

Women in Construction Summit 2025

Risk mitigation: setting up projects and construction portfolios for success

May 2025



McGrathNicol

Presenters



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About McGrathNicol

Our people

- National firm with >350 staff
- 55 Partners

Restructuring services

- Company Advisory
- Creditor Advisory
- Insolvency

Advisory services

- Deals
- Strategy & Performance
- Managing Risk
- Technology & Cyber
- Forensic
- Government Advisory

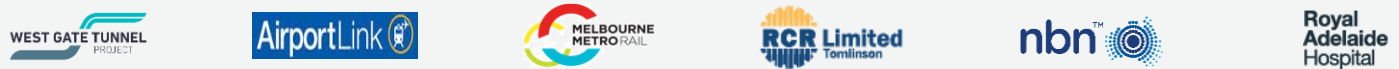


Selection of our clients

Conducting financial capacity assessments in large scale infrastructure



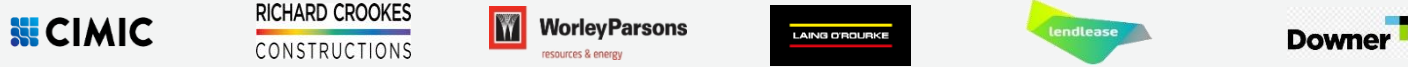
Experience in leading large scale infrastructure and PPP projects



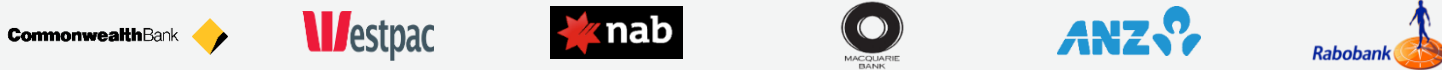
Building and implementing credit and counterparty risk models for non financial institutions



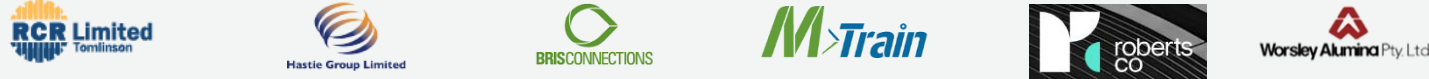
Experience in advising major contractors



Advising financial institutions on exposure to infrastructure and construction sectors



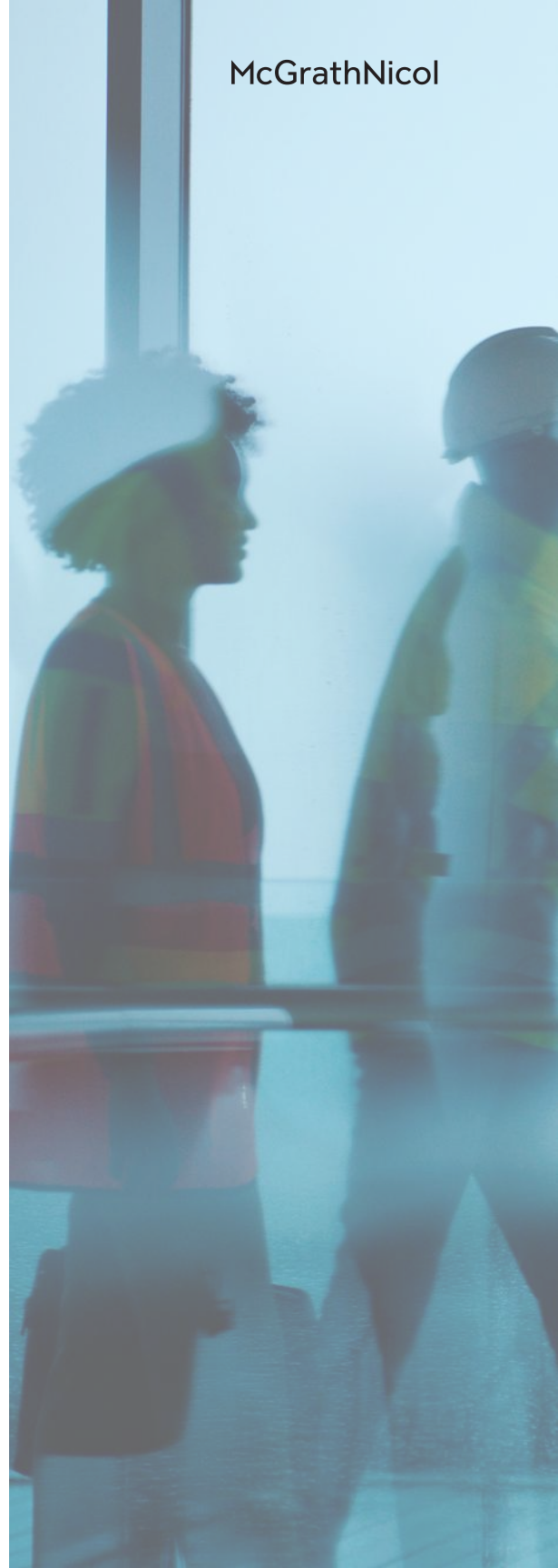
Managing contractor and project failure



Session today

Setting up projects and construction portfolios for success

- 1** Key Project and Portfolio risks for differing roles
- 2** Risk across a project life cycle
- 3** Industry trends – what we're seeing and key takeaways



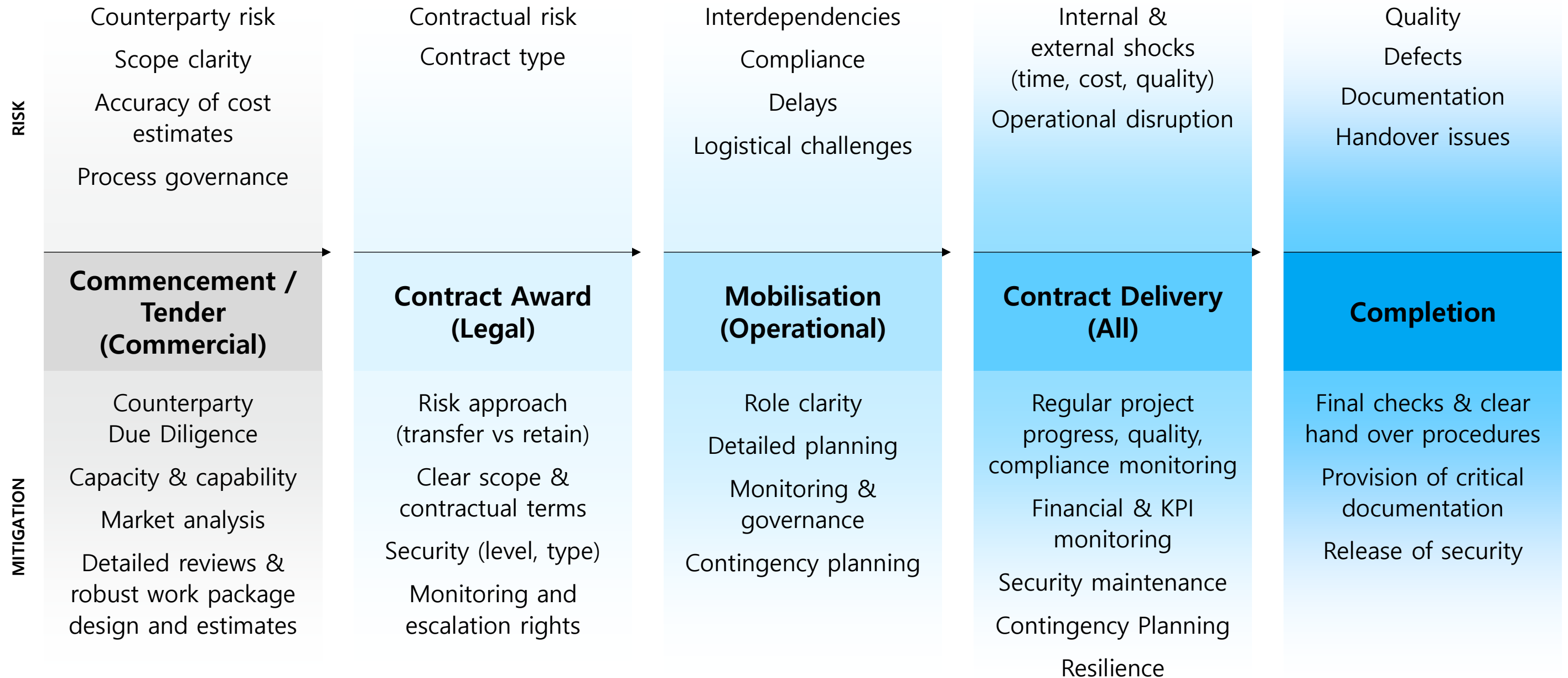
Risks

Project and Portfolio risk by role

Key Role	Project risk	Portfolio risk
Financier / Developer	<ul style="list-style-type: none">Financial instabilityFailure of Principal ContractorRegulatory complianceMarket and investment risk	<ul style="list-style-type: none">Diversification risk and oversightDelivery and control riskRegulatory changes
Principal Contractor / Head Contractor	<ul style="list-style-type: none">Cost overruns, project delays and quality controlAccess to resources and expertiseFinancial capacity to manage unpredictabilitySafety & environmental	<ul style="list-style-type: none">Financial riskResource allocationSubcontractor performanceComplianceGuarantee capacity and structure
Sub-Contractor	<ul style="list-style-type: none">Access to resources and expertiseScope changesHead contractor relations and financial distressSafety incidents	<ul style="list-style-type: none">Payment delaysContractual disputesCapacity constraintsExperience/expertise (particularly during periods of growth)



Risk across a project life cycle



Industry trends & key takeaways

01.

Counterparty due diligence increase in frequency and depth / breadth of assessments

02.

Heightened contingency planning for counterparty failure

03.

Working capital focus to maintain cash flow

04.

Change in security provided and held, with an increase in retention (due to inability to secure bonds)

05.

Focus on margin protection vs pipeline as market slows

06.

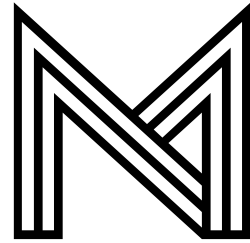
Increase in disclosures and regulatory requirements

Key takeaways

- Proactive risk management is essential for project success.
- Involving all stakeholders in risk management enhances ability to deliver outcomes.
- Continuous monitoring and reassessment of risks are crucial.

Q&A





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