive scheme as part of retention plan

Back Office

- Business functions

Conclusion

- From adversity springs opportunity
- A significant task for all of us
- Leaving behind a workforce that is:
 - Improved
 - Upskilled
 - Ready to work on the rest of the rebuild