

AUSTRALIA'S ONLY NATIONAL MONTHLY CONSTRUCTION NEWSPAPER

Record \$82b forecast

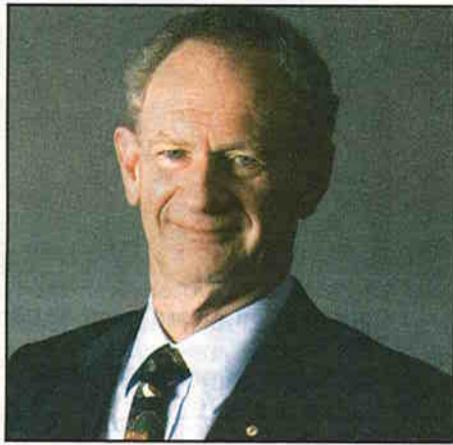
Engineering and commercial construction activity by the private sector is expected to reach a record high of \$82b in 2008-09, a new report shows.

But many of Australia's leading construction companies say they are experiencing continued pressure from scarce resources and tight profit margins.

Construction companies are forecasting a 7.4 per cent increase in the total value of construction work which would build on a hefty 10.8 per cent increase expected for 2007-08 and 12.1 per cent growth in 2006-07, the Australian Industry Group-Australian Constructors Association Construction Outlook says.

"The survey confirms that engineering and commercial construction remains strong," ACA president Wal King says.

"It is also clear, however, that supply constraints and rises in construction costs pose a risk to growth prospects,



ACA president Wal King

with many firms continuing to face intense pressure from both scarce resources and tight profit margins."

Reflecting a sizeable backlog of work and further infrastructure investment plans, the report says engineering construction is forecast to be the major driver of growth, with total turnover predicted to rise by 14.2 per cent in

2007-08 and 9.7 per cent in 2008-09.

Non-residential building, or commercial construction, is forecast to expand further to generate \$30bn of work in 2008-09, although the pace of growth is expected to moderate to 7.1 per cent in 2007-08 and 3.5 per cent in 2008-09.

Apartment building sector work is expected to decline by 12.8 per cent in 2007-08, before regaining some ground in 2008-09 with a rise of 2.1 per cent.

Ai Group chief executive Heather Ridout says the continued growth of the engineering construction industry is positive news with the sector making a great contribution to the national economy.

"The construction industry continues to demonstrate its capacity to respond to the demands of the market but it will take much greater collaboration between clients and contractors if we are to maximise the benefits of the current

surge in activity," Ms Ridout says.

"We can no longer burden industry with the costs of tendering that are diverting valuable industry resources.

"We need new, collaborative procurement models that improve coordination between public sector agencies, both state and federal.

"Ideally, the industry needs three- to five-year visible project horizons to allow resource planning and better coordination."

Growth in engineering construction is expected to be broadly based, although key contributors to the strong two-year outlook include transport infrastructure, mining construction and heavy industry.

Solid rises are also expected in telecommunications infrastructure, water supply projects, power generation and other civil projects such as the construction and upgrading of freight and port facilities to ease export bottlenecks. ■

AAP

A tale of two sectors

Despite an encouraging bounce back in the September quarter, overall construction growth continues to trend down as high interest rates stymie recovery in residential building, according to Master Builders Australia.

MBA's chief economist Peter Jones says construction work has been buoyant although, in trend terms, the annualised growth rate in construction work done fell to 2.8 per cent in the quarter, down from the 5.9 per cent recorded in 2006-07 and 9.3 per cent in 2005-06.

"It's a tale of two sectors, with the outlook for non-residential still positive as business conditions remain supportive of high levels of investment despite higher interest rates, rising costs, skills shortages and delays," Mr Jones says.

"Engineering work will stay at a high level underpinned by a solid pipeline of work.

"On the other side of the coin, residential building work done has fallen in trend terms for the last two quarters, with interest rate speculation continuing to dampen confidence and delay recovery.

"The boom in engineering and commercial looks set to continue for at least another 18 months but further out there is a risk that total construction activity may stall unless there is a sustained upturn in residential building to offset any eventual weakening in non-residential construction."

Seasonally adjusted, the chain volume of construction done in the September quarter rose by 2.8 per cent to \$29.3b – 8.9 per cent above the same quarter in 2006.

The chain volume of seasonally adjusted building work done in the September 2007 quarter rose by 4 per cent to \$16.7b – up 4.7 per cent on the September 2006 quarter.

Residential building rose by 1.6 per cent to \$9.9b but was only up 1.9 per cent on the corresponding figure a year earlier.

Non-residential building rose by a seasonally adjusted 7.6 per cent to \$6.8b, up 9.2 per cent on the previous year's level.

Engineering construction work rose by a seasonally adjusted 1.4 per cent to \$12.7b and was 14.9 per cent above the September 2006 quarter level. ■



This landmark in Adelaide's west end will house South Australia's second-largest public art gallery. More about the Hawke Building in Architecture on page 66.

Sustainability is the buzz word in construction

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Central Pier Interim – a docklands redevelopment in Melbourne

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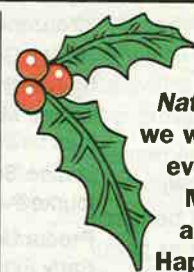


We look at various bridge construction projects nationwide

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Safety is an issue for all

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From all of us here at *National Building News* we would like to wish everyone a very Merry Christmas and a prosperous and Happy New Year.

Also: Check out our sections on Architecture, Techno Edge, Sustainability, Innovating and all things HR

Conelli is proud of its heritage

Over 35 years, Conelli has become a leading plastering company, providing essential restoration work for many of Melbourne's heritage buildings.

Conelli has assisted in the reconstruction of a number of iconic landmarks surrounding the Docklands.

The company prides itself in delivering quality workmanship even under the constraints of a quick-to-market landscape.

Even though its core business is focused on superior commercial projects, Conelli still takes time to undertake quality residential work.

Highly skilled craftsmen are always on hand to fulfil project requirements – installing traditional plaster, acoustic products, commercial fire-proofing, stretch ceilings and external finishes, as indicated at the Central Pier redevelopment.

"Our first plasterboard sheet went up in early January with 15,000sqm of plasterboard, 12,000l/m of furring channel, 8,000sqm of insulation and 10,000 units of Embelton acoustic mounts," says Conelli director John Pithoulas.

"By August, Central Pier was converted into a captivating array of world-class six-star function venues.

"Under the physical constraints of a bare shell of a historical wharf, we achieved – in conjunction with Schiavello and Acoustic Logic Consultancy – a solution that met all the customer's acoustic requirements yet complied to the various building standards and codes.

"Faced with an aggressive schedule, the Conelli team came together – completing the project on time and on budget, making this one of our proudest projects to date."

With in-depth knowledge of the plastering industry, requirements and regulations, Conelli offers customers insight and experience needed to address the challenges of today and tomorrow.

Information: John Pithoulas at 0438 855 885 or conelli@optusnet.com.au.

Docklands sheds

A Docklands redevelopment has breathed new life into Victoria's capital, reports **Karl Franzen**



Central Pier is an interim development – leased for eight years.

AT A GLANCE

- ◆ **Location:** Melbourne
- ◆ **Project:** Central Pier Interim
- ◆ **Developer:** VicUrban
- ◆ **Architect:** Buro Architecture & Interiors
- ◆ **Builder:** Schiavello (Victoria)
- ◆ **Budget:** \$23m
- ◆ **Completion date:** December 2007

Melbourne's Docklands is undergoing a huge facelift with major projects underway across the historic precinct.

An unusual approach has been

adopted in the development of Central Pier there.

As the developers were unsure of the best way to use the pier, a medium-term solution was agreed on.

VicUrban's agreement with Corporate Events Australia is an interim eight-year measure until a long-term solution for Central Pier is determined.

For the next few years the heritage-listed Sheds 9 and 14 on Central Pier will house attractions such as a community centre, microbrewery and gallery.

When announcing the agreement, VicUrban's Docklands manager Michael Hynes said he was confident this was the best way to progress.

"We are delighted to welcome Corporate Events Australia to Melbourne Docklands and look forward to activating Central Pier with new uses that will bring more people to Docklands," he said.

"This lease will ensure that the use of Central Pier is maximised in the short to medium-term while providing flexibility to develop the final version for Central Pier when that is resolved".

Corporate Events Australia has an arrangement with the Atlantic Group [V] to operate at Central Pier. Atlantic has managed successful venues at Melbourne's South Wharf.

"We're excited about the opportunity to create additional rich experiences for Melbournians and visitors alike", says Atlantic managing director Hatem Saleh.

The development of Central Pier will preserve its history and has been designed in consultation with David Wickstead and Ray Osborne from Heritage Alliance.

The emphasis was on how to convert Shed 9 and Shed 14 into modern spaces while retaining their character.

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We have recently completed the Central Pier Re-Development Project Docklands.

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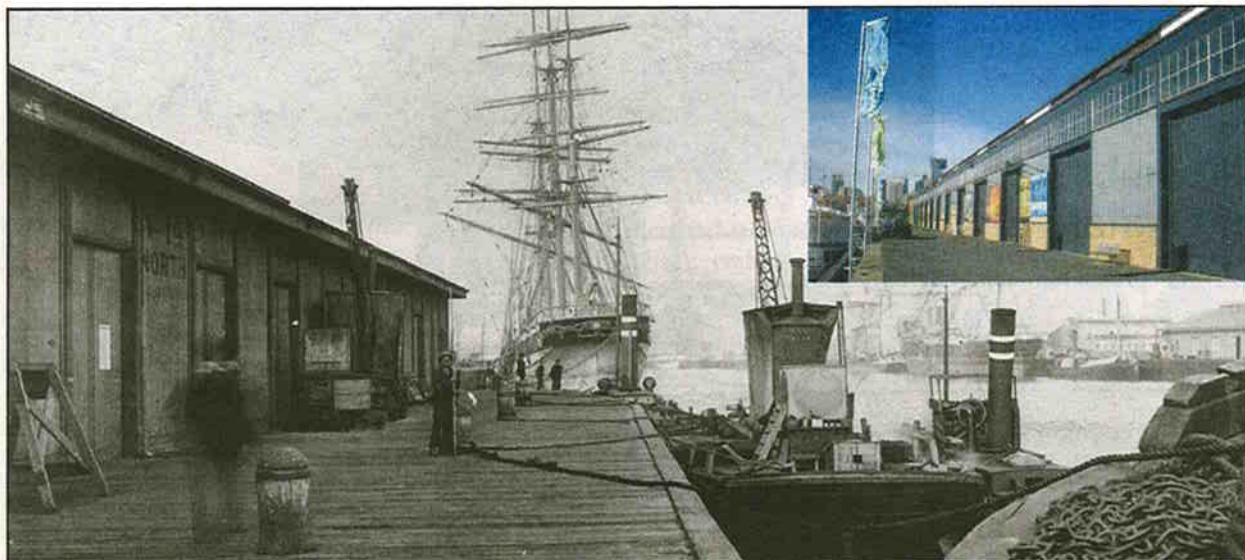
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without peers

Industry leader behind fit-out



The heritage of Central Pier has been carefully retained as can be seen from this 1914 photo and how the development looks today (inset).

Central Pier management has invested \$500,000 into stabilising the pier and replacing the pylons.

“When Victoria Dock opened in 1892 it was the second-largest single dock in the world – and when the Central Pier development is complete it will be the heart of Melbourne,” says Mr Saleh.

“It will be more than another food, beverage and retail precinct – it will be the most significant waterfront site in Victoria.”

Shed 9 and Shed 14 will be accessed by scaled pedestrian spaces, with inner shells housing entertainment venues, a community hall and a tertiary-run student studio and gallery.

The Atlantic Group has moved its operations from South Wharf to Shed 14, which contains four venues – the Peninsula, which can seat up to 1,400 guests, the Sketch, which can hold 170, the Sumac and the Atlantic, both of which have also relocated from South Wharf.

“At South Wharf, we took a derelict waterside property that no one else was prepared to touch and turned it into two highly successful event spaces,” says Mr Saleh.

“We are now replicating this formula on a grander scale at Central Pier.”

Shed 9 will feature a waterside cocktail bar and nightclub, an art gallery, a photographic

and digital imaging studio, a community centre, florist, a pub and microbrewery.

Inspiration for Central Pier came similar sites around the world, including piers and waterfront developments in Barcelona, Athens, Amsterdam, London, Milan, Rome, Madrid and Hong Kong.

In Milan, the Central Pier team was attracted to the way the Milanese blended history with contemporary design.

Other inspiration was gained from closer to home – Sydney’s Pymont Wharf, Jones Bay Wharf and Finger Wharf in Woolloomooloo. ■

Schiavello is well-recognised for its products and services in the design, production and installation of the most advanced interior environments.

The company has serviced the commercial office furniture market in Australia for more than 40 years – globally for 20 years.

In addition to designing and manufacturing office furniture, Schiavello’s fit-out and construction arm has put its touch on upmarket retail stores, airport executive lounges, hospitality venues, dealing rooms and call centres.

The Central Pier redevelopment in Melbourne’s Docklands is one of the latest projects to have benefited from Schiavello’s vast capabilities.

Through regular consultative meetings with clients and contractors, the works for the Alumbra entertainment venue fitout were completed quickly.

The completion of all the Shed 14 fit-outs was staged – with the first and largest venue opening in August. Remaining function venues have subsequently been completed.

Internal fitout and construction work included:

- Mezzanine levels between the function areas in Shed 14 accommodated kitchen, change, office, meeting, toilet and mechanical plant areas.
- The mezzanine areas were supported by steel-framed structures bolted to the existing floor slab – sometimes across three levels, effectively creating a three-storey building within the shell.
- Ceiling heights vary from following the rake of the roof to dropped bulkheads and horizontal flush plastered ceiling boards.
- Application of rich finishes – stone, timber floors, lighting and special features.

Schiavello was able to work within a tight timeframe, successfully resolving many construction challenges associated with working within the constraints of heritage-listed buildings situated on a harbour.



Master Builder of the Year 2006



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