

STRUCTURAL STEEL

➔ INDUSTRY UPDATE

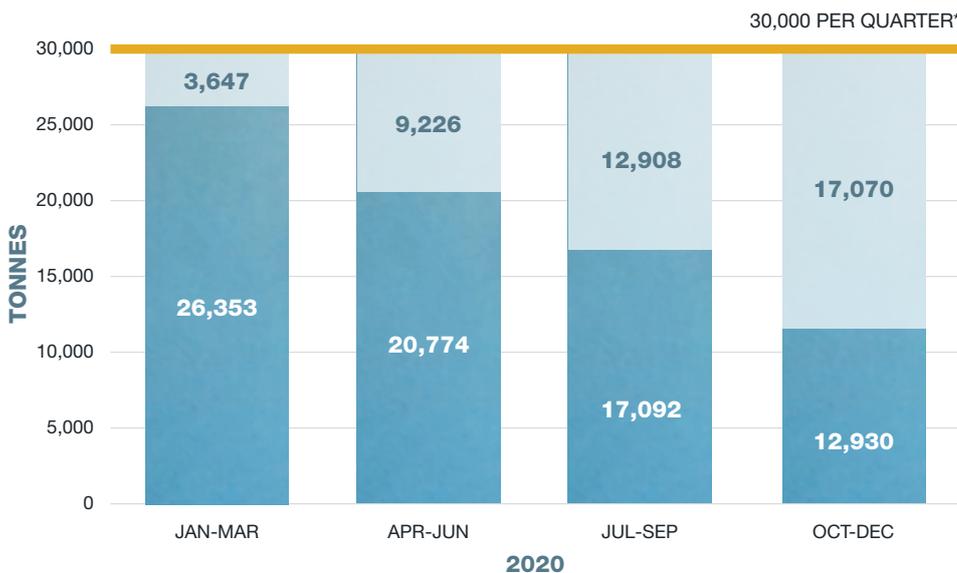


Market update - 36% spare capacity

SCNZ's latest quarterly fabricator forward-workload survey indicates there is significant spare industry capacity for the year ending December 2020 – estimated at 36 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.

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.



95.85%

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

The circular economy

It's a pivotal time for New Zealand's structural steel industry as it seeks to reduce its emissions and progress towards a circular economy. Encouragingly, the sector is no stranger to innovating and taking a lead.

Quality and compliance are at the core of SCNZ activities. In 2014, it proactively launched the industry-led quality scheme, Steel Fabrication Certification (SFC). The scheme, based on international best practice, ensures that participating structural steel contractors have appropriate personnel and quality management systems in place. More recently, it introduced the Structural Steel Distributor Charter, which complements SFC.

Sustainability is the next challenge for the industry, which is being supported by the Sustainable Steel Council (SSC). SSC's vision is for steel to be a critical enabler in New Zealand's journey to a low-emission economy. It requires the industry to take the lead in delivering to the living standards framework, measured across human, social, natural and financial/infrastructure capitals.

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As a first step, SSC is enabling industry to start on their sustainability journey. It has completed a materiality analysis and established six priorities for the sector, which are linked to the corresponding UN's sustainable development goals. Importantly, it's not just about carbon:

- Safety and Health: foster wellbeing of employees.
- Climate change: take a holistic approach based on the Living Standards framework.
- Waste and the Circular Economy: design for upcycle, repurpose, reuse and recycling.
- Diversity, inclusivity, engagement with iwi and life-long learning: to reduce inequalities, policies should be universal in principle.
- Product quality and resilience: fit for purpose to meet future challenges of climate change and our shaky isles.
- Transparency, ethics and legal compliance: build our knowledge of sustainability and willingly share it with others.

SSC has developed a Charter to reflect these priorities and is encouraging members to sign up to it.

SSC has also developed a tool that helps members to understand where they're at and what steps they need to take on their journey to a circular economy and low-emissions future. By completing a self-audit process, businesses can rank themselves in terms of their social, human, natural and financial capital. From there they have a roadmap to address their impact. Visit www.sustainablesteel.org.nz for more information on the audit tool and to hear from businesses who have completed the project.

At a sector level, we're working with SSC to ensure that the steel sector is part of part of the national sustainability conversation. SSC will work with us to educate our members about the carbon in their businesses, responsible sourcing and sustainable strategies, and to develop a supplier code of conduct. There are also plans to guide us on the road to an environmental management system.

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 and 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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