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State of the nation

Welcome to the October edition of the Catalyst newsletter and with it the end of the month and the start of November! As the Northern Hemisphere braces itself for the oncoming winter, spring in New Zealand has brought a real mixed bag of weather. Last week we experienced a weather bomb which brought with it 150kmp/hr winds and horizontal rain. Most of the country came through unscathed but not all as one candidate today explained to me his 4 day delay in leaving Milford Sound because the one road in was blocked by a land slide! Today though the sun is shining!

With the mixed weather comes mixed fortunes in the construction and infrastructure industry throughout the country. In the civil sector most contractors I have spoken to this week have been busily tendering for upcoming projects in an attempt to get a good pipeline of work for the year ahead. Much of that focus still remains in the Christchurch/Canterbury region and there is a very positive feeling that 2013 is going to see a significant lift in workload and an increased demand for manpower. Elsewhere in New Zealand there is little change on last month, but with a number of projects kicking off in the New Year this picture could change dramatically.

In construction the picture remains the same as last month with little activity throughout the country. However the release of the first new housing sections, the new plans for the old railway site and the announcement of an international design competition for an urban village indicate that things are moving in the right direction. Many Contractors are optimistic that the pace of activity will grow and that in 2013 they will need to increase the size of their teams to keep up. PQS and Professional Project Management companies are continuing to actively recruit, both in Christchurch and Auckland, so those with experience in this sector are encouraged to get in touch to discuss opportunities.

Geotechnical Engineers and Seismic Structural Engineers remain in demand for Christchurch and so those considering the move should talk to Mireille as soon as possible. Throughout the consultant engineering sector there has been a small lift in activity as companies look to increase the size of individual teams. Areas of particular note over the past few weeks include traffic & transportation, highways designers (MX), water & wastewater and architectural specialists with Revit experience. Much of this activity is based around the Christchurch rebuild but other areas have shown some improvement as well.

This is a difficult time of the year in the industry in New Zealand. Most companies shut down over the Christmas period whilst many of their employees make the most of the good weather and the schools being closed. Subsequently we tend to find this time of year is more about planning and preparation than actually doing. As always if you have plans to visit or move in the future then do get in touch so we can discuss how we can assist. Keep up to date with the latest news in the blog and follow the discussions through our groups on Linked In



PPPs – What is their real cost and benefit, and does NZ need them?

Public Private Partnerships will not be an unfamiliar concept to most people in the UK. How effective this funding option can be in New Zealand is steadily being realised as they are being explored across a number of projects in infrastructure, building and transport.

Tony Ryall, New Zealand's Health Minister, last year hinted that PPPs could be explored as an option for Christchurch's hospitals, but recently revealed that a PPP route was no longer an option. So why that change of tack? Ryall, Gerry Brownlee and others have said that investigating PPPs viability would delay progress and impede development. "No sense in mucking around," Brownlee has been quoted, but if a firm channel of funding with multiple stakeholders would be mucking around, surely some mucking around would be worthwhile if it results in guaranteed funding for projects which have traditionally been hit by money issues, and resultant shifting delivery timescales.

David Green, ANZ's Institutional Managing Director has countered these concerns. "(the rebuild) will be a live environment where we can look at developing new ways of getting projects off the ground faster...and create financing solutions around them that facilitate that." David is responsible for managing ANZ's relationships with large Corporate and Institutional clients and providing them with specialised markets, transactional and financing products and solutions. This certainly qualifies him as someone who can see real value in PPP initiatives, and he says most of the Treasury focus on the development of PPPs in New Zealand has already been useful for central government supported projects. He says the Christchurch redevelopment will also create opportunities to think about how local Government can build civic assets involving the private sector. "It's not just the benefits of getting Christchurch up on its feet and the value that creates for the economy, but also as a proving ground for how we might apply solutions to other regions to transform local government infrastructures." Like other banks and infrastructure funders, ANZ has been grappling with the Government's initial foray into the PPP space.

This clarity of vision and surety of PPPs has been proven with schools and prisons in New Zealand already. "PPPs are not just about financing. They are about procurement of services. Beyond that we have seen they are highlighting possible

benefits for operating infrastructure which can be applied to replicate best practice across the public sector." Green says there also needs to be more focus on a funding solution for delivering transport projects in New Zealand. He suggests that companies may need to look at potential funding models such as tolling regimes or other ways to incentivise private involvement or bring forward projects.

Now PPPs are a reality here, Green believes Treasury needs to develop a streamlined process so that smaller projects can be delivered under that umbrella, without becoming cost-prohibitive. Frameworks for faster rollouts are essential to encourage companies to take part in PPPs, reducing the cost of participation. Historically, it's been several years before companies see any ROI due to these initial costs.

Offshore interest (particularly from Asia) in the Christchurch rebuild is increasing. The challenge will be finding defined projects investors can get their teeth into that also meet their own criteria. This could involve the way the project is delivered through to the involvement of investors, service providers or construction firms from their home country. Green says one of the good things about the Christchurch redevelopment is it is creating scale and a reason for not just financiers but providers of equity to come down here to explore opportunities. "The next phase is working out how to get engaged as either part of a joint venture or consortium or aligning themselves with other parties."

Awareness of PPPs is now growing in the public sector following recent successes, thanks to the commitment in them by government departments. An increase in NZ GDP occurs when private firms enter into PPPs, driving the economy forward.

So in the medium to long term, PPPs do appear to be the answer to the gap between funding capital and targeted infrastructure, so long as in the short term frameworks are put in place as quickly as possible. Which for Christchurch is vital, as so many still ask where the funding will be coming from.



Crying wolf in Christchurch

- Q Has New Zealand been Crying Wolf over Christchurch? (Or more importantly – have the recruiters?)
A With hindsight – It could be argued that we have.
Q Did we do this on purpose?
A Hell no!

Sep 2010 – The start

The first earthquake occurred on 4th September 2010. Nobody was injured, but there was a fair bit of damage (approx \$2-3 Billion). On our clients instruction, we started to advertise for expressions of interest.

Feb 2011

This was followed by the massive earthquake on 22nd February 2011, best likened to lifting up the city centre one metre and slamming it back down with a force of 2G causing the collapse of 2 key buildings and many stone facades and of course many deaths (it occurred during a midweek lunch time). Immediately it was recognised that we had moved from a repair situation to a rebuild ten times the size.

At this point all previous plans for repair were scrapped as the enormity of the situation sank in. Naively we thought that the rebuild work would start in earnest so we utilised our advertising streams in the UK and increased our adverts asking for expressions of interest, knowing that it takes some time to mobilise to NZ.

June 2011

Then reality struck again. Just as the country's response was starting to be formulated, a further earthquake occurred in June 2011. This earthquake was a big slow rumbling shake that caused massive structural damage to already damaged buildings, but no injuries or massive building collapse – just extensive damage. Again – this put all of the originally planned response into perspective as the scale of the deconstruction became huge (one and a half times as big – some 3000 commercial buildings) – which inevitably delayed the CBD civil infrastructure repair.

Recovery discussions changed direction once again. Almost all of the rebuild (apart from house repairs) was put on hold. Horizontal Infrastructure (highways and water mains) continued to be quickly repaired, but no actual replacement work was carried out. During this time the scale of the project became so immense that there was

no civil contractor big enough to manage the repairs, so 5 contractors came together to build the Stronger Christchurch Infrastructure Rebuild Team (SCIRT).

Sep 2011

The negotiations were completed and SCIRT established on 1 September 2011. A full year after the first earthquake -0 and the repairs hadn't really started.

Dec 2011

At this point we advertised our first actual roles for residential repair and civil design and civil contractors. However, this was again stymied by the December 2011 earthquake. This was a big slow wave of an earthquake which left vast swathes of land higher – or lower than it was previously. The whole horizontal infrastructure response needed to change. Previously – due to the flat nature of the city - it was planned to replace like for like with long lengths of shallow gradients for the gravity pipes, but it was feared that if a repeat of the December 2011 earthquake hit Christchurch, further massive repairs would be required. The new plan is to replace the underground infrastructure with shorter runs of steeper gradient pipe with significant numbers of smaller pump stations. This required a complete redesign.

This of course meant that our previous advertising was less relevant as companies further delayed their recruitment activity to tie in with the launch of the new infrastructure plan.

Insurance delays

So – 2012 rocked around with no clearly defined plan. We were still knocking buildings down (close to 70% of all buildings in the city centre). The official line to the public was that it would be finished soon and companies started gearing up to hire. Again we advertised roles, but again it was a false start because the insurance companies started playing hard ball and developers could not secure insurance for their new projects.



Crying wolf in Christchurch - article continued from page 3

April 2012

On April 18th the Christchurch Central Development Unit (CCDU) was launched which gave the community a chance to focus on one plan for the CDB recovery, but there was a 100 day delay as the 100 day plan was put together.

July 2012

The CCDU launched the 100 day plan – around the end of the Olympics (29th July).

We now had a plan to work to, but none of the 7 major projects (which can be viewed in our Christchurch Blueprint booklet) had been released for tender – causing further delays as developers were not sure what they could build on the land they currently owned.

Which pretty much brings us up to date.

We are expecting a major surge in activity in the New Year. With our notoriously slow start to the year (Christmas and School Summer holidays) we expect to see our clients organising themselves in February and starting to hire in March. The uptake is predicted to be massive. Some contractual experts have already identified the biggest risk to developers as the lack of human resources available to physically manage and build the projects.

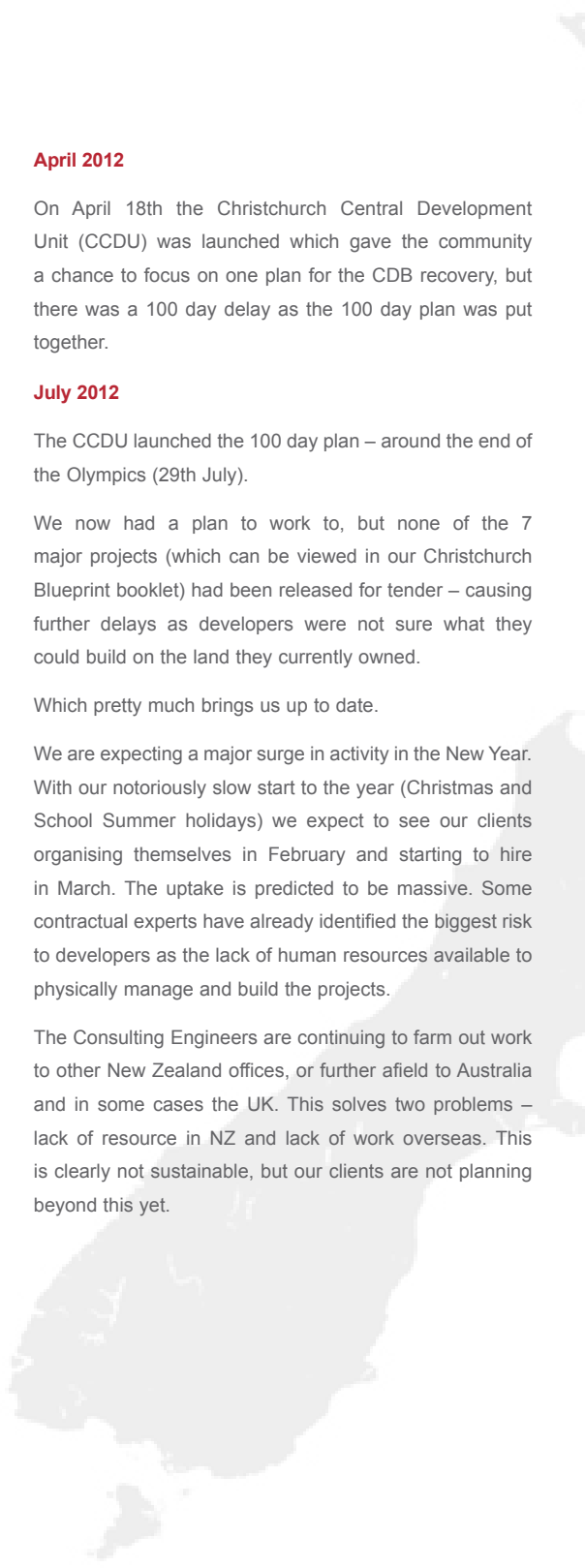
The Consulting Engineers are continuing to farm out work to other New Zealand offices, or further afield to Australia and in some cases the UK. This solves two problems – lack of resource in NZ and lack of work overseas. This is clearly not sustainable, but our clients are not planning beyond this yet.

The Civil Contractors and Building companies do not have this luxury. They can not ask somebody in Manchester to dig a hole in Christchurch overnight. It has to be done here! So expect to see the much delayed uptake of international expertise.

As you can imagine – we will be at the forefront

Projects that have been confirmed and signed off in the last couple of weeks

- Avon River Precinct – International interest - 28 responses.
- \$52 Million – Office Development - Old Railway Station site
- \$40 Million Restaurant and Bar Precinct
- \$20 Million – 6 storey office block on Gloucester Street
- 50 dwelling Urban Village – 130 international entries
- \$15 Million - Sumner Village redevelopment
- \$5.3 Million - Christchurch Cardboard Cathedral – commenced construction
- \$800 Million Major Road upgrade (over 8 years)
- \$10 Million – new Ferrymead Bridge
- \$8 Million - Christchurch Botanical Gardens pavilion
- Government committed to 17,450sq metres office space





“The pressure and stress has gone and it has given us time to set goals in our lives.”

Lee Smith

Case study of moving to NZ

Current Employer: MWH Mainzeal Joint Venture

Lee contacted Catalyst Recruitment this time last year having arrived in New Zealand for a short fact finding mission with the specific intention of meeting potential employers. He and his wife had already made a committed decision that a move to New Zealand was what they were looking for for their family and were hoping to arrive in January 2012. Lee was made an offer to join the MWH Mainzeal team in Christchurch in the capacity of Commercial Project Manager and started his new role in late January.

What inspired you to consider moving with your family to New Zealand?

The family was looking for a fresh start. We had gone through a lot in Europe and felt that we could not go any further. So we looked for a place where a young family could grow and fulfill their potential and New Zealand gave us that.

Has New Zealand lived up to your expectations?

New Zealand has surpassed our expectations!

How has your life changed since moving to New Zealand?

The pressure and stress has gone and it has given us time to set goals in our lives. Now we can plan ahead rather than constantly fend off issues.

What one thing would you have done differently?

The fun here is finding everything out for yourselves, don't come to NZ expecting it to be like the UK, it may look like the UK, smell like the UK but it's not the UK and never will be.

What one thing do you wish you had known about before moving?

How much paperwork there is!!

What advice would you pass to someone commencing the process?

The paperwork can be daunting but persevere. Don't look back and don't come if there is any doubt, New Zealand is a long way and not a quick trip back!!!! Commit to NZ and NZ will commit to you.

Looking back with hindsight, do think you have made the right move for you and your family?

Undoubtedly. Not a second thought.

Useful facts

1st interview to offer	24 days
Offer to arrival	62 days
Time since arrival	264 days

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Marmageddon

Kiwi Marmite has been off the supermarket shelves since March, after the Christchurch earthquake forced Sanitarium, the Kiwi maker of the dark yeasty spread of the same name, to close its sole New Zealand production plant in November 2011.

Sanitarium has recently slapped an import ban on 'real' Marmite being shipped in from the United Kingdom causing uproar amongst the Kiwi's and British around the country. But the import ban isn't a reaction to the company's inability to produce the 'black gold', according to Sanitarium. General manager Pierre van Heerden said the ban was merely a timely trademark protection. Sanitarium has apparently held the trademark for Marmite in New Zealand for more than 80 years, the company said in a recent statement. An announcement that will come as little comfort to the hordes of Kiwis still craving the black spread.

A Canterbury man trying to import a British version of Marmite is facing legal action from Sanitarium after Customs impounded his shipment. The shipment was impounded as part of a standard screening process offered to organisations by Customs to identify products that infringe trademarks. This month, Customs approved import bans for Marmite and Weetbix - both Sanitarium products - and 2000 jars of UK-made Marmite have now been halted by Customs on the docks at Lyttelton.

Mr van Heerden said the ban would not stop British expats consuming the UK version of the product, if they bought it under its 'Our Mate' product name.

"If you are going to have something else, this isn't going to cut down your options. If the expats want a taste of England, there's Our Mate available."

Marmite production was tipped to return in July, but Mr van Heerden said there's still nothing in the works.

"We are doing everything possible to get Marmite back on the shelves. There were problems with the weather and getting consents through.

"We don't have a final date yet, but I can assure consumers we want Marmite back as much as they do."

<http://www.3news.co.nz>

<http://www.stuff.co.nz>

