

# STRUCTURAL STEEL

## ➔ INDUSTRY UPDATE



## Market update - 44% spare capacity

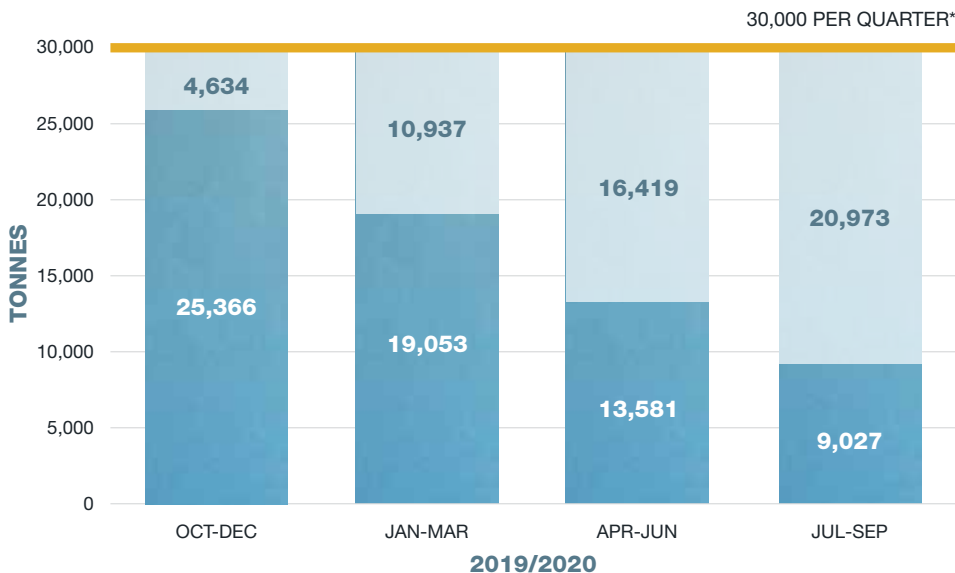
SCNZ's latest quarterly fabricator forward-workload survey indicates there is significant spare industry capacity for the year ending September 2020 – estimated at 44 per cent, based on a current estimated total capacity of 120,000 tonnes per annum. This market update continues to show an increasing commitment quarter on quarter compared to previous surveys.

Compliance remains a key driver for SCNZ, which was behind its drive to develop a collaborative relationship with Auckland Council. From this, SCNZ drew up a five-page checklist for importing structural steel for councils to reference, and it led to a joint SCNZ and Auckland Council roadshow to share learnings about smart procurement practices with councils nationwide. Encouragingly, councils around the country have embraced the opportunity to better understand compliance. We've now equipped participating councils with the tools to procure structural steel knowledgeably and with confidence, which also means there is no longer any excuse for them to accept non-compliant materials.

It's in the public interest for SCNZ to share its knowledge with all councils to help them to lift their game. Our standards are unique to New Zealand – proving that the steel complies with local standards, both in terms of the materials and the workmanship, isn't easy.

### SCNZ Estimated Fabrication Tonnages (per quarter)

In the past 12 months the New Zealand structural steel sector turned approximately 100,000 tonnes of structural steel (plate, hot-rolled and hollow sections) into buildings and bridges through its network of steel distributors, fabricators and erectors.



**95.18%**

Estimated industry delivery performance against agreed programme

- Spare Capacity
- Committed Tonnage
- Industry Capacity

\*30,000 tonnes per quarter could be increased through multi-sharing to meet demand

### Industry Training

We're proud of our industry's commitment to the future and developing the skills of our people: 9.1 per cent of the total workforce employed by New Zealand structural steel contractors are either in an apprenticeship or other training programme, and 69 per cent of our structural steel contractors employ an average of four apprentices.

# Excellence in Steel Awards

Almost 200 leaders and experts from the structural steel industry attended this year's SCNZ Gala Awards Dinner at Te Papa, Wellington. The annual awards celebrate the best and brightest in the industry, and acknowledge the sector's commitment to innovation, quality and collaboration. This year SCNZ received 32 entries, which were whittled down to 20 finalists who demonstrated the exceptional design and execution possible when steel is used as the principal construction material.

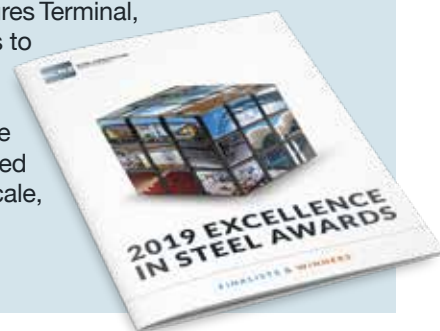
**Standalone Residential:** Anderson House, John Jones Steel – The task was to blend the home into the surrounding environment while protecting the structure from natural elements, including rising sea levels, erosion and flooding.

**Under \$500k:** ETNZ refurbishment, Viaduct Events Centre, D&H Steel – The project required repurposing the Viaduct Events Centre, transforming the building into a dynamic and cross-functional base for Emirates Team New Zealand.

**\$500k - \$1.5m:** Wellington College Memorial Hall, Clendon Burns & Parks/Stevensons – The brief was to redesign the Performing Arts Centre and Memorial Hall and reinvigorate their seismic performance.

**\$1.5m - \$3m:** Cambridge Pipe Bridge, Eastbridge – The project's goal was to reconstruct the Waipa District Council's bridge and wastewater pipe, bringing them up to modern standards while futureproofing the design.

**Over \$3m and Supreme Winner:** AIAL International Departures Terminal, D&H Steel – The goal was to maximise the space and refresh the aesthetic to make the terminal future ready. The judges applauded the project's impressive scale, delivery and complexity.



## Industry who's who

**MANUFACTURERS** (steel mills) produce structural steel products, including hot-rolled elements (I beams and columns, channels, plate and angles) and hollow sections (circular, rectangular and square).

**MERCHANTS / DISTRIBUTORS** import steel for use in the construction industry. Such companies have extensive warehousing facilities to carry a large inventory required to service market needs and provide limited preprocessing of structural material prior to fabrication.

**STRUCTURAL STEEL FABRICATORS** physically prepare the structural steel for a building or bridge through a process of developing detailed drawings (the work of a detailer) based on the construction drawings provided by a structural engineer. They are responsible for material management, cutting, drilling, shop fitting (bolting or welding), painting and galvanising (when required), and shipping.

**ERECTORS** assemble the structural steel members into a structural frame on the project site by bolting and field welding structural steel components together according to the construction documents. In New Zealand the fabricator will typically manage the erection process of their steelwork either through the use their own rigging crews or subcontracted resource.

For more information about who's who in structural steel, visit [scnz.org](http://scnz.org) and [steelfabcert.co.nz](http://steelfabcert.co.nz)

## Key industry facts

In the past two decades demand for structural steel solutions has grown substantially. Today, structural steel's share of the multi-level construction market is more than 50 per cent nationwide. In Christchurch, due to structural steel's strong seismic performance its market share is over 80 per cent - up from virtually nil before the Canterbury earthquakes.

**Market share:** 50 per cent nationally and 80+ per cent in Christchurch

**Annual output:** circa 100,000 tonnes in the past 12 months

**Number of fabricators:** 86 nationwide

**Current annual capacity:** estimated at 120,000 tonnes, which could be increased by multi-shifting to meet demand

**Material certification:** approximately 85 per cent of steel used by New Zealand's structural steel sector is third-party certified

**Employment:** approximately 5,000 workers

**Industry investment:** significant investment in several new state-of-the-art workshops since 2007

**Fabrication certification:** 32 fabricators representing over 88 per cent of the sector's annual output participate in an independent quality assurance scheme, SFC.



For information about becoming a member, contact:

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