New Zealand: Fire engulfs $800 million Auckland construction site

Tom Peters
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Firefighters this morning brought a major fire under control at the construction site for Auckland's SkyCity Convention Centre, one of the city's largest and most expensive building projects. The centre's unfinished roof burst into flames shortly after 1:00pm on Tuesday, sending huge clouds of black smoke over the central business district of New Zealand's largest city.

Auckland fire service Counties Manukau area commander Geoff Purcell, with 36 years' experience, told Radio NZ: "This is one of the most challenging incidents I've ever attended, and longest in duration." He said the scale of the fire was due to the design and materials used, and the incomplete nature of the construction site.

The fire caused major disruption, forcing thousands of workers in nearby businesses, hotels, courtrooms, council offices and the TVNZ office to evacuate. Some streets were closed off. There were no fatalities, but one firefighter was hospitalised with a serious concussion after part of the roof fell on him.

People were advised to avoid the construction site and wear face masks in nearby areas. "While we cannot definitively talk to the toxicity of this particular incident, all smoke from fire is toxic," Sarah Sinclair from Auckland Emergency Management told the media.

Residents in nearby streets were not evacuated, but instead told to stay indoors and shut their windows. Some reported that they woke up on Wednesday feeling sick from the smoke. Albert Street resident Michelle told Stuff: "There was this really strong smell inside my place, like burning plastic… I got used to it overnight but when I woke up I felt quite ill."

The official efforts to protect the public were disorganised and hampered by employers.

Some SkyCity casino, hotel and convention centre workers told the media the managers' initial response to the fire was "appalling." *Newshub* reported that "even when smoke was visible in conference rooms, and they felt sick, [workers] were told to keep working." One worker, Anthony Kavana, said if it wasn't for friends and families contacting them, they would not have known the severity of the fire "happening right next door."

According to the report, the casino shut at 3:00 p.m. on Tuesday, but workers in VIP gaming rooms "were told to stay put." Workers at the existing convention centre said they were only sent home at 5:45 p.m., more than four hours after the fire started. One said, "I've just been throwing up throughout the night. I've been having continuous headaches. My eyes are burning. I can't breathe properly."

The cause of the fire remains unknown. *Newshub* reported that a blow torch had been left unattended by a worker on a break but the source for this claim was not identified. Fletcher Building said it was too early to confirm anything.

Auckland University associate professor of civil engineering Chris Clifton told *Stuff* that the bitumen, plywood and straw used in the roof rendered it flammable, although there was a fire-resistant layer underneath to stop fire spreading to the rest of the building. He thought it was "very unlikely" that a noisy blow torch could have been left on full power without someone noticing.

The extent of the damage is unclear, but it undoubtedly will cost tens, if not hundreds, of millions of dollars. The roof has been destroyed and the basement of the site is flooded. Auckland mayor Phil Goff told Radio NZ it is "doubtful" the new convention centre will be ready for the 2021 Asia-Pacific Economic Cooperation (APEC) summit, which was to

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be held there.

Fletcher Building, New Zealand's largest construction company, was under pressure to finish the convention centre quickly, including from its shareholders, SkyCity, Auckland Council and the Labour Party-led government, which wanted the project done ahead of APEC.

Questions will be raised as to whether construction site managers and workers were pressured to cut corners to speed up construction.

The project, which began in 2016, had suffered major delays. SkyCity repeatedly pushed back its completion date, first from February to December 2019, and then to the second half of 2020. In February the *New Zealand Herald* reported that SkyCity had withheld $39.5 million from Fletcher because of the delays.

In a Radio NZ report on October 21, the day before the fire, property journalist Anne Gibson described the convention centre as "a complete bloody disaster" for Fletcher. Last year's accounts showed that the building job, initially priced at $703 million, had cost Fletcher $800 million because of rising costs for materials and labour. A series of cost blowouts and delays on projects around the country led to the company losing nearly $1 billion over 2017 and 2018.

Significantly, Radio NZ reported in February one of the reasons for the convention centre delay was that Fletcher had to remove cheap and highly flammable aluminium composite panels, after these materials caused the 2017 Grenfell Tower fire in London and the death of at least 70 people. Experts warned in 2017 that cost-cutting and the shredding of building regulations by successive Labour and National Party governments meant numerous New Zealand buildings posed a similar fire risk.

The cost of the Auckland fire will contribute to growing nervousness about an economic downturn, driven by the US trade war against China and the global trend towards recession. Business confidence in New Zealand has reached its lowest point in a decade and annual economic growth is expected to slow to 1 percent by the end of the year.

Yesterday, resources company Rio Tinto said it was considering the shut down of the Tiwai Point aluminium smelter, one of the largest manufacturers in the South Island, which employs around 1,000 people. The announcement, combined with the construction site fire, sent the NZ stock market down 1.5 percent.

Dairy giant Fonterra has announced a pay freeze for 6,000 of its staff. Auckland Council is planning 160 job cuts, Sky Television is considering a restructure that could affect 250 roles, and MediaWorks, one of NZ's main media companies, is in a financial crisis. In September, two medium-sized construction companies, Stanley Group and Tallwood Holdings, collapsed affecting about 100 workers.

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