

Construction Clients Group Presentation

15 April 2020

Downer presenter notes:

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Gareth and Benoit represent the Infrastructure Projects business within Downer NZ, with a revenue of \$500M+ pa (nationally) and circa 700 employees.

1. COVID-19 Level 4 Lockdown response

- Immediate focus on assessing which of our projects/services were considered essential – only one project within Infrastructure Projects South Island – Tekapo A Gate Intake
- We leveraged opportunities where we could (e.g. Downer's Transport Services business could continue activity at Queenstown Airport, with work progress benefitting from less flights)
- Acceleration of established shut down processes (i.e. those we would typically implement over holiday periods)
- Consideration of how would we maintain social/physical distance etc on site while implementing shut down (hygiene activity paramount)

2. Claiming on entitlements

- Focus on protecting contractual entitlement alongside working with clients to manage perception
- Internal process of socialising at senior level then working down through site QS claims

3. Accessing government help

- Downer New Zealand at 20% of income during Level 4, but salary and wage costs continue (\$70M/month)
- Applied for government subsidies
- Thankful for NZTA and other public authorities AEP cashflow mechanism
- Challenges re waged workforce communications and engagement (most waged staff don't have work laptops, mobiles, etc) – exercise to collect personal details

4. Next steps - preparing to move to Level 3

- Currently assessing what moving from Level 4 to Level 3 looks like
- Do we open all sites at once or stagger?
- How will we make sure our people will be safe going back to work? PPE, cleaning, toolbox talks all harder
- Potential self-certification process being thought through

5. Contributing to 'shovel ready' decision making

- Chose to support clients on their submissions to the Crown re 'shovel ready' projects
- Some tenders ongoing (including a standard COVID-19 tag)
- Ongoing discussion with government agencies to contribute to key areas of focus, (e.g. three waters, housing, regional spread, sustainability)
- We are taking comfort from agencies and central government re fair regional spread of crown funding – the South Island will benefit