



## this issue

State of the nation **P.1**Business confidence soars to 5-year high **P.2**Waterview tunnel chapter set for Alice in underland **P.3**1700 workers to relocate to Christchurch **P.4**What's the price of milk got to do with it? **P.4**Neil Bosworth: case study on moving to NZ **P.5**

## State of the nation – Heading in the right direction

Welcome to the Catalyst state of the nation for the month of September. The arrival of September brings spring to New Zealand and with it a mixed bag of weather. Last weekend Auckland was hit with a major storm that included 1000 lightning strikes in four hours and yet this week we've experienced beautiful sunny days with temperatures of 19 and 20 degrees; hopefully the warm temperatures are an indication of a great summer ahead!

Aside from the weather New Zealand has been gripped over the past two weeks by the America's Cup competition in San Francisco between Emirates Team New Zealand and Oracle Team USA. Sailing is a big part of life for many Kiwis' and the America's Cup is something that is held very close by many over here. The country watched closely as the Kiwi's blasted out of the blocks and achieved an 8 – 1 lead by last weekend (first one to 9 wins). Over the last week the nation's joy turned from elation to nervousness and then despair as the Americans got faster and point by point dragged themselves back into the competition, finally completing the coup de grace on Thursday by winning the final race and retaining the cup. Personally I'm not that big into sailing but Kiwi's do love their sport and when their team is taking part it's very hard not to get swept up in the emotion; in truth, it's a lot of fun!

The arrival of spring not only brings better weather, hopefully, but the promise of a new civil season and a lift in construction activity throughout the country. A recent trip to Christchurch resulted in a mixed response to the economic climate, depending who you spoke to. On the whole the mood is positive in both the civil and construction sectors with a large amount of work being tendered for. That doesn't mean the predicted boom has arrived, or that companies are crying out for staff but it does mean that better times are ahead. Christchurch continues to get busier though an air of frustration exists that it still isn't busy enough; I briefly wandered the city centre this week and was surprised as to how quiet it was. Of course there is a lot of work going on in the background such as land sales, budgeting and design etc so I don't think it will stay quiet there for long.

Elsewhere in the country Auckland is starting to show some signs of activity; again a steady amount of work is

being tendered for with likely start dates in the New Year. Other areas such as Hamilton and Wellington have major civil projects getting under way as we speak and as they progress so the requirement will increase. As always keep your eyes on the catalyst job board for roles but construction QS's and Project Managers remain in demand and in civil there is a need for managers in the highway maintenance and wastewater maintenance sectors.

The consulting engineers are still fairly static with their requirements. A slow down in the Australian market has meant that those companies are able to farm work out to other branches rather than build their teams in New Zealand. It is accepted that this is not a long term strategy so those interested on roles within the engineering consultant sector should be in contact with Mireille to discuss individual requirements. As ever the need for geotechnical specialists remains as well as those with seismic structural experience and if this fits your experience then you should be speaking with Mireille.

New Zealand is moving in the right direction in the civil and building construction sectors and 2014 looks bright. In general New Zealand's economy has fared well through the global recession and although not out of the woods yet is looking a lot stronger than many economies around the world and subsequently making it a good place to be. If you're looking to make a visit to New Zealand or you're contemplating (or making) a permanent move then get in touch with us to discuss how we can help; of course the more notice the more prepared we can be for your arrival. Keep following us on Linked In and for those who haven't joined yet you will get constant updates of activity in New Zealand through the blog. As always we look forward to hearing from you.



## Business confidence soars to 5-year high

New Zealand business confidence climbed to a new five-year high, with construction firms still the most upbeat on profits, hiring and investments even as their optimism softened.



Half of all New Zealand building firms are expecting bigger profits in the year ahead. Photo / File

A net 54 per cent of firms expect general business conditions to improve in the year ahead, up from 48.1 per cent in August and the highest since March 1999, according to the ANZ Business Outlook survey.

Firms seeing a pickup in their own business activity in the year ahead rose to a net 45 per cent from 43.3 per cent.

The construction sector was the most bullish about the outlook for the economy, though the proportion seeing better times ahead slipped back to 68.2 per cent from 71.9 per cent in August and own activity outlook fell back to 41 per cent from 68.8 per cent. By contrast, the services sector improved on both measures, to 63 per cent and 53.8 per cent respectively.

Building firms were more upbeat about profits, with 50 per cent seeing an increase in the year ahead, up from 43.8 per cent in last month's survey. But expectations for residential and commercial construction both slipped.

Increased profit expectations across all sectors jumped to a net 33.5 per cent, a 14-year high, from 25 per cent in August.

"We're long past recovery," said Cameron Bagrie, chief economist at ANZ New Zealand. "It's a strong picture across the board, both by sector and region."

Export intentions slipped a tad, with a net 23.2 per cent seeing a pickup in the year ahead, down from 24.1 per cent in August, perhaps indicating the impact of a continuing high kiwi dollar.

Hiring intentions edged up to 18.8 per cent from 18.1 per cent. A net 20.4 per cent of firms surveyed expect to increase investment in the year ahead, up from 17.3 per cent in August.

Inflation expectations remained relatively subdued, at 2.31 per cent in the year ahead, down from 2.33 per cent in August. Still, pricing expectations rose to 29.9 per cent from 28.6 per cent.

"The inflationary risks are starting to look one sided," Bagrie said. "We're seeing more of a drift upwards in pricing expectations."

That was led by the construction sector in the latest month, with a net 54.5 per cent expecting to raise prices, up from 43.8 per cent in last month's survey.

Source: NZ Herald



## Waterview tunnel chapter set for Alice in underland

Alice, the Waterview Connection's tunnel boring machine, is lined up at the mouth of her first Mt Roskill wall, ready to dig the country's biggest roading job.

John Burden, project manager for the Well-Connected Alliance, showed how the shield or cutting face of the world's 10th-largest tunnel boring machine would soon start eating into the ground to create the first 2.4km southbound tunnel.

Alice, which can create a 14.4m diameter tunnel up to 17m long a day, not only digs the tunnel with her circular cutter head full of blades and discs but also lines the hole she has dug with concrete segments, completing the process all in one go.

"The tunnel has to be that big to get three lanes of traffic in," said Burden, aged 51, a civil engineering Auckland University graduate, who heads the project. He has worked for Fletcher Construction, one of the alliance partners, for 18 years, including on the Victoria Park tunnel.

Burden was in the successful tendering team, so has been working on the \$1.4 billion Waterview job since January 2011 "and we have another 3 years to go".

Financial incentives and disincentives are built into the contract.

"The commercial organisations in the alliance work to target and get a pain or gain share," Burden said, describing financial penalties and rewards at various stages.

He cited Alice as an example, saying it had come in "very close to budget, at roughly \$55 million".

"If we didn't do a good job, all the people in the alliance would be affected and get less money," Burden said.

Soil or spoil from the tunnels will be removed by a continuous conveyor belt, more than 6km long once it is linked up to the back of Alice.

Source: NZ Herald, Anne Gibson



Photo: facebook.com/AliceTBM



## NEWSFLASH: 1700 workers to relocate to Christchurch

Prime Minister John Key has announced about 1700 government employees will move to central Christchurch in 2016

In a speech to the Canterbury Employers' Chamber of Commerce today, Key said 20 public sector departments and agencies would be relocating to the Garden City during 2016.

As reported by Stuff the plan is for them to move into four new buildings around the city's proposed retail precinct, occupying about 24,000 square metres of office space.

Key said negotiations over leases were continuing.

"This will help support the recovery of the central business district and offer a long-term solution for government office accommodation in the city," he said.

"It will be a catalyst for more economic activity in the CBD, whether it is retail or associated businesses."

Departments that will be relocated include the Ministry of Social Development, NZ Transport Agency, ACC, Department of Conservation, Statistics New Zealand,

Ministry of Education, Ministry of Business, Innovation and Employment, Ministry of Health, Housing New Zealand Corporation and Department of Internal Affairs, along with some smaller agencies.

Key said the agencies would be clustered so they worked better together.

The move would mean an extra cost of about \$90 million over 20 years, including the cost of leaving temporary accommodation before leases ran out.

"However, I will be expecting ministers and their departments to improve on that figure as we seek to get the best value for taxpayer money," Key said.

The government workers would join more than 1000 workers from big banks set to return to the central city as their employers negotiated space with developers.

Source: [HRM Online](#)

## What's the price of milk got to do with it?

One thing that you may not know about NZ is that the dairy industry is massive. Fonterra the co-operative is the 4th largest dairy company in the world. Most countries make enough milk for themselves, but even though NZ only produces 2% of the worlds milk - we are responsible for one third of the worlds cross border trading. That is right - we export 95% of our milk to over 151 countries which makes up a whopping 26% of all of NZ exports and the industry employs some 37,000 people.

Not surprisingly - one of the most important questions each quarter is What is the price of a kilo of dried milk?

New Zealand's Fonterra has retained its position as No 4 among the world's top 20 dairy companies, a new survey shows.

The 2013 Rabobank survey shows Nestle, of Switzerland, remains the world's biggest dairy company, with French giants Danone and Lactalis second and third respectively.

The top four places had been unchanged since 2007, Rabobank said.

Nestle extended its lead at the top of the table, with the purchase of Pfizer's infant-nutrition business contributing to 23 per cent revenue growth in dairy sales last year.

Behind Fonterra in fifth spot is Friesland-Campina, of the Netherlands, and at No 6 is Dairy Farmers of America, both positions unchanged since last year.

Arla Foods, of Denmark-Sweden, moved up one place to No 7.

United States company Dean Foods also moved up one spot to hit No 8, and Canadian company Saputo jumped three places to No 9.

Japan's Meiji remains at 10 and Unilever is unchanged at 11.

The Chinese dairy producers continue their march up the table, with Yili now in 12th position from 15th last year, and state-owned Mengniu at 15 from 16 last year.

A new player from Japan has appeared in the top 20, with Morinaga debuting at 13.

Sodiaal, of France, is unchanged at 14.

Kraft Foods, of the US, has slumped from 9th last year to 16.

Germany's DMK is in 17th position from 13th last year.

Source: [stuff.co.nz](#), [Andra Fox](#), September 2013



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## Neil Bosworth

### Case study of moving to NZ

**Current Employer: McConnell Dowell**

Neil originally contacted Catalyst back in 2012 and discussed plans to come to New Zealand at the start of 2013 when his contract in Korea had finished. We kept in close communication and prior to his arrival in April 2013 Catalyst discussed his experience with clients and circulated his CV to those with potential roles. Neil quickly secured an interview with McConnell Dowell and was offered a position. Neil had arrived without a visa but was able to quickly do his medical and after a wait for his police check from the UK and Korea (did take a few weeks), was issued with a visa and able to start work. Neil is thoroughly enjoying his time in New Zealand and is developing his career at the same time.

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

I had been working abroad previously since 2006 to 2009 and then went back to the UK but the recession had really kicked in and work had pretty much dried up in the north so was I working down in London. I think once you've worked abroad you look at life differently and had been planning on getting away again. I'd been keeping in touch with Catalyst for some time and was just waiting on the right time to make the move.

**Has New Zealand lived up to your expectations?**

As far as the work situation definitely. Life here after hours is a lot more chilled and there is a lot to go and see at the weekends. Unfortunately I've been working most weekends but that's the nature of civils and construction in general.

**How has your life changed since moving to New Zealand?**

I feel professionally I'm finally getting the opportunity to get more training and the chance to move on in my career as I felt in the UK companies weren't as interested in you as an employee. McConnell Dowell have really impressed me as they are so interested in my professional development. I was completely honest in my interview in regard to my positives and negatives and they have moved me on from where I was and are pushing me to get experience in the commercial side and management. I even had a career appraisal after two weeks and this is followed up monthly by my Project Engineer.

**What one thing would you have done differently?**

I moved here with no work visa established so had interviews then applied for a visa. It took what seemed like forever when you're not working and it's been an expensive

time as rent is more than I thought and it's really difficult to get something decent for the right price. I'm not trying to put people off but you need a fair amount in the bank and expect to be waiting sometime for the visa process.

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

Christchurch is a sombre place since the earthquake and the residents have really had a rough time. It's got no central hub and I'd been before so it definitely feels different here. I see it as an excellent place for me to get the right experience and training and if you want the wildness of NZ it's really on your doorstep.

**What advice would you pass to someone commencing the process?**

Save money, prepare to move around a lot until you find a place to settle in Christchurch as the accommodation is the big problem here.

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

Definitely. It's a great place to live, no hustle and bustle like the UK and it's great that you can drive to work in 5 minutes. The streets are so quiet and within an hour you're in the mountains either skiing or mountain biking, you can't complain.

**Useful Facts:**

1 <sup>st</sup> contact:	March 2012
1 <sup>st</sup> contact to arrival:	403 days
Arrival to 1 <sup>st</sup> interview:	4 days
Interview to offer:	8 days
Offer to start (including visa application):	52 days