

# McConnell Group News

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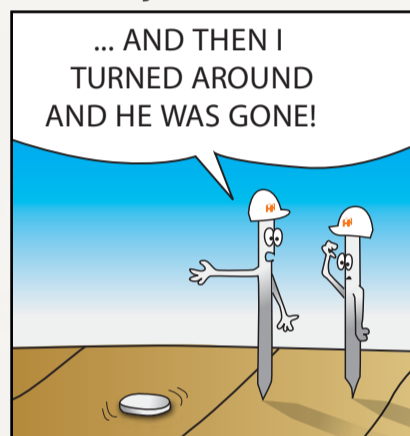
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## Fast-Track Rail in Auckland and Wellington



The most challenging of the Developing Auckland Rail Transport (DART) projects - Hawkins Infrastructure is rebuilding the Newmarket railway station, junction and track.

## Safety Plus



Across the Group employee and public safety is a non negotiable priority. But driving a culture of continuous improvement within Hawkins, Steelpipe and McConnell Property is no mean feat given the all pervasive human headspace that 'it won't happen to me'. Think back 10 years - the sight of riggers on roofs with no safety harnesses defying the odds was fairly common place and supposedly a good fit with the iconic kiwi pioneering approach. But today such practices fit into the same bag as drink-driving; they are no-go zones.

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Hawkins Infrastructure has geared up for rail, north and south. Not only are they redeveloping the Newmarket railway station and junction in Auckland, and the Wellington station entry project, but they are one of three pre-qualifiers for the multi-million dollar Auckland Railway Electrification project. All projects require fast track construction in 'live', bottleneck environments.

The Newmarket redevelopment, known as DART One (Developing Auckland Rail Transport) will be Auckland's second largest and busiest passenger station, after Britomart. Recognised by the client, Ontrack, as the most challenging of the DART projects, the Hawkins team has had to fast track construction, working within a live rail corridor, simultaneously

safely managing over a 100 workers on site. Moreover the project, which involves rebuilding the station, junction and surrounding track, is located in the heart of Newmarket's residential and business environment where maintaining good relations with the 1,000 residents and retail business people who border the site is a priority.

Right from the start (June 2008) the pressure has been on. The existing track layout was a bottleneck and the first stage of the major track redevelopment was designed to ensure trains could continue running smoothly through this busy part of the network while the overall project ensued. An intense period of planning and construction activity culminated with a

final three week burst of effort where the project team worked 24 hours a day to achieve the deadline. With the new tracks laid and ready for use two days earlier than the stringent deadline, the client was delighted.

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## Two Big Wins in the South



(Above): Otago Stadium. (Below): Christchurch Terminal Redevelopment (artists' impressions).



Hawkins has been awarded both the integrated terminal redevelopment for Christchurch Airport (\$100M) and the Otago stadium project in Dunedin (\$130M). The stadium, which will be New Zealand's largest indoor arena, is sited overlooking the harbour and has been designed as a versatile business, community and education facility - no matter what the weather. Christchurch airport's terminal redevelopment will combine domestic and international check-in counters, retail areas and arrival halls.

## Showcasing Sustainable Property Development

At the inaugural International Sustainable Cities Forum hosted recently in Auckland, McConnell Property was chosen to showcase sustainable property development in New Zealand. More than 45 visiting Chinese property developers and investors were part of the delegation lead by Wang Shi, the 58 year old 'godfather'. Wang is founder and director

of China Vanke Company, the largest housing developer in China...and perhaps the world. He is also a mountain climber who at 54 became the oldest person to scale the highest peaks on seven continents and trek to the two poles.

(L-R): Wang Shi, Forum Organiser Maggie Chen and David McConnell.



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## Safety Plus



The Hawkins Safety Team (L-R): Bruce Hodge, Larry Christie, Hein Oosthuysen, Andrew Confait, AJ Staples and Allan Kendrick.

Andrew Confait, National Safety Manager for Hawkins, believes that a key reason for Hawkins success in driving significant improvement in safety practices is leadership from the top. "Safety is about 'we' and our commitment is led from the senior management team throughout the business. All our people know the value that is placed on safety and it doesn't just stop with Hawkins staff - it includes all our subcontractors and suppliers. Everybody is accountable and responsible, says Andrew.

"Our culture has rapidly become one where safety is not an add-on. It is part of the start-up planning and thinking for projects. It is the way we do things. Our focus is about the wellbeing of staff and improving productivity at the same time."

John Buse, Site Safe Safety Advisor, (a New Zealand industry national safety body established in '99), endorses Hawkins attitude and approach both historically, and more recently as a co-developer of the Site Safe Charter programme.

"The first level of the Charter focuses on health and safety administration inclusive of the supply chain's use of Site Specific Safety Plans and competent workers; the second level is about how we behave 'out on site' from an health and safety and environmental perspective and the third part (which is still under development) is about leadership, with all management within the business having specific health and safety accountabilities," says John. "Hawkins is now at the secondary level and a leading example within the industry. We are impressed with their open door approach and 'whole-of-business' involvement," he adds. "And I am very satisfied that their focus is about moving forward with a series of 'positive performance indicators' that measures current safety activity rather than the industry's concentration on backward looking measurements like lost time injuries."

### SHARING GROUP SAFETY KNOW-HOW

Andrew's commitment and passion for safety is now filtering across the Group.

Says Andrew: "The people I work with are



The Auckland International Airport environment has been an incubator for the trial of a variety of safety initiatives over the past three years. In fact, more than \$100M of work has been completed without a 'lost time injury' while consistently exceeding the industry average performance indicators for administration and leadership in health and safety.

gifted people - they create and build magnificent structures...I am a resource; if I can lend support to make them more successful, all the better."

And he has already shared the benefit of his experience with Dean Boston, new GM Steelpipe Australia, and similarly with McConnell Property. He arranged a Site Safe's Client Passport course for 12 people from McConnell Property, plus Mike Wardle, David and John McConnell. These courses, have been developed by Site Safe (with Hawkins as pilot), to enable clients to understand their responsibilities and 'duty of care'.

As an upshot of this day Peter Martin, Property Manager for McConnell Property, is now working with Andrew to ensure that McConnell Property's health and safety approach is comprehensive.

"I come from a financial background. To be able to draw on the experience of someone like Andrew is such an advantage in ensuring that we are covering all bases and what's more he is genuinely happy to share his vital knowledge and experience," says Peter.



Warren Wilks (Hawkins) and William King (Composite Floor Decks) using suspended nets below as a means of 'isolating' the fall hazard.

### SAFETY WITH PRICE A WINNING ATTRIBUTE

The Hawkins procurement process is now driven in such a way that price is only one of the factors taken into account for suppliers winning work.

With site specific safety plans there is proactive recognition for cost effective initiatives where safety is part of the process. For instance on the Auckland Britomart East I & II project, Composite Floor Decks, the subcontractor working multi-storeys-high and welding in heavy metal decking over which concrete will be poured, uses suspended nets below as a means of 'isolating' the fall hazard (as opposed to relying on the traditional use of a harness only to 'minimise' the hazard.)

Says Project Manager Terry Buchan "Hawkins has already adopted this practice at Auckland Airport and our benefit analysis highlighted that while there is more cost involved the safety advantage is critical."

## International Safety Registration for Steelpipe New Zealand

Steelpipe Australia and Steelpipe New Zealand are quite different organisations - Australia is a new factory with a new workforce that works split shifts; whereas in New Zealand Steelpipe has an old factory and a single - shift workforce, the majority of whom has been together for 25 years. As Keith Young, Steelpipe New Zealand's Operations and Management Systems Manager says: "we might appear like a dirty, old factory but our health and safety standards will match anyone's."

And he's not wrong! Steelpipe New Zealand has just received registration to the AS/NZS 4801 programme following twelve months of intensive work by all in the business, particularly the operations team. The registration process involves regular auditing by independent agency, Telarc SAI.

"It is because of our commitment to providing a safe working environment for employees that we have incorporated the AS/NZS 4801 programme into our Management System. This is an internationally recognised standard which will also strengthen our

position when competing for export work particularly in Australia," says Keith.

Keith sees health and safety as a cultural thing. It's simply the way we do things around here.

"To ensure that there is sufficient horsepower the senior management team are always keen to be involved and drive any initiatives. The team are determined to ensure that the management system is alive and vibrant. However, to ensure success everyone throughout the company needs to participate. There must be input and 'buy-in' from everyone and initiatives must make sense."

Steelpipe New Zealand has just achieved 12 months without a lost time injury, a significant statistic.

"But this is a lag indicator and only provides historical information. Our aim is to prevent accidents occurring in the first place. We have a range of lead indicators planned for the coming year with the objective of identifying, removing or minimising potential areas of hazard before they become an incident," says Keith.



Steelpipe New Zealand's Safety Group (L-R): Keith Young, Kelly Smit, Joe Eramiha, Patrick Prince and Te Aroha Tumai.

## Shift in Attitude for Steelpipe Australia

Over the past six months Steelpipe Australia (SPA) has undergone a major attitudinal shift with regards to safety and while it is still early days over the past six months an LTI free environment has been sustained in the new manufacturing plant.

John Lawrence SPA Operations Manager says it is about encouraging all employees to be responsible about their own safety.

"Safety is not something that management imposes.

At the daily toolbox meetings at the start of both shifts we encourage everyone to recognise hazards, put forward solutions and then implement them immediately. Once a week we shutdown between shifts and both crews dig in together to ensure everything is tidy and safe," says John.



To reinforce the policy of everyone wearing safety glasses at all times Steelpipe Australia's standard A4 signs have been oversized and prominently mounted on the factory walls. Wearing the right gear (L-R): Ian Hutchens, John Bedson, Glenn Mora and Chris Jones.



## Looking Forward Looking Back

**After six years Martin Udale has stepped down from his role as CEO of McConnell Property but he remains committed to the business with his focus on business development and strategic initiatives.**

**Martin came to New Zealand to join the business in 2003 after 25 years in the Australian and UK property markets.**

Group News interviewed Martin to share some of his industry observations.

### How has the business changed between 2003 - 06?

In 2003 no-one knew who McConnell Property was or what it was. Today there is an awareness of both - we are seen as an ethical developer, one here for the long term, a business rather than 'a collection of projects'. And this is a long term game - we have built a foundation that is looking out 50 years ahead.

### What is your perspective on urban development?

It is interesting that in the OECD New Zealand is the third fastest urbanising country - 87% of kiwis live in an urban environment; we are not as rural as we think we are! It is a personal passion of mine to see urban environments that develop long term economic value for the country, that build competitive advantage in a real, sustainable way and we are part of this vision. I think that McConnell Property has been influential in raising the level of awareness and discussion around development in the 'bigger' sense, particularly in the importance of developing a competitive edge for Auckland. Six years ago we said that development in New Zealand was cr\*\*\*, we have been prepared to stand up and change it, and we are not talking about window dressing.

### So what has McConnell Property achieved?

Six years ago the kind of projects that we are now developing were just not there. We have been able to build a real reputation for creating great places to work and live. Whether we are developing industrial, commercial or residential environments the same values pervade our thinking. Take the residential neighbourhoods of Anselmi and Addison - their attributes and success

have been recognised nationally and internationally.

A key part of how we do this, is our focus on building relationships and partnering.

### What do you mean by partnering?

I don't believe that anyone partners like us. It can be frustrating and difficult but we have consistently been able to work with partners across all areas of the business and achieve common, desired outcomes. This is testament to the McConnell Property team - it is how we operate and how we are perceived. While we are always the lead partner we bring people, like our investors, into the process early and take them with us on the journey. Getting the Property Funds Management business started is a good example - it is about a relationship with ABN AMRO that is based on sound governance, credibility, trust and respect.

### So what will McConnell Property look like in the future?

I am sure that in ten years time this will be a great business.

Looking back we could have been perceived as a residential developer despite the fact that we have been working on major commercial projects like Titanium Park, on the southern outskirts of Hamilton and Ascot Parade, a premium commercial office project in Auckland. In the future while residential will continue to be part of our portfolio, the focus for growth will be in the commercial and industrial sectors.

### What are the challenges ahead?

One of the big challenges in New Zealand is the issue of scale because good development takes time and the market is a small one. The demographics are similar to the United Kingdom and Australia but when we convert them there is no depth. Property development is first and foremost a risk management business and you need to clearly understand and quantify your risks - legal, political, commercial and consumers.

These current times are a huge opportunity for McConnell Property. The timing for a property



Titanium Park, a joint venture between Hamilton International Airport and McConnell Property, has recently received plan change approval. A 65 hectare mixed use development on the southern outskirts of Hamilton, it will build on the existing

aviation cluster and accommodate a wide range of choice for commercial, industrial and manufacturing businesses.

opportunity fund, as luck would have it, has fallen our way. McConnell Property's challenge is to seize that opportunity and step change itself onto another level, building on our values, culture, pride and products. We take a long term view - it's about long term value, not short term financial gain. Sustainability will be big - but this is much more than 'being green' - it is about social, environmental and economic viability long term - and we are on this journey.

One of the opportunities for New Zealand and Australia is that our banks are strong but when we emerge from the recession capital investors will be more discerning. New Zealand is not top of the list for attracting 'global capital and talent'. A key future challenge for New Zealand is to ensure we develop successful cities that then attract more than our fair share of this capital and talent.

### So what does this bigger stage look like?

New Zealanders tend to have an anti-city focus yet fundamentally we all live in them; we need to recognise that most people, because of the long term drive for economic prosperity, choose to live in cities. Sydney, Melbourne, Vancouver, Brisbane attract and retain people. One of New Zealand's biggest challenges is holding onto its people. If we don't make Auckland work we will kiss goodbye to growth and all the social advantages this supports - a strong education, health and welfare system.

### And what do you truly enjoy the most about McConnell Property?

The people - we are a tight knit team - they are all great.

## Leadership Re-Jig at McConnell Property



Martin Udale



David McConnell



John McConnell



Martin Daniels



Nigel Richards



Treena Paterson

With Martin Udale's decision late last year to step down as CEO of McConnell Property, David McConnell will now lead the team in addition to his current role as Managing Director of McConnell Group. Martin Udale will continue to drive the front end of McConnell Property's business, taking responsibility for business development, strategic initiatives, key relationships and advocacy. Martin Daniels is now Chief Operating Officer responsible for the overall operational capability and performance of the business. Nigel Richards along with Martin Daniels (dual roles), are Development Directors responsible for specific project portfolios. John McConnell leads McConnell Property's capital requirements, including the funds management initiative.

Treena Paterson continues in her role as Commercial Manager, including financial reporting, debt management and treasury responsibilities. Says David McConnell: "I am delighted to take on the CEO role, and am confident that, both within McConnell Property and across the Group as a whole, we have the people, the skills, and the organisational structure to take advantage of whatever opportunities come our way."



**ASCOT PARADE**  
BUSINESS QUARTER

The first of four premium commercial buildings planned for McConnell Property's Ascot Parade at Auckland's Ellerslie Racecourse is receiving strong interest from the market - a highly visible location, park-like and accessible.

## Early Bird Kingfish Catches Worm

Project Kingfish, the name given to Air New Zealand's roll-out of self-service customer check-in kiosks, around 26 New Zealand airports highlights Hawkins Interior's 'early bird proactive' attitude. Air New Zealand came to Hawkins with a world-first concept in August and the desire to have the whole project completed by December. And with thorough pre-construction planning, Hawkins Interiors, through partnering with Air New Zealand (management, marketing, and IT) and designers, plus augmenting their own resources with Hawkins Construction nationwide, achieved on-time completion. August was spent scoping and developing the kiosk prototype. Project Manager, Jason Carnie, spent two

weeks on planes and in airports assessing the job while Graham Smith, Project Coordinator worked round the clock finalising planning for the \$8 million project. The three tier project involved new check-in terminals with kiosk clusters and gate scanners for Auckland, Wellington and Christchurch (tier one). Nine, 'tier two' airports required semi kiosk clusters with gate and Koru Club scanners, and 14 'tier three' airports needed only new gates scanners installed.

A prototype check-in facility was mocked up and built at Auckland and tested by 200 Air New Zealand staff and by the end of August the joinery, the largest component of the project, was on order. Over the next three and a half



(L-R) Jason Carnie (Hawkins Interiors), Todd Grace (Air New Zealand), James Allen (Ignite Architects) and Graham Smith (Hawkins Interiors) at the new Auckland Airport check-in.

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## Fast-Track Rail in Auckland and Wellington



Newmarket railway station platform.

Brian Fitzgerald, Hawkins Infrastructure Operations and Commercial Manager, says that the project team led by Nour Ibrahim has put in an enormous effort and commitment to achieve a very successful end to the first phase of the project. "We delivered the first stage ahead of time, safely working in a live rail environment, and maintaining good relations with thousands of neighbours and stakeholders. Our focus right from the start has been about how we could deliver the project as intelligently as possible with speed," says Brian. The finished station will have two additional rail lines serviced by new twin island platforms, with a new link bridge from Remuera Road. The

\$50 million contract also includes the demolition and replacement of the four lane Remuera Road bridge. Completion of the whole station and junction redevelopment will be in 2010.

Hawkins Infrastructure is also working on the Wellington Station Entry Project, part of a larger upgrade of Wellington's rail facilities including extension of the electrified section.

The finished job will relieve a bottleneck at the station's entrance allowing twice the number of trains to either enter or exit the station at peak periods thereby improving train frequency for thousands of commuters. Most of the work is occurring during isolated time pockets at night, and weekend shut downs.

"Rail environments often require minute by minute planning and to date we have met all our milestones. We have to optimise the windows we have available for construction at all times, and safety is just non-negotiable," says Brian.

"These projects demand enormous attention to detail and relationship management but we are thriving on the challenges and love being able to add an additional layer of smart thinking for our clients."

## New Faces



**Mark Woodward - Hawkins General Manager Finance** - heads the finance team and is responsible for the Hawkins Group financial management, IT systems and compliance. Mark holds a BSc from University of Manchester, is a member of Chartered Institute of Management Accountants and has over 25 years experience in working in large manufacturing and construction companies, both internationally and in New Zealand.



**Tim Brenton-Rule - Hawkins General Manager Human Resources** - is responsible for helping ensure that Hawkins makes best use of its finest asset - its people. He manages strategic and operational human resources' activities and is focused on building the Hawkins reputation as a great place to work. He has a Business Degree in property, post graduate HR qualifications and 15 years HR experience in property, tourism and manufacturing industries.

**Greg Whitten is General Manager for the McConnell Property Funds Management Business.**

He is responsible for getting the first development fund up and running. Greg brings a track record and experience in both funds management and property investment, having worked as the Property Investment Manager for Tower Asset Management, and Investment Manager for Prudential New Zealand. Previous to that he had a career in investment banking. From 2004 to 2006 Greg was President of the Property Council of New Zealand.



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## Early Bird Kingfish Catches Worm

months work was carefully staged, given that all airports had to remain fully operational. "Much could be done at night or in day-time windows but Auckland, Wellington and Christchurch were the most challenging. The new feature ceilings for these check-in kiosks use a new French product called Barrisol, similar to a PVC rubber, which was gas heated and then stretched over an aluminium frame. Massive acrylic fins then had to be fitted and joined to the ceiling structure...and we had to work around check-in timetables," says Jason. The success of the project has achieved high praise from Air New Zealand both for the standard of finish and completion within a five month window. Says Geoff Gibbons, GM Hawkins Interiors: "Our people-their experience in partnering and working under pressure- made this happen. Being able to bolster our resources in the North Island with people like Steve Collie and Colin McCarthy from Hawkins

Construction, and work with Barry Walsh and Gary Shaw from the Christchurch team, who looked after the South Island airports was critical."



STEELPIPE NEW ZEALAND		
Manukau Harbour Crossing	Watercare Services	Watermain crossing new Mangere Bridge, part of the upcoming Hunua No.4 watermain
Manukau Harbour Bridge	Fletcher Construction	350mT of piling for new bridge due for completion prior to the Rugby World Cup 2011
Rail Bridge 174	ONTRACK	100mT of piling for bridge upgrade
Newmarket Viaduct	Northern Gateway Alliance	150mT of piling for Viaduct bridge replacement project
Paradise Valley Irrigation	Hynds / Delta	3.7 km of pipe for irrigation scheme in the North Otago area
Bunbury Port (WA)	MacMahon Contractors	Temporary structures for port access road
Wanganui Soft Water	Wanganui District Council	New water source within Wanganui from a soft water bore

STEELPIPE AUSTRALIA		
WA - Fremantle	Fremantle Port Authority	887mT 914x16 piles for inner harbour deepening
McConnell Dowell	BHP Rapid Growth Project 5	150mT piles for temporary works

MCCONNELL PROPERTY		
Auckland - Papakura	-	Addison - masterplanned residential community -1500 homes - Stage 3 launched
Auckland - Pukekohe	-	Anselmi Ridge - masterplanned rural residential community comprising 175 homes
Auckland - Greenlane	-	Ascot Parade - premium business quarter, Eilerslie Racecourse - consent for bldg 1 issued
Auckland - Albany	Private Investor	Development management services for undeveloped Point Ridge land
Hamilton - Airport	-	Titanium Park - 65 hectare industrial commercial business park launched to market

HAWKINS CONSTRUCTION		
Auckland - CBD	Cooper & Company	Britomart East I & II building
Auckland - CBD	Auckland City Council	Auckland Art Gallery development
Auckland - CBD	Auckland City Council	Merino Discovery enabling work
Auckland - CBD	Auckland City Council	Aotea Square redevelopment
Auckland - Otahuhu	Counties Manukau DHB	ICU/HDU refurbishment
Auckland - Otahuhu	Counties Manukau DHB	Middlemore HDU refurbishment
Auckland - Penrose	Ministry of Education	One Tree Hill College
Auckland - Manukau City	AIAL	DTB Gate 30, ITB 1st floor development and other projects
Whakatane	Quayside Trust	Quayside Apartments
Hamilton	Waikato DHB	NICU Waikato Hospital
Hamilton	Geoff Monckton	Monckton Factory extension
Hamilton	Innovation Waikato	Innovation Park - building 2
Rotorua	Southern Cross/QE Ltd	Southern Cross Hospital
Rotorua	Unison Networks Ltd	Biak Street substation
Thames	Colin Parker	Richmond Villas
Wellington	Boulcott Land Limited	Willis Central
Wellington	Wellington City Council	Wellington City Art Gallery
Wellington	Department of Corrections	Rimutaka Prison
Wellington	Vivian Street Properties	Duel on Vivian
Wellington	Victoria University	Victoria University student Accommodation
Blenheim	Nelson Marlborough DHB	Wairau Hospital redevelopment
Christchurch	Latitude Group	Club Tower
Christchurch	Airways Corporation	Airport Control Tower
Christchurch	Ngai Tahu /CHC City Council	New Civic offices
Christchurch	CIAL	CIAL Terminal redevelopment
Queenstown	Melview Development	Westin Hotel
Dunedin	Carisbrook Stadium Trust	Otago Stadium
Rarotonga - Cook Islands	Airport Authority	Rarotonga International Airport terminal development

HAWKINS INFRASTRUCTURE		
Rotokawa	Sumitomo Corporation	Nga Awa Purua Geothermal Plant - design, earthworks piling and structures
Mangawhai	Earthec/ Ecocare Project	23km sewerage reticulation contract
Auckland - Newmarket	ONTRACK	Dart One - Newmarket Rail development
Wellington	ONTRACK	Wellington - Sub Station entry
Gulf Harbour	Gulf Corporation Limited	Wharf Structure, bridge dam, harbour/ marina
Whangarei	NZ Transit	SH1 Springfield to Oakleigh Service Station intersection improvement

HAWKINS ENVIRONMENTAL		
Christchurch	Selwyn Plantation Board	Bankside former WWII fuel bunker remediation works

HAWKINS INTERIORS		
Auckland	Synnott Family Trust	Courthouse Lane, apartment interior fit out
Auckland - CBD	Scarbro Ltd	IAG - NZI Centre fitout, Fanshawe Street
Auckland - Mt Wellington	Creative Spaces Subcontract	Gribbles Vet Lab, ground floor office fit out and mezzanine storage area
Christchurch	Hohepa	Sheltered Housing refurbishment
Christchurch	Fonterra	Refurbishment of three milk powder bulk storage facilities
Christchurch - CBD	FMG	Office alterations
Christchurch - CBD	Latitude Group	JB Were office fitout
Christchurch - CBD	Latitude Group	Ground Floor Cafe
Christchurch - CBD	Clifford Family Trust	Cowlishaw Mews office fit out
Christchurch - CBD	National Bank	Fire protection upgrade
Christchurch - CBD	Catholic Diocese	Building refurbishment
Christchurch Airport	Air New Zealand	Project Kingfish
Christchurch Airport	Airways	Control Tower cab fitout
Sumner	Van Asch Deaf School	Extension / refurbishment of craft rooms
Merivale	Medical Assurance Society	Fitout

HAWKINS MAINTENANCE		
Long term and short term client maintenance contracts		