

TRADE LEADER

DEC 2021 - JAN 2022 ISSUE

Health & Safety
Secure your site for
Christmas

Industry
Uncertainty over Clean
Car Feebate Scheme

LBP
Building for
diversity

Industry
Report highlights
sector trends



Apprentice of the Year winner announced



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In the frame

BY MIKE GUY
CARTERS CHIEF EXECUTIVE

It's difficult to believe that yet another year has ticked by as we wind up 2021 and head into 2022.

The positive news is that the end of the year leads us to recognise success with the usual industry awards events taking place around the country. Though they have had to be conducted virtually again this year, or in a virtual/live hybrid style, we have seen Jarred Badham, who is employed by Nailing It in Palmerston North, take out the 2021 Master Builders in Association with CARTERS Apprentice of the Year title. It's great to see the talent on display by these dedicated apprentices again this year, so congratulations Jarred and the top 10. Read more on page 6.

The National event for House of the Year which took place on Friday 26th November is also something those who were involved this year should be proud of. As a business, we enjoy partnering with Master Builders to support the awards and seeing our customers success recognised each year, knowing we've been able to contribute their achievements despite the challenges presented in the last 12+ months.

Depending on where you've been located since August, the now ever-present topic of COVID-19 has been at the forefront of everyone's minds, with some areas being considerably more heavily affected than others.

But, whether you're living in relative freedom (comparatively) down in the deep south, or continuing to live under more severe restrictions in the northern cities, there's little doubt that COVID fatigue is setting in...and getting worse with every passing week.

However, the resilience shown by many industries has been remarkable.... and construction is one, despite the challenges it has faced – and COVID-19 is directly just one of those.

Indirectly, the industry has been hit with staff shortages and difficulties in obtaining materials amongst other things, but it's still booming. Whether it's commercial or residential building, the sector is absolutely fizzing with most parts of the country seeing the benefits.

Supply challenges aren't solely affecting construction, but also a range of other sectors from the sub-trades right through to farming and agriculture.

Yet still, the industry is positive and profitable, defying what everyone suspected would happen when the country first started to hunker down more than 18 months ago.

And that's a great place to be, especially heading into the part of the year where we all look forward to taking some time off, soaking up what summer has to offer and enjoying some time with family.

Just what the traditional summer break means in some of the country is still very much an unknown, but I hope you can all make the most of it.

And on that note, on behalf of the entire team across the country, I'd like to wish all our valued CARTERS customers a very merry Christmas and a happy transition into 2022.

Please stay safe, and we all look forward to supporting you and your business in the new year.



MIKE GUY
CARTERS Chief Executive

TRADE LEADER.

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Jarred Badham from Palmerston North has built his way to the top, taking out the title as this year's Registered Master Builders CARTERS 2021 Apprentice of the Year.

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Secure your site this Christmas

HEALTH & SAFETY

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The Government's controversial Clean Car Discount scheme is great news if you're buying an electric car. But what about those who still require a diesel ute to run their business?

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LIVING WITH COVID-19 - SHOULD YOUR BUSINESS HAVE A VACCINATION POLICY?

It's highly likely that COVID-19 is going to be around for a long time, but can you, - as a business owner - require your workers to be vaccinated?

Jarred Badham named Apprentice of the Year



Palmerston North's Jarred Badham has been named the 2021 Registered Master Builders Apprentice of the Year, in partnership with CARTERS after beating nine others at the final showdown in Wellington.



Regional Winners left to right: Central South Island - Phillip Jamieson, Upper South Island - Finn Eden, Northern - Kaya Hilaire, Lower North Island - Jayson Su, Central North Island & 1st Place Winner - Jarred Badham, Bay of Plenty/Central Plateau - Kaleb Hyndman, Southern - Samuel Morris, East Coast/Hawke's Bay - Matthew Hilson



After winning their regional events, the top 10 carpentry apprentices from around the country came together – some virtually, and some in person – in an event which, this year, looked different due to COVID-19 restrictions. Those apprentices who were able to attend in person completed a 45-minute face-to-face interview with the judging panel, made up of leading building experts. In the interview, the apprentices were asked to discuss a recent building project which they submitted in the weeks leading up to the national competition. Those who could not travel to Wellington completed their interviews with the judges virtually.

Jarred, 29, is employed by Nailing It and his training provider is BCITO. The judges were most impressed by Jarred's ability to go the extra mile in all aspects of the competition and in his apprenticeship.

"Jarred has an extremely good understanding and knowledge of the industry and strong working relationships. What stood out was his experience in using innovative products. During his apprenticeship, Jarred has already had the experience of working with transportable housing, and other alternative products."

"Prior to becoming a carpentry apprentice, Jarred trained in the Airforce as a helicopter technician. This is where he may have developed his hunger for product knowledge and his excellent technical detail. Jarred's presentation was impeccable, and he was well prepared. Jarred scored highly in all areas. A very well-deserved win" says Apprentice of the Year judges.

Registered Master Builders Chief Executive, David Kelly, was impressed with the group's talent and their resilience in the face of a very different competition to usual.

"IT'S ENCOURAGING TO SEE THESE APPRENTICES STEP UP IN A TIME WHERE THINGS CAN FEEL VERY UNCERTAIN. THE COMPETITION DID LOOK A LITTLE DIFFERENT THIS YEAR, HOWEVER, I AM EXTREMELY IMPRESSED WITH THE LEVEL OF SKILL, KNOWLEDGE, AND DEDICATION THE APPRENTICES HAVE DISPLAYED. LEARNING NEW SKILLS AND APPLYING THEMSELVES IS CHALLENGING AT THE BEST OF TIMES BUT DOING SO UNDER THE CONDITIONS OF THE PAST 18 MONTHS IS A REAL TESTAMENT TO THEIR DEDICATION AND COMMITMENT."



Runner-up was Hayden Lambert, 26, from the Waikato region. Third place went to Joshua Fraser, 23, from the Auckland region.

The building and construction sector drives much of New Zealand's economic and social prosperity, stimulating the regional economies and providing jobs and it's expected that more apprentices will be required to take on the expected demand, along with more employers willing to take them on. Currently, less than 20% of employers across the sector take on apprentices.

The Government has provided additional support to both employers and apprentices and Master Builders encourages all employers to take advantage of the current settings and take on an apprentice.

Committed to supporting apprentices and the industry's future leaders, CARTERS Chief Executive Mike Guy says, "We're really proud to have been sponsoring the Apprentice of the Year competition for 17 years - and in that time, we've seen some incredibly talented apprentices go on to have really successful careers."

"CARTERS remains committed to supporting Kiwi apprentices as they build their future in the construction industry, partnering with the competition is a great way to celebrate emerging talent and our future industry leaders."

Before qualifying for the National competition, each of the top ten apprentices competed with other apprentices in their region. This involved a written project submission, a two-hour regional practical challenge, and an interview and site visit.



Runner-up Hayden Lambert, 26, Waikato (attended virtually)



Third place Joshua Fraser, 23, Auckland (attended virtually)

"CARTERS remains committed to supporting Kiwi apprentices as they build their future in the construction industry, partnering with the competition is a great way to celebrate emerging talent and our future industry leaders."

The fourth article in the series
looking at the history of the Licensed
Building Practitioners Scheme

The History of LBP

Part #4

The building industry was undergoing change. In the years following the release of the Hunn Report in 2002 and the introduction of the Building Act 2004, many changes were made for the good of our industry and the workers carrying out the work. While some changes were not recognised as being the result of the leaky building saga, it all added up to a long term goal.

Today we're taking a look at some of those changes, and the impacts they had.

Face sealed cladding systems were removed from the Acceptable Solutions. This meant that if someone still wished to use this form of cladding, they had to prove it would keep moisture out of the building for at least the period set out in the Building Code clause B2 (Durability).

Health began to take more prominence in the 'Health and Safety' message. There is now a better understanding of the underlying health risks of working around mould uncovered in the framing during alterations and leaky building remediation, and the organic solvent carrier systems used to deliver the preservative compounds into the timber in LOSP treated timber.

Clear delineation of responsibilities – the beginning of the NZ Standards 3900 series of construction contracts, which provided much of the definition of who was responsible for what. Gone were the days of 'just doing it the way we always had' on-site if you didn't think the plans were correct or 'buildable'. Now, the person that didn't follow the plans was deemed to be taking ownership of any deviation from those plans. Why would a builder want to do that, especially when even their insurance policy wouldn't cover them for it, while the designer's insurance did cover their own building design?

There were increased requirements for critical information to be provided in the site documents – what used to be a 5-page set of plans for a basic house suddenly became eighteen pages or more! This may not seem like a good change, especially the extra time needed at the design stage,

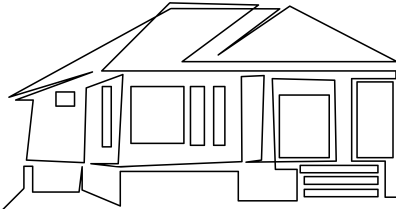
but it took away the need for the Territorial Authority and the builder to assume what the designer intended.

Explanatory notes in plain English were to be added to the Building Act and Code, and this lead into other areas. A shining example would be Building Performance's 230 page 'Building work that does not require a building consent' guide that provides an easy, concise and reliable look at examples of how to correctly interpret Schedule 1 of the Building Act

Territorial Authorities had to identify instances where District Plan requirements were influencing the planning and site coverage of multi-unit housing projects. This was a lesson from the Canadian leaky condo syndrome found a decade earlier than our leaky buildings. This saga was covered in the Barrett Commission report released in 1998. It found that site coverage and boundary setbacks, which were measured from the closest point of the house to the boundary (normally the outside of the eaves or soffits) were restricting the size of building footprints. The obvious design solution to maximise site use was to create parapet walls, and therefore low mono-pitch roofs, internal gutters, and a plaster system to suit the monolithic look – the 'Mediterranean' style house!

Industry confidence plummets

The Hunn Report grossly under-estimated the potential cost of the problem at \$240 million. It's not just the obvious cost of the repairs that need to be considered. There are also huge legal costs, medical and mental health costs from living in and owning these sub-standard houses, and the fact that we're still finding leaky buildings today that are subject to ongoing cost escalation. Who knows the real cost.



**LICENSED
BUILDING
PRACTITIONERS**
Building confidence

This led to an inevitable outcome – public confidence in the building industry had hit new lows.

Introducing ... the Licensed Building Practitioners Scheme

The introduction of the Licensed Building Practitioner regime was aimed at improving the skills and knowledge of those involved in residential construction.

The following was stated as the intention of the enabling legislation:

The Government's goal is a more efficient and productive sector that stands behind the quality of its work; a sector with the necessary skills and capability to build it right first time and that takes pride in its work; a sector that delivers good-quality, affordable homes and buildings and contributes to a prosperous economy; a well-informed sector that shares information and quickly identifies and corrects problems; and a sector where everyone involved in building work knows what they are accountable for and what they rely on others for.

We cannot make regulation more efficient without first getting accountability clear, and both depend on people having the necessary skills and knowledge. The Building Act 2004 will be amended to make it clearer that the buck stops with the people doing the work. Builders and designers must make sure their work will meet building code requirements; building owners must make sure they get the necessary approvals and are accountable for any decisions they make, such as substituting specified products; and building consent authorities are accountable for checking that plans will meet building code requirements and inspecting to make sure plans are followed.

CODEWORDS QUIZ

- 1 **What was found to be a major health risk in the repair of leaky buildings?**
 - A. The transportation of LOSP treated timber to site
 - B. Disposing of the face-sealed cladding systems
 - C. Moulds growing within the framing cavity
- 2 **What was the government's goal for the future of the building industry?**
 - A. A more efficient and productive sector
 - B. A sector that delivers good-quality, affordable homes and buildings
 - C. A sector where everyone involved knows what they're accountable for
 - D. Making it clearer that the buck stops with the people doing the work
 - E. All of the above
- 3 **What is the legislation that introduced the beginnings of the LBP Scheme**
 - A. The Building Act 2004
 - B. The Building Regulations 1991
 - C. The building code

Answers: 1. c 2. e 3. a



For further information, see Restricted Building Work on the building.govt.nz website

See the next issue for the continuation of this series.

Building for Diversity

BY PAULA TESORIERO

Future proofing our buildings for an increasingly diverse world is good for all

About 24 per cent of our population identify as disabled – that’s roughly one million people in Aotearoa New Zealand. But, despite this, around 130,000 disabled people in this country live in homes that don’t fully meet their needs.

That figure is likely to increase as our population ages, however, so much of our built environment excludes disabled people because of its design. This means many disabled people are simply not able to live in houses that are suitable to their needs or access buildings in the way non-disabled people can – routinely and easily.

A study by Lifemark® (a division of CCS Disability Action), looked at the application of the principles of universal design (UD) in new homes. It found that three key features of accessibility – level pathways and entrances, an easily accessible bathroom on the ground floor, and wide doorways – were found in just five percent of new homes, while only two percent of new homes would comply with Lifemark’s® higher standards of accessibility. The study also found that one in six people need modifications to their home.

As the Disability Rights Commissioner, my role is to protect and promote the rights of disabled people. Those rights are set out in both the NZ Bill of Rights Act and the Human Rights Act. This country is also a signatory to the United Nations Convention on the Rights of People with Disabilities, and these elements combined bring a collective responsibility.

Universal Design

Universal design solutions future proof buildings for the modern world so anyone can use them – and no one is excluded. UD principles marry uber-functionality with aesthetics – homes built to these principles can easily be visually attractive as well as functional and practical. Universally designed structures work for all of us, at any stage or age. From a disability rights perspective, universal design is truly fundamental to building an inclusive society.

Lead building practitioners and designers may be in a challenging position because even though they may see the functional and aesthetic benefits of UD, clients may be reluctant or unable to extrapolate the longer-term benefits and assume considerable additional costs. From a societal perspective, this view is short sighted because UD is all about making structures work for most people – and that includes disabled people.

CODEWORDS QUIZ

- 1 **What is universal design?**
 - A. Making a house as big as possible
 - B. Making house designs generic
 - C. Solutions that future proof buildings for the modern world so anyone can use them – and no one is excluded
- 2 **According to BRANZ, what is the average cost of incorporating essential UD features into a 200m² new house?**
 - A. \$1,700
 - B. \$34,000
 - C. \$14,000
- 3 **What are the advantages of designing UD into our new housing?**
 - A. The cost will be a fraction of that required to retrofit an existing house
 - B. The house becomes more attractive to a wider group of buyers
 - C. It creates adaptive and inclusive homes catering for the future needs of our communities
 - D. It’s just the right thing to do
 - E. All of the above

Answers: 1. C 2. B 3. E



Paula Tesoriero MNZM is Aotearoa New Zealand's Disability Rights Commissioner. Her role is to promote, support and advocate for disabled people. Aotearoa New Zealand is a signatory to the United Nations Convention on the Rights of People with Disabilities

Costs

According to building research body BRANZ, it's more expensive to retrofit a structure than to build it from scratch using UD principles. Its research found the cost of incorporating essential UD features on a new house (150-200 m²) was just \$1,700 compared to \$14,000 for a retrofit and that in most cases the extra costs of incorporating UD solutions is about 0.5 percent of the total build cost.

BRANZ also endorses universal design because its concepts and solutions 'make sense' as buildings designed with these principles are more attractive to a wider group of buyers. See link below.

It can be done

The New Zealand Disability Strategy (2016 to 2026) is a roadmap to help implement the UN Convention on the Rights of People with Disabilities. The strategy aims to influence and regulate for the kind of changes I'm advocating and lays out the outcomes that local councils, planners, designers and builders can contribute to.

There are some good examples of local government leading on UD initiatives. The Thames Coromandel District Council has incentivised new builds using UD solutions. Its modelling showed the district's population was aging and it was more cost effective for builders to get it right first time than to retrofit homes to suit its aging population.

Hamilton City Council is incentivising developers to achieve Lifemark® certification in residential developments in the central city, while Palmerston North City Council's Lifemark® 4 star Papaioea Place project will have 76 new homes. Hauraki District Council has incentivised UD to recognise we need to be designing homes that cater for the needs of the elderly and disabled people in our communities.

Our society is undergoing quite rapid social and cultural change. The building industry could grasp this opportunity to promote UD as mainstream. There is an opportunity to pivot from a one-size-fits-all approach in our built environment to creating adaptive and inclusive structures that stand the test of time. What a great legacy to leave.



MY ASPIRATION AS DISABILITY RIGHTS COMMISSIONER IS TO HAVE 100 PERCENT UD FOR ALL NEW GOVERNMENT NEW BUILDS AND EVENTUALLY FOR ALL NEW BUILDS. THAT'S BECAUSE I VIEW THIS AS NOT JUST ABOUT THE DESIGN OF HOUSING; IT'S ABOUT CREATING AN ACCESSIBLE WORLD WITH INFRASTRUCTURE THAT SUPPORTS DISABILITY AND DIVERSITY. AS A SOCIAL INDICATOR HOUSING IS SOMETHING WE NEED TO DO BETTER IN.



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Detering site theft over the holiday season

Unfortunately, theft from construction sites is a relatively common occurrence and one that can be difficult to prevent, as the size and location of the sites can make them difficult to secure.

This can be especially problematic at night, over the weekend and during holiday breaks.

Theft of equipment causes considerable inconvenience, can delay projects and add a significant cost that often needs to be borne by the contractor.

There are, however, a number of things you can do to ensure your site is well protected.

Fence your site

Theft from a construction site is often a crime of opportunity. If it's open and easily accessible, then it's easy for someone to get in and out easily.

Well-installed security fencing can be rented easily enough and, although it may add a little expense overall, it's a great deterrent to those who otherwise may look at pilfering whatever they can get their hands on. Even better - use scrim mesh to wrap the fencing to act as an additional sight barrier.

Consider security lighting

The cover of night can allow thieves to enter, steal equipment, and then leave without being noticed.

Motion-activated security lighting - which reaches every area of your site - is a great security measure. Also, because it comes on when it detects activity, it can be even better than permanent lighting because it can immediately attract attention when it is activated.

Signage

It may sound excessively simple, but putting up "No Trespassing" or "No Entry" signs around your site can cause opportunistic thieves to think twice about entering.

Ensure they're visible in adequately lit areas at night, which may just be enough to discourage someone if they consider there may be other measures in place on the other side of the fence.

Don't use budget padlocks

Invest in strong, high-quality locks and solid chains to secure gates and entry points and prevent unauthorised entrance and burglary. Choose shrouded steel padlocks which can prevent cutters from being used on the shackle. It's also wise to choose padlocks with the largest diameter that still fits the application.

Site checks

If you can, inspect your site consistently for any potential entry points and address them as soon as possible before construction site theft occurs.

This may mean you need to re-erect fencing that has fallen or been pushed over, fix lights that aren't operating, and replace signs that might have been defaced, removed or fallen down.

Investing in night-time or out-of-hours checks by a security firm is also a great idea, especially if your site is in an area that's not easily visible to the public. Just the idea of getting caught in the act can be enough to deter would-be thieves, so making sure those security checks are visible and frequent - along with fencing signage - can provide extra peace of mind.

Alarms and Cameras

Now that we have covered the physical barriers that you can install to prevent construction site theft, let's look at some surveillance options like advanced camera and alarm systems.

Continued over...



Strategically Install a Camera Surveillance System

Security camera systems are now readily available and come in a variety of options including both motion-activated and time-lapse, battery-operated, solar-powered and accessible through the internet or mobile phone services.

Strategically placed cameras can give you a clear picture of your entire construction site. For example, placing a surveillance camera on a high point (for example, a machine boom) can give you an overall view of your site.

If internet or mobile-capable, your camera system will allow you to connect to the camera via an app and monitor the site at any time, and even save the video to a storage system to be viewed or used at a later date.

Modern alarm systems are wireless, mobile and can be easily installed at key site points.

Depending on the system you install, it's possible to get alerts to your mobile phone or work with external security providers to assess what has activated an alarm on-site.

Secure heavy equipment

Unfortunately, it's not always easy to lock away all your heavy equipment on a large site, but it is possible to make that machinery as secure as possible if it's parked outside.

Make sure machines have all their blades and buckets lowered, and that batteries have been removed and locked away.

If possible, lock up oil and fuel tank caps and park equipment in a well-lit area in view of the security cameras.

Heavy equipment can also be identified with metal tags, along with GPS trackers. Ideally, tags should be drilled or welded to prevent them from being removed easily.

Also, utilise the barriers these large machines can provide. By parking them across driveways or other access points, they can prevent vehicle entry and major thefts from building sites.

WHEN IT COMES TO SMALLER VEHICLES, IDEALLY FIND SOMEWHERE SECURE TO PARK THEM, OR REMOVE THEM FROM SITE OVER A HOLIDAY PERIOD. UTES OR VANS LOADED WITH TOOLS ARE A MAGNET FOR THOSE WILLING TO PROFIT FROM THEFT, SO THE BEST IDEA IS TO TAKE THE TEMPTATION AWAY ENTIRELY BY LOCKING THEM OUT OF SIGHT IN A WAREHOUSE OR SHED, OR HAVING THEM STORED AT THE PRIVATE PREMISES OF AN EMPLOYEE OVER THE BREAK. IF YOU'RE REALLY INTENT ON MAKING THEM SECURE, A SHORT-TERM RENTAL OF A UNIT IN A STORAGE FACILITY IS SOMETHING TO CONSIDER.

Make sure the locks on the vehicle are working and, if you have a toolbox on the back, invest in high quality padlocks to keep them secure.

Schedule product deliveries

Purchasing your supply in bulk is sensible in many cases, but having materials remaining on-site for extended periods is an invitation for opportunistic thieves.

Of course, there can be times when you want to order considerable quantities in advance for some jobs but, if this is the case, try to find somewhere they can be locked away with limited access or, even better, somewhere off-site where they can be delivered when required.

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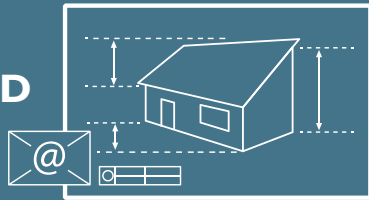
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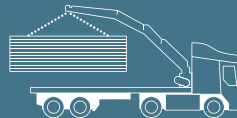
3

DELIVER



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When the site is ready, the store places an order using the unique job number. Include final construction plans, truss layouts, etc.



DELIVERY

The Futurebuild LVL team assemble and deliver floor/and or roof kitset packs to store, with individual pieces labelled and waterproof installation plans ready for site.



What insurance do I need to cover my license?

BY BEN RICKARD, TRADE INSURANCE EXPERT, BULTIN INSURANCE

This is a question we get asked regularly by builders with LBP licenses. When we explore what risks the LBP is actually concerned about, there are typically three main areas, which this article will cover.

1. Being accountable for a stuff up

There are many different types of stuff up, and that will affect what insurance cover, if any, is available. Broadly they sit in three categories:

Accidental damage

If you accidentally damage **part of the works** while you're building it that should be covered by **contract works insurance**. For example, someone chips the new marble benchtop. This includes if you are a subbie and someone else has arranged the cover, or if the homeowner has arranged it because it's a reno or alteration.

If you accidentally damage property that is **outside the works** that should be covered by your **public/general liability insurance**. For example, hitting underground services or knocking over the neighbour's fence. Or doing damage to an existing part of a house while you're building an addition.

Faulty workmanship

Whether faulty workmanship is insured depends a lot on the circumstances. Firstly, if it happens before your contract is completed then liability insurance is unlikely to cover it. That's because you are obliged to deliver a finished product according to the terms of your contract and any stuff ups during the construction are your responsibility. Since you have

to bear the cost of fixing it yourself, and you're not liable to anyone else, then liability cover doesn't apply.

Faulty workmanship itself is not covered by contract works insurance. However, damage that results from it is. So, if someone didn't tighten a fitting properly and this caused water damage the water damage would be covered, but not the cost involved in replacing the fitting.

Public/general liability insurance policies can cover faulty workmanship, provided that there is some damage that would trigger the policy in the first place. Faulty workmanship by itself without any accompanying physical damage isn't covered by most insurers.

Mistakes

This is usually of greatest concern because it is the hardest to pin down. It's easy enough to imagine accidentally damaging property but much harder to imagine making an error that could have far reaching costs and consequences. Examples could include a slab laid in the wrong place, a ceiling installed at the wrong height, joinery installed that was incorrectly measured, not arranging council inspections or misinterpreting plans and specifications.

These are things that can be covered by full professional indemnity insurance for construction contractors but are

Disclosure: The article is of a general nature and not intended to be financial advice for individual situations. You should speak to an expert about your specific circumstances and needs.



unlikely to be covered by the more limited LBP professional indemnity policy.

As with liability insurance, the loss must be suffered by a third party (such as your client), so mistakes identified before the contract is completed are unlikely to be covered.

2. A contractual dispute

These are mostly not insurable as they are a commercial risk that you take in business. Your contract should have mechanisms for resolving disputes, there is protection under the Construction Contracts Act if you're invoicing in compliance with its guidelines and there are other legal avenues such as the Disputes Tribunal and the court system.

3. A license complaint

This is often the least concerning scenario to an LBP, but it costs nothing for a disgruntled homeowner to make a complaint. Defending complaints can be covered by different policies: statutory liability if it includes a clause covering official investigations, LBP professional indemnity cover and full professional indemnity insurance.

In a nutshell...

When it comes to liability, the situations involved can be complicated! The same goes for the insurance that goes along with it. Make sure you think through the risks you're facing and how to manage them, including what insurance cover is best suited to those risks. BuiltIn has a number of checklists on its website to help and advisers to chat with.

A brief overview of the insurance mentioned in this article

Contract Works Insurance – covers accidental damage or loss to the works while they are under construction.

Public/General Liability – covers your liability to others for accidental damage to their property.

LBP Professional Indemnity – a narrow policy that covers 1) the cost of defending complaints to the LBP Board including any fine imposed; 2) claims for compensation for errors made when signing Records of Work and 3) claims for compensation due to supervising non-LBPs (with limitations).

Professional Indemnity for Construction

Contractors – a broader policy that covers claims for compensation arising from errors made in the conduct of your professional business. This includes the cost of representation at disciplinary proceedings (ie. defending LBP complaints but not covering fine).

Statutory Liability – covers your liability for fines & penalties imposed under certain legislation. This includes legal defence costs as well. LBP complaints are generally covered by the "Official Investigations" clause. The legal bills defending Health & Safety prosecutions is included, but the fine.

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*GIB Barrierline® plasterboard is manufactured to Winstone Wallboards' specific specification from a reputable overseas manufacturer.

** Go to gib.co.nz/sustainability for further information on recycling providers.



**Sustainability
in Action**

"Exceptional" Hamilton home wins CARTERS Category at House of the Year

A Hamilton home has won the CARTERS sponsored New Home \$1 million - \$1.5 million in the Registered Master Builders 2021 House of the Year awards.



CARTERS sponsored New Home \$1 million - \$1.5 million

The home, built by local firm Holcroft Prestige took out the award, with judges labelling it "an exceptional build by a team of craftsmen and builders."

Spread across two floors, the lower level contains a living room, kitchen, garage, master bedroom and ensuite, while the upper floor has a vaulted ceiling that creates an air of loftiness and a sense of space.

With a discrete appearance from the road, the home has excellent indoor-outdoor flow onto the deck with spectacular views of the rivers.

The overall Supreme House of the Year title was taken out by Clive Barrington Construction for a home in Christchurch, which also won the Resene New Home over \$2 million.

Despite being an extremely challenging build, this truly spectacular home combines design with functionality and excellent workmanship.

Judges said the accuracy and precision of the build was "phenomenal", from the foundations and concrete walls to the complex roof structure. An outstanding feature of this winning home is the curved ceilings which interact flawlessly with the window joinery. The copper roof which flows over the double-storey build and separate living wings is truly breathtaking. So are the three concrete wings which peek out from under the soaring copper canopy from above. The relationship between the roof and the concrete creates an architectural drama that enlivens this house from the inside out.

"This build is truly inspiring - a clever design, attention to detail, and accurate construction. A huge congratulations to this year's Supreme House of the Year winner."



To view all the winning homes, see www.houseoftheyear.co.nz



CARTERS sponsored New Home \$1 million - \$1.5 million



Supreme House of the Year Award

Other Winners

Supreme Renovation of the Year and Bunnings Renovation over \$1 million - W. G de Grunchy Construction, for a home in Auckland

Renovation up to \$500,000 - Calley Homes for a home in Tauranga

Renovation \$500,000-\$1 million - Glover Homes for a home in Auckland

New Home up to \$450,000 - Greenland Homes for a home in Christchurch

New Home \$450,000-\$600,000 - D. Stevens for a home in Gisborne

New Home \$600,000-\$750,000 - Sinclair Builders for a home in Christchurch

Altus Window Systems New Home \$750,000-\$1 million - Beeson Brother's for a home in Te Aroha

New Home \$1.5-\$2 million and APL Sustainable Excellence Award - Ehaus Manawatu for a home on Feilding

Builders Own Home - Home Trends Builders for a home in Christchurch

GIB Show Home Award - Urban Homes for a home in Cambridge

Volume/Group Housing New Home up to \$450,000 - Sentinel Homes for a home in Waikato

Volume/Group Housing New Home \$450,000-\$750,000 - Pringle Homes for a home in Canterbury

Master Build 10 Year Guarantee Multi Unit (Apartments/Duplexes/Terrace Housing) - LOC Construction for a home in Christchurch

Pink Batts Craftsmanship Award and Plumbing World Bathroom Excellence Award - Trevor Horne Builders for a home in Christchurch

Kitchen Excellence Award - Gregg Builders for a home in Christchurch

Outdoor Living Excellence Award - Salter Builders for a home in Tasman



Uncertainty over Clean Car 'feebate' scheme

The Government's plan to drive down transport emissions in New Zealand has been put in place with the establishment of the Clean Car Discount scheme to encourage the uptake of low and no emission vehicles in New Zealand.

However, the controversial plan appears to have a downside for those who require light commercial vehicles as part of their work environment, and it doesn't look like there's a solution on its way...yet.

Unfortunately, for those involved in industries such as building, construction and farming, the 'high emissions' vehicles include most light commercials, such as utes and vans.

"For those in agriculture, infrastructure, construction, and the like, it's not great news right now" says Nigel Bell-Booth, GM Business Development at fleet leasing company Yoogo Fleet.

"This is very much a carrot-and-stick approach to solving the problem, but the scheme here is based on something similar in Norway, and the snapshot of vehicles they use there is vastly different to here," he says.

According to Bell-Booth, just over 22% of the New Zealand vehicle fleet is made up of utes and light commercials but, when private vehicles are removed from the equation and the measurement applied to the New Zealand business vehicle fleet, that number rises closer to 40%.

In New Zealand, new vehicle purchase numbers are set to hit 150,000 per annum – a number Bell-Booth states is "fairly insignificant in overall numbers compared to the major markets overseas".

"The basic problem is, in the short to medium term, there's not really any low emissions vehicles at that end of the market that can readily replace light commercials"

Some major manufacturers have developed electric vehicles overseas, such as the best-selling Ford F150 pick-up truck in the United States, but that appears to be unlikely to come to New Zealand in the immediate future. In fact, alongside Ford, Hummer, the Tesla Cybertruck and the Rivian R1-T are all pretty much still in prototype form and none confirmed for the New Zealand market.

LDV and Great Wall Motors out of China do have electric utes in production, with suggestions they will be available here, but there has been little movement to that end since they were first revealed.

One hopeful future option is that some of the technology used in the USA may trickle down to the models here. Another alternative is the Toyota HiLux ute with an electric powertrain, but information out of Toyota suggests that a hybrid variant won't be here until at least 2023, but probably considerably later.

"I'd like to reiterate that we do not have any plans for a battery electric Hilux in our line-up in the next 18 – 24 months," says Neeraj Lala, Toyota New Zealand Chief Executive Officer.

The CEO of the Motor Industry Association, David Crawford, has stated that members of the MIA have passed on feedback about where their programmes are in relation to hybrid or electric light commercials.

"One or two brands are working hard to get in a fully electric ute, but our expectation is plug-in hybrid (PHEV) utes might become more widely available by 2025 and full battery electric (BEV) utes after that," he said.

How the Clean Car Discount scheme works

According to Waka Kotahi, the New Zealand Transport Agency, Clean Car Standard is a government target that regulates importers to reduce CO2 emissions of vehicles entering New Zealand to specific standards and targets.

The Clean Car Discount will encourage buyer demand by providing rebates for zero and low-emission light vehicles registered in New Zealand for the first time.

The Clean Car Discount came into effect on 1 July this year and, until 31 March 2022, will provide rebates (subject to funding limitations) for eligible new and used light electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs) after they are registered in New Zealand for the first time.

From 1 April 2022, the Clean Car Discount will be based on the CO₂ emissions of vehicles. Those with zero or low emissions would qualify for a rebate and those with high emissions would incur a fee.

The rebate available can be considerable – more than \$8,500 at the top end of the scale.

1 July 2021 to 31 March 2022	Business and individuals GST incl		Public Authorities (councils and government agencies) GST excl	
	New vehicle	Used import	New vehicle	Used import
BEV	\$8625	\$3450	\$7500	\$3000
PHEV	\$5750	\$2300	\$5000	\$2000

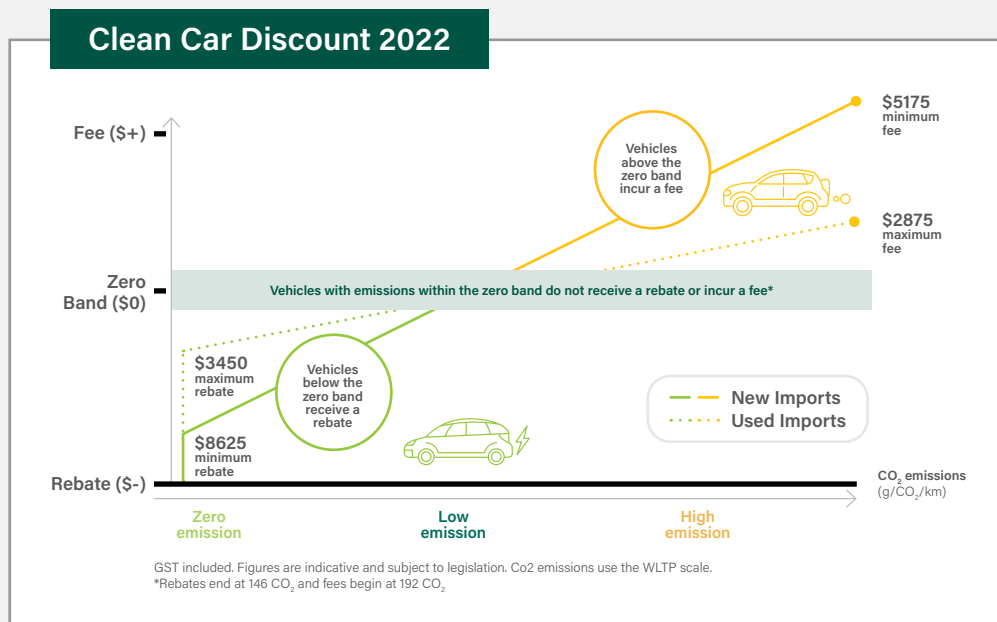
However – and considerably more applicable and relevant to the building and construction industry – are the additional costs that will be levelled at buyers of what are deemed “high polluting vehicles”, primarily utes and other light commercials.

Subject to legislation being passed, there will be a fee added to the purchase price of these vehicles from 1 April next year based on the CO₂ rating of the vehicle and could reach more than \$5,000.

“THE TARGETS ARE PARTICULARLY SEVERE ON LIGHT COMMERCIAL VEHICLES WHERE THERE ARE FEW OPTIONS FOR ALTERNATIVE LOW EMISSIONS VEHICLES THIS SIDE OF 2030,” CRAWFORD SAID IN A RECENT STATEMENT ANNOUNCING THAT THE MIA HAD ACTUALLY WITHDRAWN SUPPORT FOR THE SCHEME.

Clean Car Discount

Fees & Rebates



\$3450
minimum rebate

\$8625
maximum rebate

\$5175
minimum fee

\$2875
maximum fee



The ‘feebate’ scheme was originally slated to come into effect at the start of January 2022 but was pushed back three months, announced by Transport Minister Michael Wood earlier this year.

“This is good news, given the difficulty in getting stock here at the moment,” Bell Booth says. “That difficulty has already created some problems, especially for those who have already ordered vehicles and will now be forced to wait until they arrive here. There’s still a lot of uncertainty about how this is going to play out.”


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<i>E-Bikes</i>	<i>Camping Prize Packs</i>
<i>Fishing Kayaks</i>	<i>Samsung Frame TVs</i>
<i>Blunt Umbrellas</i>	<i>Blue Duck Station Escape</i>
<i>Headphones</i>	<i>Boomrock Experience</i>
<i>Portable Speakers</i>	
<i>Chilly Bins</i>	

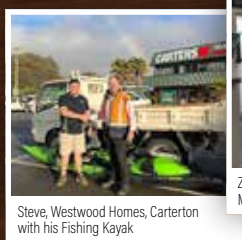
This may sound like your Christmas wishlist but these are just some of the fabulous promotional giveaways CARTERS customers took home this year.

One of our latest winners simply purchased products from our Site Offers in August & September and was drawn as our lucky winner of a once in a lifetime experience.

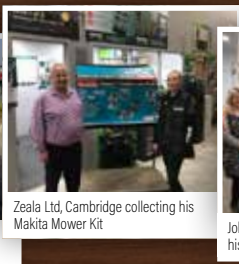
Travelling up from Invercargill, Mark Hourston and three mates spent the weekend in Wellington with an exhilarating day at Boomrock with motorsport legend Greg Murphy. The action packed day was full of extreme activities including Hot Laps where Greg himself helped each guest work on their technique to improve on their time as well as sharing stories about his time racing and what he's working on at the moment. Followed up by lunch at the lodge, Beretta claybird shooting, Extreme 4x4 with the exclusive opportunity to ride in a competition truck, a rare Whisky tasting masterclass finishing with a six-course paired game degustation this was a day they didn't want to end.



"It was brilliant lots of fun and a great experience for all of us. The hospitality and service from everyone involved was top notch, so thanks to CARTERS and Boomrock" said Mark Hourston.



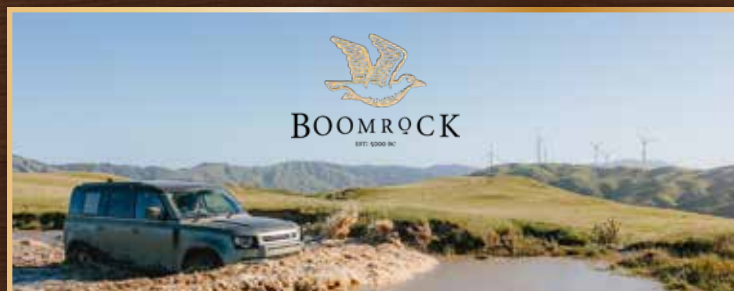
Steve, Westwood Homes, Carterton with his Fishing Kayak



Zeala Ltd, Cambridge collecting his Makita Mower Kit



John Mudgway, Waipukurau picking up his Samsung The Frame TV



We've got some great offers lined up for 2022, so make sure you follow us on social media, check out our website or drop into your local branch to see what we're giving away in our Site and Trade Offers.

2022 EVENTS

After a rocky end to the events planned this year and many having to be cancelled, with the new government framework we're hoping 2022 will bring our industry events back better than ever. We are proud to once again be supporting a variety of events to help educate, inform for inspire our building partners across the country. We can't wait to catch up at a local event near you! Follow us for the latest event date releases to mark in your diaries.



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Four mindsets that separate successful business owners from the rest

BY DANIEL FITZPATRICK

If you're like most tradies and have a lot on your plate right now, it's easy to forget about how your mindset impacts your success, and just simply go through the motions every day ticking off your long list of to-dos.

You want to be making progress but it feels like you're bogged down by what's urgent, and you're not necessarily getting to what's most important.

So, how can you ensure you're on the right track and progressing towards where you want to be? Things such as running a thriving, growing company with an amazing team and reputation that is second-to-none (with plenty of space for regular family time and holidays).

Start by understanding these four mindsets that separate successful business owners from the rest:

1 They take responsibility for the big picture

Hal Elrod says "The moment you accept total responsibility for EVERYTHING in your life is the day you claim the power to change ANYTHING in your life."

It's true: When you don't take total responsibility for something in your business, then you've given up the power to change that thing. It's unlikely to then go in the direction you want it to.

Have you ever started a job and taken ownership but had a few things get away from you? Like when you discovered there were a few extras involved that were not allowed for in the quote? But it was just easier to carry on and deal with it later? In the end, your margins disappeared, and it was too late to negotiate with the client because the job was finished.

Taking total responsibility (even when it means having the hard client conversations in the middle of a job) saves a whole lot of headaches later.

Another big one is taking complete responsibility for your financials. This means consistently being ahead of the game: Knowing exactly what's coming in, what's going out, and what's left.

Yes, it's a good time to be in the trades right now. But good times don't necessarily lead to a better business. Even when you've got more work coming in than you can handle, you still need to be focused on building the fundamentals of a strong business.

Ask yourself two important questions:

- What's out of control to fix right now? (eg. cashflow – there are a whole lot of debtors you haven't followed up and that's why you've got no money);
- What are you letting coast by that you need to get control of because it's going to bite you in the future? (eg. your foreman is being difficult).

If you can really get a handle on those loose ends, when you get to the end of the year you'll be much happier with the results.

2 They make financial decisions based on the ROI, not the cost

Fact: Not all costs are the same. When you make a financial decision, it can either be seen through the lens of it being a cost or an investment.

For example, implementing new project management software will cost time and money initially, but will save you time and improve margins and control in the long term.

Therefore, just viewing it for its initial cost could hold you back from investing in something that would later benefit you. The more growth focused approach is to analyse your financial decisions based on the ROI, the overall effect.

You've got to think 'For what I put in, am I getting a greater return back?'

Making financial decisions in this way can save time and frustration, and play a great role in taking your business to the next level.

3 They fixate on their goals but are flexible in their approach

Any significant goal will have curveballs on the way that try to shunt you in a different direction. The winning attitude is to be firm and fixated on your goals. But also to be flexible in how you achieve them.

Imagine a key staff member has left and you need to find a great replacement. It's hard to find staff right now. Thinking outside the box might mean training an existing team member up into the role, or offering to pay moving costs to attract someone outside the region.

There are always going to be turns and bends in the pursuit of our goals, but it's not an excuse to stop. Instead, it's a reason to find a different way. As Ryan Holiday says "Stop looking for angels. Start looking for angles."

Where are you currently stuck in your business? What isn't working? Spinning your wheels and hoping things will improve might not be the best approach.

Even if you've had success in the past, what's gotten you to

point A might not necessarily get you to point B.

So, look for a different way. Find a new strategy. Create opportunities and get after the results you really want.

4 They don't expect themselves to have all the answers

Tradies sometimes think 'There's no task too big to handle if I just grind it out.'

However, when it comes to nailing down the nitty-gritty of your business, you'll run into a problem. You can't read the label from within the jar.

How often have you seen someone stuck on how something's going to work, but then someone else has come over and almost immediately found the solution?

As billionaire real-estate investor Gary Keller says, "Any time in your life you are hitting up against the ceiling of achievement, you're missing a person."

It shouldn't be a surprise that a different set of eyes sees different things. So, stop and think: How are you taking advantage of different eyes and minds in your business strategy?

Do you have a different set of eyes on your financials? Have you got other minds working with you to help take your business to the next level?

Having someone who you regularly sit down with to go over various aspects of your business will force you to show up and think strategically. Which will ultimately help you move forward and stay the course. So, take advantage of it.

Let's wrap this up

The mindsets of business owners who succeed and those who don't are very different. Make sure you can say you're on the right side!

Remember: Take responsibility for the big picture. Make financial decisions based on the ROI rather than the cost. Be flexible in how you get to your goals. And don't go it alone.



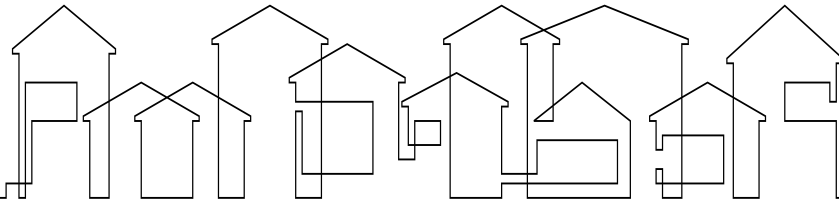
If you have trouble with any of these areas, contact me for a free online chat to see how I can help you fast track your way forward. Book a time here: nextleveltradie.co.nz/nextstep/



Daniel Fitzpatrick is a New Zealand based business coach and the creator of Next Level Tradie. Find him at: nextleveltradie.co.nz

DANIEL FITZPATRICK
BUSINESS COACH





Key trends of the past year

BY MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT

This has been a year like no other. After experiencing the initial shock of the first wave of COVID-19, construction is facing many new challenges as building activity has skyrocketed.

The Ministry of Business, Innovation and Employment's (MBIE's) new 'Building and Construction Sector Trends Annual Report 2021' highlights how construction activity has reached unprecedented levels despite challenges faced by the COVID-19 pandemic. See link at the end of the article.

In the space of a few months construction went from the largest recipient of government wage subsidies of all industries to the largest contributor to GDP growth in the country.

The New Zealand economy took a hit with the onset of the COVID-19 pandemic and annual national GDP growth declined a record 2.9 percent in the year to December 2020. The construction sector grew by 6.6 percent in the March 2021 quarter to be the main contributor to New Zealand's 1.6 percent economic rebound. Compared with the March 2020 quarter, the construction sector had grown by 8.8 percent in March 2021 quarter and outperformed the national GDP average of 2.4 percent.

"Extraordinary demand for residential construction paired with strong investment in infrastructure has meant the sector is working harder than ever before," says Dr Alice Cleland, Research and Analysis Manager at MBIE.

Despite uncertain projections of the future pipeline in the early days of the pandemic, the last six months have seen record high levels of building consents issued, surpassing all expectations.

In the year ended June 2021, building consents increased 18 percent on the previous year to 44,299. These are largely made up of a steady increase in demand for multi-unit homes. The total number of multi-unit homes consented in the year ended June 2021 had increased 33 percent from the year prior.

In the past year, there was ongoing concern around worker capacity to meet this increased demand with restrictions at the international border. While the number of international students in construction-related education and training significantly reduced, this gap was filled with a sharp increase in domestic students taking up government schemes such as the Targeted Training and Apprenticeship Fund and Apprenticeship Boost. Enrolments in carpentry and joinery had the highest increase and remained the most popular construction-related courses for student enrolment.

"HIGH LEVELS OF DEMAND FOR CONSTRUCTION HAS MEANT THAT THE SECTOR HAS BEEN ABLE TO RETAIN AND GROW TALENT," DR CLELAND SAYS.

Construction has been the industry with the greatest increase in jobs since the beginning of the pandemic. With 11,000 extra jobs filled since June 2021, construction is the fourth largest employer and now makes up approximately 10 percent of the national workforce at 275,600 people.

“Extraordinary demand for residential construction paired with strong investment in infrastructure has meant the sector is working harder than ever before,”

Not only is the workforce growing, but the Report also found that the industry is becoming more diverse, with one-third of the construction workforce identified as being of Māori (15 percent), Pacific (7 percent), or Asian (11 percent) ethnicity, an increase of 2 percent from 2018. The proportion of female workers has also increased in the past decade and the data shows that workers in the construction sector tend to be younger when compared to the national population.

Despite the strong growth in the number of people in construction employment and the increase in domestic students in construction-related education and training, the industry continues to experience ongoing pressure on the labour market and material delays and shortages.

“THE SHEER VOLUME OF WORK IN THE PIPELINE IS IMMENSE. LOOKING AHEAD, THERE MAY BE OPPORTUNITIES TO INTRODUCE EFFICIENCIES AND LOWER COSTS IN THE BUILDING PROCESS WITH THE INTRODUCTION OF NEW AND INNOVATIVE BUILDING DESIGNS, TECHNOLOGIES AND MATERIALS,” DR CLELAND SAYS.

Examples of emerging trends and opportunities that could support the construction sector to increase productivity and lift performance include:

Prefabrication

Prefabrication refers to standardised complete buildings or building components that are built off-site and then assembled at the construction site. Reasons for increased global popularity include the potential to save between 30 to 50 percent of business time when compared to traditional construction methods, the need to generate less construction waste and the requirement for fewer skilled workers.

Artificial intelligence and robotics

It has been estimated that up to 30 percent of business time can be saved by using AI technology alongside workers to create efficiencies. Construction robots can also be used to perform repetitive tasks (such as painting, bricklaying, wall construction, plastering, façade installation, cleaning, inspection, beam assembly, and earthworks). Advantages of using construction robots and AI technology include: fewer construction-related injuries; fewer skilled workers required; time savings; lower construction costs; increased accuracy and quality; easier access to high risk and inaccessible areas; and ability to work and manage remotely.

3D Printing

This modern manufacturing method can help lower construction costs, reduce construction labour and limit construction waste. At this point in time, as most 3D printed buildings are only just a few years old, there is an absence of data on end-user feedback but they are growing in international popularity. For example, Dubai has recently announced that 25 percent of its city's new buildings will be made using 3D printers by 2025.

Laminated timber

Engineered wood products such as laminated veneer lumber, cross laminated timber, laminated strand lumber, and parallel strand lumber are becoming increasingly popular for their enhanced strength and stiffness, seismic resistance of cross laminated timber, lower carbon emissions and shorter construction time.

The Building and Construction Sector Trends Annual Report 2021 provides further commentary on these and other building designs, technologies and materials that could introduce efficiencies, lower costs, increase worker health, safety and wellbeing, and reduce the emissions and carbon footprint of buildings.



For more information, see:
tinyurl.com/MBIE-sector-trends

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THE INFLATION THREAT WILL CONTINUE IN SEVERAL AREAS INCLUDING RISING LABOUR COSTS BECAUSE OF LABOUR SHORTAGES, WHICH ARE LIKELY TO GET WORSE OVER THE NEXT YEAR.

Rising prices are a double threat to the building boom

BY RODNEY DICKENS

Rising prices pose two threats: rising building costs; and rising prices in general that are driving up interest rates - the most important driver of building activity.

Having increased 6.8% over the last year, based on Statistics NZ's measure of national residential building costs, it is possible that costs will increase as much as 10% over the next year. Any builders not taking the threat of rising building costs into account with fixed-price contracts may be caught out.

The first chart shows that what existing house prices did over the last year can be a good indicator of what building costs will do over the next year. The red line shows the annual percentage change in existing house prices based on the REINZ house price index (HPI). The best fit is with it advanced into the future or leading the annual percent change in national residential building costs by four quarters. The 30% plus increase in existing house prices over the last year predicts something close to 10% upside in residential building costs over the next year.

The building industry is not on its own facing larger cost increases. In some areas, the upside will be temporary - like the surge in fuel costs - although even that has a permanent element related to global climate policies. But the inflation threat will continue in several areas including rising labour costs because of labour shortages, which are likely to get worse over the next year.

The Reserve Bank has belatedly started to realise the inflation threat and now predicts, not only reversing the OCR cuts in response to COVID but also those in response to global economic fallout from the US-China trade war. The light green line in the second chart shows the Reserve Bank's OCR forecasts. The grey line shows what this implies for the average mortgage rate offered by the major banks, which has already almost reversed the COVID-driven fall from last year.

It is normal for mortgage interest rates to run ahead of OCR hikes as has been occurring this year. It is because wholesale interest rates increase in anticipation of OCR hikes. It takes around 12 months for mortgage rates to impact on consents for new dwellings so there is already a quite significant threat in the pipeline.

However, rising interest rates may not proceed in a straight line. If there is a global or local setback to economic growth, the market will at least temporarily revise down expectations of OCR hikes, leading to some pullback in mortgage rates. The rise in interest rates could be sawtooth rather than straight-line.

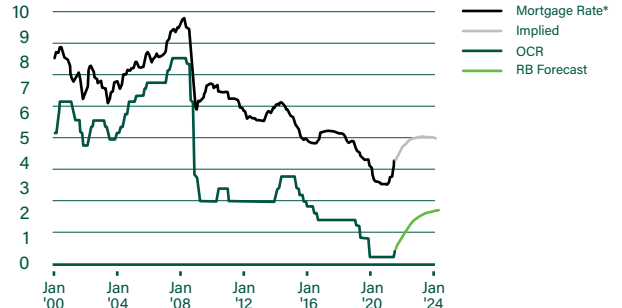
Residential Building Costs & REINZ HPI

Annual % changes Correlation = 0.80



Average Mortgage Rate & OCR

* Average listed rate of major banks



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Living with COVID-19

Should your business have a Vaccination Policy?

BY ANDREW SKINNER AND CLAIRE MANSELL



ANDREW SKINNER
PARTNER Martelli McKegg

Whilst the industry is very busy, different pressures have been mounting as a result of the pandemic. As we start to face the reality that we will be living with COVID-19 in our community for the foreseeable future, many business owners are also now wondering whether or not they will need to require their workers to be vaccinated. This can be a controversial issue, with people having strong views either way. Unfortunately, the legal answer is not clear cut.

The Government has issued a mandatory vaccine order for some work, which can only be performed by vaccinated persons (such as work at MIQ facilities or the border). This group is gradually expanding. Recently, it has been announced that workers in the health and disability sector and teachers will need to be vaccinated. Under the COVID-19 Protection Framework (or the 'Traffic Light System'), businesses who require vaccination certificates as a condition of entry will need to ensure that all their employees are fully vaccinated. Businesses who can operate under this system are likely to include those in hospitality, events and close contact businesses like hairdressers. It is unclear whether businesses in other industries can 'opt in' to this regime.

A business that does not fall under the mandatory vaccine order or the traffic light system still needs to think about whether or not to introduce a vaccine policy. Under the Health and Safety at Work Act 2015, businesses must ensure that high risk work is only performed by fully vaccinated workers. In order to understand whether they are carrying out work that puts workers at high risk of catching or spreading COVID-19, businesses will need to undertake their own risk assessment. This will involve undertaking an assessment of the work that needs to be performed, not the person who is carrying it out. As with all health and safety risk assessments, this should be in consultation with workers and, if appropriate, their representatives.

Generally speaking, businesses will need to assess the likelihood of the risk occurring, the consequences of that risk, and whether there are any steps that can be taken to mitigate the risk (including other public health measures such as mask wearing, using hand sanitiser and physical distancing). For some, it will be obvious that there is a high risk, but for others, it will be less clear cut. As a starting point, businesses should consider the following questions when undertaking their risk assessment:

- How many people does the worker come into contact with?
- Can those people be easily identified?
- Is the worker required to work in close proximity to other people, and if so, for how long?
- Is the worker more or less likely to catch COVID-19 in the workplace in comparison to everyday life?

If a business decides that the work is high risk and should only be performed by a fully vaccinated worker, it will have obligations to deal with any affected employees in good faith. At a minimum, this will include a meeting with the employee, explaining the concerns, and determining whether there can be an agreed path forward. If the employee refuses to be vaccinated, re-deployment should be considered. As always, termination of employment should be the last resort and must be carried out in a procedurally fair manner. We understand that the law will be amended so that each employee who is facing termination for failing to be vaccinated will be entitled to at least a 4 week notice period. If the employee is vaccinated within the notice period, they can retain their role.

In some cases, head contractors will only allow vaccinated workers onsite. For the most part, this will be lawful as generally occupiers have the right to impose conditions of entry onto the property they control. This can cause significant issues as businesses may be faced with a situation where they simply do not have sufficient work to provide to an unvaccinated worker who is unable to work at certain sites. If this occurs, it may give rise to a redundancy situation. If you are considering making a worker redundant for this reason, we strongly recommend that you seek legal advice first.

Understandably, many businesses will be nervous around their obligations in respect of vaccinations. As we are in uncharted waters, it pays to go back to first principles. Businesses should assess the risk, and if there is sufficient risk, treat the employee in good faith if they refuse to be fully vaccinated. If these basic principles are followed, businesses can feel confident that they will have a good chance of avoiding any issues and reducing the risks to both the employees and the business.

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