

TRADE LEADER

DEC 2020 - JAN 2021 ISSUE ■



Apprentice of the Year 2020 national winner announced



What does the election mean for residential building?



Protect yourself during summer



The duties of directors



Chelydra Percy
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In the frame

BY MIKE GUY, CARTERS CHIEF EXECUTIVE

Looking back 12 months, it's difficult to rationalise the massive changes that have sent waves of change, not just through New Zealand, but right around the world since the early stages of 2020.

In no time, what seemed like big problems soon paled into insignificance as people from all walks of life had to cope with the huge disruption that COVID-19 caused...and continues to throw our way.

Despite that, the construction industry bounced back to life considerably more rapidly than other sectors and, along with industries such as agriculture and farming, continue to lead the country out of a period of considerable uncertainty.

Not only that, but industry groups are starting to work together towards some common goals, investigating new systems and innovative methods, outlining revised and updated guidelines, and even looking at changes to compliance and regulation.

It all adds weight to theory of "never waste a good crisis", and the building and construction industry certainly hasn't let any of the COVID-19 crisis go to waste.

In this issue of CARTERS Trade Leader, industry leader Chelydra Percy outlines her view of the sector, and poses some questions to those in the business. As the CEO of BRANZ, as well as being involved in a number of other industry advisory groups and organisations, Chelydra is well-respected across the sector and comes up with some interesting insights. For more information on what she has to say, check out her article starting on page 26.

With the changes to the building act to allow consent-free work, CARTERS partnered with NZCB to run a series of workshops across the country during October and November which proved popular. You can read more about the extended building consent exemptions and what this means in the LBP Codewords article on page 12.

Also in this issue, we look back over the final stages of the Registered Master Builders CARTERS 2020 Apprentice of the Year. The conclusion of the competition saw apprentices go head to head before Northland's Thomas O'Brien was announced as the winner.

As long-time supporters of this competition, it's always an honour for us to be involved in supporting the future leaders of our industry and I would like to extend my most sincere congratulations to Thomas, as well as those who were involved throughout the competition. You can see highlights from this year's event on page 30. We encourage current apprentices to consider taking on the challenge when entries open again in April 2021.

This month also sees the House of the Year National Awards event take place on December 11th. It's taken a virtual format this year, but recognising the outstanding workmanship showcased throughout this competition remains an important part of celebrating success for each and every entrant. We're proud to have contributed materials to many of these homes and see the quality of construction rewarded across the country as a sponsor of the competition. We will have full coverage of all the winners in our February magazine once they have been announced.

Finally, as 2020 winds down, on behalf of the entire CARTERS team, I'd like to take this opportunity to wish everyone a very happy Christmas break and a safe and enjoyable holiday. We will look forward to seeing you all and partnering with you again in 2021.



MIKE GUY
CARTERS Chief Executive

CARTERS
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TRADE LEADER.

CARTERS Trade Leader is produced by TLP Media Ltd 6 times a year in association with CARTERS.

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PRODUCTION

Cube

COVER IMAGE

Photography - Rebecca Ho
Site - Byrne Homes

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ISSN 2463-3550 (Print)

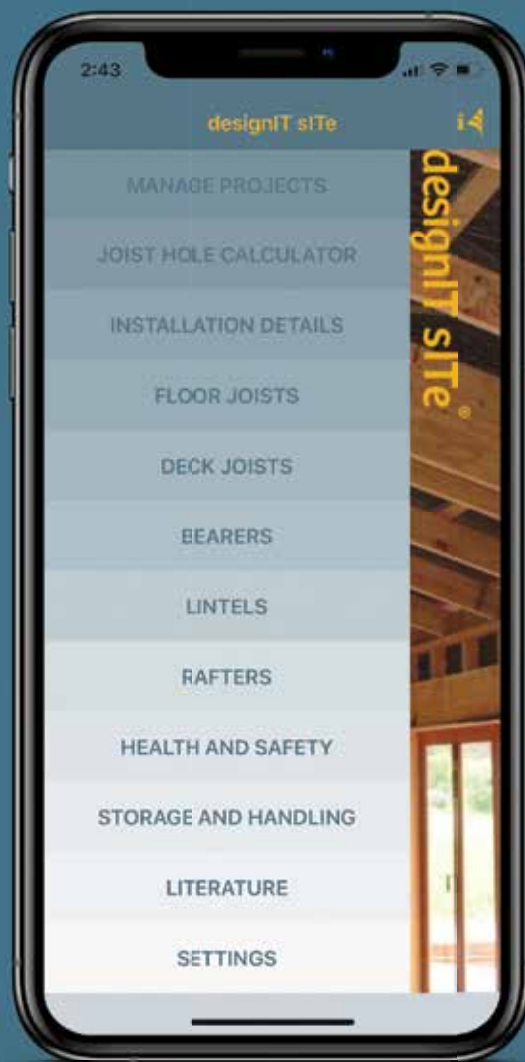
ISSN 2463-3569 (Online)

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INDUSTRY COMMENT

QUALITY - THE BEST BUSINESS PLAN
BRANZ CEO, Chelydra Percy, has some questions for the industry. What's stopping us doing a job we can be proud of and what are the barriers to doing a great job? Is it time? Is it cost? Is it a lack of access to the knowledge – training, mentors and information?



HEALTH & SAFETY
STAYING SAFE DURING SUMMER

Summer is a great time for work, but also brings some extra health and safety risks including UV exposure, dehydration and fatigue. Sitesafe looks at five tips to protect you during summer.

 **ARTICLES**

CODEWORDS
CERTIFICATES OF WORK

Certificates of work can be relatively simple documents, but they can also lead to some confusion. But what are they for, who should fill them out and what they should include?

CODEWORDS
BUILDING A CONSENT FREE SLEEPOUT

From 31 August 2020, a range of new and extended building consent exemptions were added to schedule one of the Building Act, including a range of options for building sleepouts.

BUSINESS

Making sure you have suitable insurance cover in place is essential to manage risk. So what are the options for builders when it comes to choosing how to best manage their insurance?

HEALTH & SAFETY

Scaffolds should only be used once a number of requirements are met and approval has been given by site management, including a Safety Plan which includes emergency procedures that are communicated to staff on site.

RAISING YOUR BUSINESS PROFILE

Marketing your business – and raising the profile of your brand – are great ways of generating quality leads that you can turn into new jobs and larger profits. But what options are there for making sure your business stands out better than the rest?

LEGAL
DUTIES OF DIRECTORS

Directors must now consider the options available for independent involvement or risk personal liability in circumstances where a company is insolvent and cannot be salvaged. Andrew Skinner takes a look at the details.

APPRENTICE OF THE YEAR

In the final showdown against eight of the top tradies from around the country, Thomas O'Brien has taken out this year's Registered Master Builders 2020 Apprentice of the Year, in partnership with CARTERS national competition.

ECONOMICS
GOVERNMENT BUILDING INITIATIVES

Labour's majority election victory and the need for fiscal policy to support the recovery from COVID-19 give the government a strong mandate to pursue its housing initiatives with vigour. Rodney Dickens looks at the five main initiatives in terms of residential building.



Construction sector aided by Accord's agile and responsive decision making

New Zealand's construction sector could have emerged from COVID-19 in a critical state if not for the actions of the Construction Sector Accord (the Accord), say construction industry leaders.

In a panel session during the Constructive Virtual Event Series, led by Registered Master Builders, industry leaders and members of the Accord praised the way industry and government worked together during the initial COVID-19 response to make quick decisions that ultimately rescued the sector.

"I don't think we could have had construction sites up and running as quickly as we did without the Accord," said Registered Master Builders Chief Executive and Accord Transformation Delivery Group member David Kelly.

The Accord is a genuine partnership between industry and government that is working to fix many of the issues and challenges facing the construction sector.

"IT WAS FUNDAMENTAL TO EVERYONE WORKING IN CONSTRUCTION, WHETHER THEY WERE RESIDENTIAL OR COMMERCIAL, THAT AS SOON AS WE FINISHED ALERT LEVEL 4 LOCKDOWN, THEY COULD GET BACK ON SITE IN A SAFE AND RESPONSIBLE WAY. THE ACCORD MADE THAT HAPPEN - THROUGH THE GENUINE PARTNERSHIP BETWEEN INDUSTRY AND GOVERNMENT, THERE WAS A HIGH LEVEL OF CREDIBILITY AND TRUST," SAID DAVID.

BRANZ Chief Executive and Accord Transformation Delivery Group member Chelydra Percy agreed, going a step further.

"I would be bold enough to say the sector would not have been allowed back on sites at Alert Level 3, if not for the important work the Accord and Construction Health and Safety New Zealand (CHASNZ) did around health and safety standards. This was really critical for the livelihood of our industry and our people."

David acknowledged Ministers and government had a massive job to respond to COVID-19.

"In terms of the construction sector, if we didn't have the Accord, there would have been 1000 voices all trying to look after their little slice, and we all would have failed. The construction sector – and the individuals and businesses within it – would have suffered immensely.

"The Accord forced the industry to talk together and make some compromises. What emerged was a credible and unified voice that represented the whole industry."

Through the Accord, the building and construction sector benefited from health and safety standards for operating at Alert Levels 2 and above; numerous pieces of procurement and contract management guidance; a new Contract Partnering Agreement; and the release of the Rapid Mobilisation Models and accompanying Playbook.

Chelydra was impressed with the way industry and government worked together during COVID.

"It was amazing to watch industry and government listen to each other, share perspectives, and turn initiatives around really quickly to protect our people and our projects. The normal layers and weeks of thinking dissolved – we were focused on shared problem solving and finding ways to get the right information to and from each other in clear and quick timeframes. We were much more agile and responsive."

Property Council New Zealand Chief Executive and Accord Steering Group member Leonie Freeman said the Accord proved its value during COVID.

"I hate to think where our sector would have been if we hadn't had the Accord in place – everyone working together with access to government and Ministers at such a critical time."



To see the Constructive panel discussion, visit www.constructive.org.nz



Improvements to Building Code

The latest changes to the Building Code will improve fire safety requirements, surface water drainage and waterproofing in bathrooms, kitchens and laundries, says Dave Robson, Manager of Building Performance and Engineering at MBIE.

The changes support high density housing, will make consenting easier, and ensure buildings are safe, healthy and durable.

"We are going ahead with the majority of changes proposed earlier in the year with some amendments, after receiving mainly positive feedback through the consultation process," Mr Robson says.

"Gathering sector feedback through public consultation is a vital part of the Building Code update process. Based on the submissions we received, we have made improvements to our proposals, and reconsidered some aspects based on what we heard. This is all reflected in the decision document.

"We will be providing a new Acceptable Solution for the design and installation of stormwater drainage systems, providing more options to comply with the Building Code for surface water drainage. We are making it easier to determine rainfall intensities for specific locations by updating rainfall intensity maps.

"We are also introducing a new Acceptable Solution for waterproofing in bathrooms, kitchens and laundries by referencing the Waterproofing Membrane Association code of practice for Internal Wet-area Membrane Systems.

"FOLLOWING FEEDBACK FROM THE CONSULTATION, MORE WORK WILL BE DONE AROUND FIRE TESTING PROTOCOLS FOR CLADDING SYSTEMS FOR 10-25 METRE HIGH BUILDINGS, AND FIREFIGHTING OPERATIONS." IN THE MEANTIME, MBIE HAS UPDATED THE CLADDING GUIDANCE DOCUMENT RELEASED IN 2019 TO ALIGN WITH THE REQUIREMENTS IN THE ACCEPTABLE SOLUTION AND VERIFICATION METHOD.

The changes were originally part of the June 2020 Building Code update, however due to COVID-19 and late submissions, the publication date moved to November 2020.

The changes will come into effect 4 November 2021, a longer period than usual to line up with the new delivery model.

After this update, MBIE will be moving to annual updates of the Building Code. The next update published will be in November 2021.

"MBIE is committed to updating the Building Code so that it keeps pace with innovation, current construction methods and the needs of modern society. It provides clarity, consistency and certainty for the whole construction sector, including homeowners, designers, builders and building consent authorities," Mr Robson says. The current focus of the Building Code update programme is to support densified housing.



More information on the changes is available on [Building.govt.nz](https://www.building.govt.nz)

Construction Sector Accord welcomes industry leaders to the Accord Steering Group and Transformation Delivery Group

The Construction Sector Accord is proud to welcome the addition of several experienced industry and government professionals to the Accord Steering Group (ASG) and the Transformation Delivery Group (TDG) to direct and transform the industry's future, announced Chris Bunny and Peter Reidy, ASG Co-Chairs.

Members of the ASG are responsible for oversight and governance of the Accord programme, as well as acting as an advisor to government on emerging sector issues. The Transformation Delivery Group is responsible for the design and delivery of the Transformation Plan's workstreams and seeking wider support for sector change.

"The Construction Sector Accord will benefit from the expertise and innovation of our new members to help us achieve a safer, better skilled and more productive industry, and to help lead the industry through the impacts of COVID-19," says Chris Bunny.

Joining the Accord Steering Group are Ross Copland, Chief Executive, New Zealand Infrastructure Commission – Te Waihangā; Nicole Rosie, Chief Executive, Waka Kotahi NZ Transport Agency; and Judi Keith-Brown, President of Te Kāhui Whaihangā New Zealand Institute of Architects.

Judi Keith-Brown says the Construction Sector Accord has succeeded in bringing together professionals of diverse backgrounds from across the industry.

"The Construction Sector Accord responded to COVID-19 with an outstanding level of industry collaboration, leadership and urgency – that momentum is now focussed on ensuring we have a united and resilient construction sector.

"From the point of view of those at the design end of the construction industry – architects, engineers, and landscape architects – while "shovel ready" projects will help in the short term, we need to make a path for a future stream of similar work. I'm proud to be representing this part of the sector on the Steering Group and look forward to working with all parts of the sector to get us through this turbulent time," says Judi Keith-Brown.

Joining the Transformation Delivery Group are Kevin Lavery, General Manager, Sector Consulting – Society of Local Government Managers; John Sneyd, General Manager, Building System Performance – MBIE; Peter Murray, General Manager Major Projects and Advisory, New Zealand Infrastructure Commission; Duncan Kenderdine, Executive General Manager Strategy and Development, Downer NZ; and Chelydra Percy, BRANZ CEO.

Chelydra Percy will lead the Construction Sector Transformation Plan's new environment workstream. Chelydra says she is thrilled to see the addition of the environment workstream and is delighted to be leading this work.

"The workstream presents a significant opportunity to leverage great work already happening across industry and government and to identify the collective actions we can progress in this important and urgent area," says Chelydra Percy.

"BRANZ is a multi-faceted, science-led organisation. We use independent research and systems knowledge to identify practical solutions that improve New Zealand's building system performance. This means we are very well placed to support the Accord.

"I look forward to bringing our perspective and building on the commitment industry leaders and government have made to find pragmatic solutions to the industry's issues together," she says.

Chris Bunny and Peter Reidy thanked the sector leaders who were leaving the Accord Steering Group and Transformation Delivery Group.

"Retiring members have been instrumental in the development of the programme and have been crucial in setting the bar and driving the Accord principles and behaviours in the sector," says Chris Bunny.



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Have you ever felt a little unsure if you were using the right GIB® adhesive for the installation of GIB® plasterboard?

Good news is that they are both excellent adhesives specifically formulated for installing plasterboard on vertical and horizontal surfaces so most of the product selection comes down to user preferences.

However, there are a few key differences which we have outlined in the table below to ensure you select the right GIB® adhesive for your application and the environmental temperature that you are using it in.

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Application	GIBFix One®	GIBFix® All-Bond
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Low VOC	✓	✗
Water based non toxic	✓	✗
Solvent based	✗	✓
Can be used in temperatures as low as 5°C	✗	✓
Can be used in temperatures from 10°C	✓	✓
General Purpose construction adhesive**	✗	✓

*but not wet LOSP,
**but not polystyrene or acrylic shower trays

Note: Sheet edges must be screw fixed. The only exception being the edges of door or window openings in walls where the sheet edges can be adhesive fixed (unless forming part of the perimeter of a bracing element). Ceiling screws are required at the edges and centre of the sheet across the batten. Refer to the GIB® Site Guide or your relevant performance system manual.

Water based adhesives like GIBFix ONE® rely on the evaporation of water to cure. Bonding surfaces together that are impervious to water, such as steel and non-absorbent plasterboards, extends cure times. For this reason GIBFix® All-Bond is the recommended adhesive for fixing GIB Aqualine® to metal ceiling battens.



Certificates of work

■ BY FAYE PEARSON-GREEN, BUILDING PRACTITIONERS BOARD MEMBER

Certificates of work can be relatively simple documents, but they can also lead to some confusion. Here we address what they are for, who should fill them out and what they should include.

A Certificate of Work (CoW) is required when submitting a building consent application to show that a suitably qualified design professional has designed or supervised the design of any restricted building work (RBW).

The CoW must be provided by one or more LBPs (or suitably registered design professional) that carried out or supervised that design work. The CoW states that the design work either complies with the Building Code or whether waivers or modification of the Building Code are required.

DESIGN OF RESTRICTED BUILDING WORK

A CoW is only required for the design of RBW. The design of RBW (or restricted design work) can be identified by the following features:

- The building is a house or small-to-medium apartment building.
- The work is certain design work relating to the primary structure, external moisture management system or fire-safety system – that is, the preparation of any drawing, specification or other document according to which the primary structure, external moisture management system or fire-safety system is proposed to be constructed or altered.
- The work requires building consent.

A record of work is completed by the tradesperson who carries out or supervises the RBW, whereas the CoW is completed by the designer who designs or supervises the design of the RBW.

PURPOSE OF CERTIFICATES OF WORK

The requirements for a CoW are laid out in section 45 of the Building Act 2004 – How to apply for building consent. In summary, the purpose of a CoW is to:

- provide assurance for building consent authorities that

the design has been carried out or supervised by a competent person

- track professional accountability without giving rise to additional civil liability by recording who completed or supervised each part of the design
- confirm that the design complies with the Building Code
- detail any waivers or modifications of the Building Code that have been required.

COLLABORATIVE DESIGN

Where two or more LBPs are involved in carrying out or supervising the design work for a building consent application involving RBW, there may be a choice about who provides the CoW. If a particular design is carried out by an LBP under supervision of another LBP – that is, a senior designer – the CoW should be provided by the LBP that is taking responsibility for the design.

However, if two LBPs work on different aspects of the plans and specifications that are RBW, each LBP would be expected to provide a CoW for their respective parts. For example, one may design the foundation and another the elements of the superstructure.

The LBP who signs the CoW is the one who will be professionally accountable for the work. If you are completing the CoW as a supervisor for work designed by someone else, it is very important that you check the work meets an acceptable standard, is compliant with the Building Code and adequately describes any waivers or modifications of the Building Code.

TAKE ACCOUNTABILITY FOR YOUR WORK

If there are issues with the work, the CoW also allows the BCA, consumer or regulator to track down who completed or supervised the work if further investigation is needed.

A common issue the Building Practitioners Board sees is an LBP completing a CoW for work carried out by



other designers that has not been completed to an acceptable standard (negligence). Some designers will use their licence to rubber-stamp others' work so it can be submitted in a building consent. However, this is not the purpose of a CoW.

If you sign a CoW with incorrect statements regarding compliance to the Building Code – or any waivers or modifications – you are showing poor professional judgement as either you did not check the design adequately or you were not able to identify the deviations from the Building Code. Either way, you could be found by the Building Practitioners Board to have acted negligently or incompetently.

LBP's are accountable to the Board for their professional conduct, and if they are negligent or incompetent or otherwise do not meet their obligations under the Building Act, they can be disciplined. Using your licence to rubber-stamp a CoW without adequately checking the design is an abuse of the licensing system and will not be accepted by the Board.

Further Guidance

The document **Guidance on the use of certificates of work, producer statements, and design features reports** relates to RBW and can be found at: www.building.govt.nz

This guidance document was developed for practitioners working on the Canterbury rebuild. However, the principles apply for restricted design work anywhere in New Zealand.

CODEWORDS QUIZ



1) Why do we use CoWs?

- a. So BCAs can see if a competent person carried out the work.
- b. So we can track down the correct designer if they need to be held professionally accountable for their work to the Building Practitioners Board.
- c. To highlight any waivers or modifications of the Building Code in the design.
- d. All of the above.

2) Can more than one LBP provide a CoW for a design?

- a. Yes, if more than one LBP has contributed to a design, this should be recorded through the CoWs.
- b. No, only one LBP should provide a CoW per building consent

3) Why is it a problem if you sign a CoW without supervising and adequately checking the design work?

- a. It is not a problem – the BCA will pick up anything that is not Code compliant.
- b. It is not a problem – signing a CoW will not increase your civil liability for the project.
- c. The design could be substandard, which could lead to significant problems and harm to the client – for example, leaky buildings.
- d. You could be disciplined by the Building Practitioner Board for working negligently.
- e. c and d.

Answers: 1. d 2. a 3. e

Building a consent-free sleepout



■ BY DAVID MACASKILL, CONTENT EDITOR, BUILDING PERFORMANCE, MBIE

From 31 August 2020, a range of new and extended building consent exemptions were added to schedule one of the Building Act, including a range of options for building sleepouts.

Several of the new and extended exemptions require the assistance of a Licenced Building Practitioner (LBP) to supervise or carry out the design and construction work, which will allow consenting authorities to focus more on higher risk building work. It is also a great reflection of the expertise that LBPs provide, and will help boost their profile to the public.

The exemptions cover a wide range of building projects in both rural and urban areas, and include a number of projects including detached standalone buildings, porches and verandas, carports, and solar panels. This means around 9,000 fewer consents will need to be applied for each year and homeowners will save a combined \$18m in costs.

A CLOSER LOOK AT SLEEPOUTS

One of the new exemptions, where homeowners will more than likely need the help of an expert, is in the construction of a detached, standalone building such as a sleepout. A sleepout is a great way for a homeowner to add a private space for an independent member of the family or to have an extra office now that working from home is more popular than ever.

Current building consent exemptions already allow for a sleepout up to ten square metres to be built without a building consent, but the new exemptions expand this all the way up to 30 square metres if the work is carried out or supervised by an LBP. There is also a separate exemption for 30 metre square sleepouts if they are built from prefabricated or kitset components that have been designed (or had the design reviewed) by a Chartered Professional Engineer (CPEng).

Of course, all of these sleepouts must still meet the building code. It's important to remember that building consent process is only one part of the legal requirements for building a sleepout. All the usual requirements about durability of materials, district planning, location of services and boundary restrictions

still apply. This means a sleepout must be at least its own height away from a boundary, which will preclude many suburban homes from building to the maximum 30 square metres without a consent (unless they want it right in the centre of their lawn!).

SLEEPOUTS HAVE MINIMAL FACILITIES

The sleepouts included in this exemption are not designed to be lived in exclusively. The facilities of an existing dwelling (such as potable water) must also be readily available for the use of those staying in the sleepout. A sleepout under this exemption is not a 'tiny house' and if a homeowner wants to include toilet or cooking facilities they need to apply for a building consent.

A WIN FOR THE LBP SCHEME

The sleepout also needs to comply with the Building Code, which is one of the key reasons why we require a competent LBP to carry out or supervise the work. These exemptions put trust in LBPs as competent and professional builders, by allowing them to undertake a wider scope of work without a building consent or council inspections. This in turn adds value to holding an LBP licence, and raises the awareness of the scheme with homeowners.

WITH RIGHTS COMES RESPONSIBILITY

This work is not Restricted Building Work (RBW) because a building consent is not required. Therefore you do not have to supply a Record of Work (ROW). You are still professionally accountable for the work however, so it is important to maintain the same standards. The oversight of the Building Practitioners Board (BPB) still applies to these projects, as professional accountability is an important tool to protect consumers from rogue builders and maintain the standards of the scheme.

The usual rules around plumbing fittings and wiring still apply too, so plumbing work is not covered by this exemption and any electrical work will need a registered electrician and a certificate of compliance on completion. Fire safety rules also mean the sleepout must have smoke alarms installed. It is important to note that the stormwater



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runoff from larger sleep outs may be significant, and this will need to be taken into account.

As a building professional you may need to highlight some of these issues to the homeowner, as they may have limited knowledge. The BPB has made it clear that they expect LBPs to use their professional judgement when undertaking work, and to bring up issues of non-compliance with the client rather than following their instructions blindly.

Further Information

MBIE are continuing to support both industry and the public on these new changes, with fully-updated Schedule 1 guidance available on building.govt.nz

A new digital tool to help homeowners determine whether they need a building consent will also be live from October 2020.

CODEWORDS QUIZ



1. **Do I need to provide a ROW when building a sleepout under the Schedule 1 exemption?**
 - A. Yes, if an LBP was required
 - B. No, a ROW is not legally required as it is not Restricted Building Work
2. **For a sleepout to be eligible under the schedule 1 exemption:**
 - A. It must not contain bathroom or kitchen facilities
 - B. It can't have a kitchen, but it can have a toilet
 - C. It can have a kitchenette, but only if a smoke alarm is installed
3. **Why can some of these exemptions only be carried out by LBPs?**
 - A. LBPs have been assessed and found competent to do the work
 - B. LBPs have professional accountability for their work through the Building Practitioner Board
 - C. LBPs have more knowledge and experience than the average homeowner, and can raise concerns if the client is trying to build something non-compliant
 - D. All of the above

Answers: 1. b 2. a 3. d

Why would builders need an Insurance Broker?

■ BY BEN RICKARD

Managing risk is a key part of running a business, and building is no exception. Most self-aware building business owners understand that they don't know everything and appreciate the value of relying on other professionals. After all, you wouldn't engineer foundations or install plumbing, because those are jobs best left up to the specialists. The same can be said for creating an insurance package.

To use another analogy, you wouldn't trust your doctor to manage your finances, yet many people trust the local bank teller or a bloke in a call centre with their insurance!

So, what are the options for builders when it comes to choosing how to best manage their insurance?

OPTION 1: DO IT YOURSELF (GO DIRECT)

If you are a small business with a straightforward operation your insurance requirements will probably be similar to thousands of other builders. The direct insurers that you see on TV all promote small business packages, including liability, tools and vehicles. Most banks also partner with an insurer and can sell insurance to their customers too. Plus, you can search online and get quotes for insurance, which may nor may not suit your needs.

Because you're dealing directly with the insurer you will be responsible for managing your own claims. When it comes to complex areas like liability this can result in poorer outcomes than if you had dedicated claims support on your side, especially with things like faulty workmanship and professional mistakes.

It is up to you to do the research to understand the risks you face, what cover you need and what exclusions are in the policies. And to review it every year. Builtin provides many resources on its website to help builders with this research.

Pros: easy to access, quick to arrange and renew each year, can be cheaper, do it with the same insurer as your personal insurance.

Cons: dealing with a call centre, limited expertise in building, no claim support, generic policies that may not suit your needs, no annual check-up.

OPTION 2: GET HELP DOING IT (USING A SPECIALIST)

This is a kind of hybrid option. With it you are dealing with professionals who understand the building industry, can answer your questions and have a package of policies that are tailored for builders. However, you are still ultimately responsible for understanding the cover and deciding what policies you need.

Pros: a direct line to building industry experts, a policy package tailored for builders, good value option, full claim support.

Cons: no personalised service or full analysis of your needs, limited range of policies and insurers available.

OPTION 3: HAVE SOMEONE DO IT FOR YOU (USING A BROKER)

This option suits larger businesses with more complex needs, as well as smaller businesses that prefer to have professional help rather than trying to manage it themselves.

A broker's job is to understand and assess your particular situation and recommend an insurance package that best suits. They can coordinate with other experts in risk and work with clients to develop business continuity and risk management programmes. They can approach multiple insurers, who all have different policy coverage, levels of service, expertise and prices.

If you own specialised equipment or have a large fleet of vehicles, work on large or unusual projects or have specialised skills you may need a broker to ensure you have the right cover. If you have lots of projects on the go a broker can save you time and ensure nothing slips through the cracks.

They will also set aside time to review your needs each year, usually at renewal time, so that if anything has changed in your business operations your insurance package can be updated to reflect this.

Most brokers are generalists, in that they will have clients across many different industries, from wineries to doctors surgeries to shopping malls. Others, like Builtin, focus on a particular sector, so that clients benefit from specialist industry expertise.

Pros: your own dedicated broker, a personalised needs assessment and tailored package that is reviewed each year, full claim support.

Cons: can cost more, may take longer to arrange, reliant on having a good broker, may not know your industry.

In a nutshell, managing risk is an important part of being in business.

It may not be your strong point, so it's important that you work with professionals who can help. There are different options when it comes to arranging insurance and you should choose one that suits your particular situation, including the size and complexity of your business as well as your own capability and confidence managing an insurance programme.

A BIT ABOUT BUILTIN

With more than 20 years working exclusively in the construction industry Builtin is set up to meet the needs of builders however they choose to do business. You can get instant quotes and arrange cover for individual policies through our web portal; speak to an adviser and build a package that suits your business; or get a full needs analysis and be looked after by a specialist broker. Whichever option our clients choose they always benefit from our industry expertise, responsive service and dedicated claims support.



Builtin are New Zealand's Trade Insurance Experts

More information builtininsurance.co.nz
 Email Ben Rickard at ben@builtin.co.nz
 Call 0800 BUILTIN



Working in summer

Summer is a great time to get cracking, but it does bring some extra health and safety risks. Here's our top tips to help you stay safe and make the most of the warm weather.

SUN (UV) EXPOSURE

It may seem obvious, but it's an easy one to overlook and can be fatal given New Zealand's high rates of skin cancer. So even though it's great to enjoy the sunshine while on-site, make sure you and your team follow basic sun-smart rules such as covering up, wearing breathable fabrics, a hat and using a good-quality sunblock.

- Safety sunglasses, to protect eyes both from flying objects and UV rays, are also a good idea. With any sunglasses, always check the impact and UV rating.

DEHYDRATION

Your body can overheat when it can't cool itself through sweating. Anyone building or landscaping in the heat of a summer's day is at risk of dehydration. This could be due to working in the direct sun, working near heat-producing processes or simply from the work you are doing (whether indoors or outside). The effects of working in heat range from mild discomfort through to life-threatening heatstroke. With that in mind, please consider:

- **Planning ahead:** try to avoid or limit prolonged exposure to extreme heat, and work in the shade when possible. Ensure there is adequate air flow or ventilation to help keep the temperature down. Wear lightweight clothing if it's safe to do so, but be sure to comply with your company's clothing regulations.
- **Keeping up the fluids:** most people need about eight glasses of water per day, but if you're working in the heat, it's likely you will need more. Make sure you and your crew drink plenty of water throughout the day and limit sugary or caffeinated drinks.

FATIGUE

If you've been waiting for good weather to get cracking on a job, it can be tempting to push through and extend your working day. But ignoring the signs of fatigue in yourself and your workers can be a real risk. Please consider:

- **Work scheduling:** take regular breaks and consider extra breaks if the work is demanding. Monitor and place limits around overtime and avoid incentives to work too many hours. If you need to work longer hours, consider staggered start and finish times, and longer breaks and periods off work.

- **Better ways of doing things:** use the right tools and resources for the job. Consider low-vibration hand-held tools and, where practical, install low-vibration seats in machinery. Rotate tasks between workers and make sure workloads and deadlines are realistic.

WARNING SIGNS

Make sure you know the danger signs to look out for when working in the heat. If you do overheat, you'll notice symptoms like:

- Feeling weak or dizzy
- Darker coloured urine
- Pounding or rapid pulse
- Loss of balance, fainting
- Headaches
- Muscle cramps
- Mood changes or confusion
- Clammy or sweaty skin

If heat stress or exhaustion is not dealt with quickly, it can progress to heat stroke. At its worst, this can be life-threatening.

Be extra careful when doing these types of work, which make you more likely to suffer heat exhaustion:

- Working in confined spaces
- Doing underfloor, ceiling or roof work
- In cabs of mobile plant
- Closed areas with limited air flow

It's important to always protect yourself from the effects of heat by wearing sunscreen, drinking plenty of water, taking breaks and seeking shade.

Top 5 tips

1 STAY COOL

Kiwis have one the highest melanoma rates in the world. Limit your exposure to harmful UV rays by covering up with UV-rated clothing, wearing a high-quality sunblock, and wearing safety sunglasses. Wear breathable fabrics and a hat, but be sure to comply with your company's clothing/PPE rules.

2 DON'T SWEAT IT

Stay hydrated with lots of water. Most people need about eight glasses of water a day but, if you're working in the heat, you'll probably need more. Avoid dehydrating drinks like those with caffeine or alcohol.

3 HAVE A PLAN

Plan ahead to try to limit your time in the heat and work in the shade when possible. Take regular breaks and consider extra breaks if the work is demanding.

4 TOOL UP

Use the right tools for the job and try to switch tasks regularly if using vibrating power tools. Consider low-vibration hand-held tools, and install low-vibration seats in machinery if possible.

5 DANGER SIGNS

Know the warning signs to watch out for when working in the heat. If you do overheat, symptoms include: weakness or dizziness, darker coloured urine, pounding or rapid pulse, loss of balance or fainting, headaches, cramps, mood changes or confusion, and clammy or sweaty skin.

Remember, if heat stress or exhaustion is not dealt with quickly, it can progress to heat stroke. At its worst, this can be life-threatening. Be extra careful when doing these types of work, which make you more likely to suffer heat exhaustion:

- Working in confined spaces
- Doing underfloor, ceiling or roof work
- In cabs of mobile plant
- Closed areas with limited air flow
- Long periods in direct sunlight



For more information on fatigue, check out the Fatigue Prevention Guide on our website www.sitesafe.org.nz/guides--resources/free-H-and-S-guides/



Kitchen wall
Splashback glass



Long wall mirror



3D wall display



Wall shelving

Headboard



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(Based on initial adhesion
and immediate strength)
Refer to Technical Data Sheet
for directions before use

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Before use refer to current Technical Data Sheet and Safety Data Sheet



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Safety on scaffolds



Scaffolds should only be used once these requirements are met and approval has been given by site management.

ERECTING A SCAFFOLD

Before erecting a scaffold, site management must ensure:

- A Safety Plan is developed
- Emergency procedures are included in the Safety Plan
- The Safety Plan is communicated effectively to staff on site

The Safety Plan should be reviewed by site management before commencing work to ensure it specifically includes:

- The scaffold is erected by a scaffolder certified for the type of scaffold to be erected. A copy of Scaffolder's Certificate of Competency is to be provided to site management
- The WorkSafe NZ Notification of Particularly Hazardous Work form has been completed for a scaffold more than 5 metres high and a copy provided to site management
- A (TMP) Traffic Management Plan (where required) has been submitted to and accepted by the Local Authority. A copy of the TMP is to be provided to site management
- All risks have been identified, assessed and adequately controlled especially those related to falls from heights and protection of workers and public from falling objects

A site management representative should inspect the scaffold prior to acceptance and use to ensure:

- The scaffold is sufficient for the job and fit for its intended purpose.
- An information tag is fitted to the scaffold and is completed and updated at weekly inspections (daily for suspended scaffolds).
- All scaffolds over 5 metres, all suspended and all special scaffolds have a register on site and this is completed and updated at weekly inspections by a certified scaffolder. Suspended scaffolds should also be inspected daily by operator.
- The scaffold has a suitable foundation including sound supporting structure, a steel base plate and, if necessary, a timber sole-board or bearer. If in doubt seek advice from an engineer. Mobile scaffolds are to have castors with brakes and should only be used on firm level surfaces.

- Appropriate access is provided to the scaffold platforms by way of secure ladders, stairs or access directly from the adjacent structure.
- The scaffold structure is sound, including provision of adequate ties, bracing, outriggers (or rakers) and suspended scaffold suspension rigs. All prefabricated scaffolds must be erected to the manufacturers' assembly instructions.
- The scaffold platform is decked the full width of the scaffold structure and is no further than 300mm from the work face and if greater, then either inside planks or internal guardrails and toe boards are to be fitted.
- All scaffold platforms have full edge protection including top guardrails (between 900mm min and 1100mm max), mid rails and toe boards. Containment screening is to be provided when required by risk assessments.

RULES AND REGULATIONS

Managers and Site Supervisors should ensure that all scaffolds supplied and used on their projects comply with one of the following:

- The Health and Safety in Employment Regulations 1995
- WorkSafe good practice guidelines - Scaffolding in New Zealand
- AS/NZS 4576:1995 Guidelines for Scaffolding
- Manufacturers' Specifications
- Engineers' Design Specifications



For courses relating to height, go to www.sitesafe.org.nz/training/our-training-courses/passport-plus---height/





Raising the profile of your business

■ BY SCOTT WILSON, TLP MEDIA

The construction industry has come through 2020 in a relatively strong position, given the year that it's been. As we come into the new year, it's a good time to think about positioning your business in the market. Ensure you are putting your best foot forward and establishing a brand that holds weight with your customer base.

We collated a few tips and tricks that small to medium business, particularly in the building and construction industry, can utilise to give your company brand and marketing a boost.

COMPANY BRANDING

Reinforcing the name of your company can be a really easy way of reminding top-of-mind with potential customers, and there are a number of ways of going about this. Before you start though, you should create some general branding guidelines about how you are going to do this and present your best image to customers.

A company name is the obvious one and something that should follow the same (or similar) format every time it's used in branding. This means the same font or typeface, the same layout and, if possible, the same colours. If you deviate too much from your standard branding, it's going to confuse people.

Also, try and create a logo if possible. It doesn't need to be complex, and can often just reflect the name of your business, but something recognisable and distinctive is a good start.

There are plenty of online tools to allow you to do this easily for pretty reasonable rates just by typing in some key words and a basic description of your business. The other option is to go to an online bid or tender process through a website like UpWork where you can specify a price and a timeline by giving a very basic description of what you want. Then sit back and let the ideas come in, pick the one you want and tweak it to suit.

Once these branding elements are established, you can use them on vehicle signage, uniforms and site signs – all of which have their own benefits.

Vehicle signage is, effectively, a mobile billboard for your business. Along with your company name and logo, list your contact details (phone, email, website) so someone can get hold of you or find out what you do.

The same, when it comes to branding, goes for staff uniforms. The company name and logo on a shirt, overalls or jacket for example, can make a company look really professional, united and instantly recognisable.

Remember though, that those names, logos and brands are also highly visible if something goes wrong. An employee speeding past another vehicle or running a red light for example, can give your business a bad name in no time if all your details are splashed all over the place.

Site signs or fence banners are a great place for building and construction businesses to promote themselves. Almost every site has them and, if someone is looking for the services that you offer, they'll often take considerable interest in sites that have work going on.

It doesn't need to be extensive – just a logo, a name, a website and a contact number will suffice.



MARKETING

Marketing is really a very loose term that can cover all sorts of options when it comes to your business. However, there are a few different – but related – options, all of which will require some work to become effective tools.

A website is the first option to consider. Almost every company now has one. In fact, if you haven't got one, you could be missing valuable opportunities.

Websites can be built and hosted now for a very modest sum, which is a far cry from the 'early' days when companies used to charge huge amounts of money to build something simple and ineffective. These days your options are very wide ranging, and companies like RocketSpark, Canva and Wordpress have a vast selection of templates you can use to achieve what you want.

A tip though – go simple!! Lots of information can often be too much information, which makes it difficult for a customer to find what they want on your site. The challenge for businesses is keeping them current, relevant and near the top of any web-search conducted.

If you're not on the front page of a web-search, then chances are you won't be getting a lot of 'external' traffic through your website. The old saying about 'page two of Google is a good place to hide a dead body' is pretty close to the mark, because people rarely look past the first page of a Google search.

One way of doing this is to create a blog, which is easily linked to any social media that you may do. No longer seen as an 'alternative', social media is now becoming a 'must do', and the options are extensive – Facebook, Instagram, LinkedIn are three of the more common ones.

All are easy to set up, but that's where the challenge starts – keeping them updated with information because

otherwise they just sit there and become irrelevant, which doesn't send a great message to potential customers.

It can also be a great place to highlight the projects you're working on, profile your staff, or even have some fun by posting entertaining videos or photos – just make sure that you have your customer base in mind when you do it. Anything that you may consider questionable should be left well alone. Treat them as a sales funnel.

Email newsletters are another way of reaching your customers, especially if you have a database of clients you can use. A website template may have an option of creating a newsletter fairly easily, or you can use any number of external platforms to create one, such as MailChimp, Vision6 or HubSpot.

The content can vary widely and often reflect your social media, but can also contain information on new projects, offers, staff profiles, supplier information and even customer testimonials. The potential range of information is huge.

In summary, choose what suits your company best. There's no use in investing in a huge website if you're a small business with just a couple of staff – something small and simple will do the trick just as well. And using social media will possibly be a better way of getting your message across.

However, if you're in a growth phase and want to really expand, then an extensive website with all the additional trimmings may be the way to go.

If in doubt, contact a marketing professional and see if they can help. Even just an exploratory initial meeting may be enough to get your started, and it might only cost you a coffee to sit down and explain where you are and what you want to achieve.

SCOTT WILSON, DIRECTOR TLP MEDIA LTD.
SCOTT.WILSON@TLPMEDIA.CO.NZ OR 021 725 061

WHAT'S BEEN HAPPENING & WHAT'S COMING UP



NZIOB AWARDS CEREMONY & GALA DINNER

Friday 30th October 2020

Congratulations to all of this year's winners at the NZIOB awards, where **CARTERS** sponsored the 'Projects \$20-\$35 million' category. **James Sutherland, CMP Construction** was the category winner and gained an excellence award for his work on the **Life Apartments, Auckland** project.

Two Highly Commended awards were presented in this category, one was Gary Davidson, of Naylor Love Canterbury for his work on the Nelson Airport Terminal, Nelson and the other was Nathan Halloran, of Kalmar Construction for his work on Te Tirohanga o te Tōangaroa – New Unilodge Student Accommodation, Auckland.



NZCB Exempt Building Workshop Series

October & November 2020



CARTERS were proud to sponsor the NZCB Exempt Building Workshops during October and November that NZCB hosted across a series of venues around NZ.

NZCB and MBIE presented on the new exemptions and the traps an LBP can fall into, along with how to undertake exempt work so that the test of building to code is met and establishing evidence of doing so, should the builder find themselves accountable to the Practitioners Board, Council or MBIE.



ASIAN CONSTRUCTION FORUM

Saturday 14th November

The 2020 Asian Construction Forum took place in November. This event brought together over 700 Asian construction industry professionals and suppliers to discuss new products and solutions, attend workshops and talk to experts about building techniques and legislation.

The Asian Construction Forum has increased in popularity over the past few years and the Asian segment is a consistently growing and integral part of the building and construction industry.

That is why ACF will be returning for two events in 2021 to bring twice as much support to the industry.

Auckland North/West
22nd May 2021

Auckland Central/South/East
6th November 2021



The Regional House of the Year 2020 Awards took place throughout November in the new virtual style. You can view all of the winners from each region at houseoftheyear.co.nz

The national House of the Year Awards Gala will be held on the 11th December and you are welcome to virtually attend by heading to houseoftheyear.co.nz. This year marks the 30th consecutive year of House of the Year and we are looking forward to seeing who comes out on top of this year's competition.

Supreme Winners from the last few years:



2019



2018



2016



2017

FREE EVENT

TRADE ONLY

LBP POINTS



We hit the road with the CONZTRACT trade show for its final round in Wellington, Palmerston North & New Plymouth in early November. All events had a great turn out with Wellington hosting over 300 people and Palmerston North and New Plymouth over 200.

Heading into 2021 we've got 6 rounds of CONZTRACT kicking off in February. CONZTRACT is an excellent opportunity to bring industry people together to share trade specific information and earn LBP points by learning from suppliers and attending workshops.

ROUND 1

Auckland Sth/East Mon 15 Feb
Tauranga Tues 16 Feb
Napier Wed 17 Feb
Gisborne Thurs 18 Feb

ROUND 2

Christchurch Mon 1 Mar
Dunedin Tues 2 Mar
Invercargill Wed 3 Mar
Queenstown Thurs 4 Mar

ROUND 3

Hamilton Mon 3 May
Auckland West Tues 4 May
Whangarei Wed 5 May
Kerikeri Thurs 6 May

ROUND 4

Wellington Tues 3 Aug
Palmerston North Wed 4 Aug
New Plymouth Thurs 5 Aug

ROUND 5

Auckland North Mon 18 Oct
Tauranga Tues 19 Oct
Rotorua Wed 20 Oct
Taupo Thurs 21 Oct

ROUND 6

Christchurch Mon 15 Nov
Greymouth Tues 16 Nov
Nelson Wed 17 Nov
Blenheim Thurs 18 Nov

OTHER CARTERS UPDATES:

CONGRATULATIONS TO OUR LUCKY WINNER

Dave from Custom Homes Wellington Limited is the lucky winner of the Nissan Navara N-TREK Warrior Ute from our August/September Site Offers Power Up promotion. We hope they'll enjoy cruising the capital in their new wheels. Cheers to Nissan for partnering with us to power up this prize.



CUSTOM HOMES WELLINGTON LIMITED



Whangarei Fishing Competition

Friday 16th October 2020

The first CARTERS Whangarei Catch Comp took place in October with over 200 entries. The competition was an open catch and release, and all fish were snapped and recorded online. It was a great day out on the water with lots of prizes up for grabs.

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After extensive testing and development, we are pleased to release our new Sharks Tooth™ Decking Screw, now in a new Stainless Steel 304 Bronze finish.

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SHARKS TOOTH™ THREAD
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† Torx is a registered trademark owned by Acument Intellectual Properties, LLC

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This article is of a general nature and is not intended to be relied upon as legal advice.

Directors' duties in difficult financial circumstances

■ BY ANDREW SKINNER

The Supreme Court recently handed down its decision in *Debut Homes Limited (In Liq) v Cooper*, which is an important case regarding the individual liability of directors when trading in difficult financial circumstances.

This case emphasises the importance of continually monitoring the financial performance of a company and provides guidance that the company should not continue trading if it is clear that the situation is not salvageable. Rather, in insolvent or near-insolvent circumstances, the company should use the various formal mechanisms available under the Companies Act 1993 (Act).

KEY FACTS

Debut Homes Limited was a property developer. Mr Cooper was its sole director. By the end of October 2012, the company was in financial trouble. It had four properties to complete and more funds were required to complete them. Debut Homes' financiers were no longer prepared to fund the company. A decision was made to wind down the company and it was expected that the managed wind down would result in a GST shortfall of approximately \$300,000. On 20 February 2013, Mr and Mrs Cooper (as trustees of their family trust) lent money to Debut Homes as further working capital.

All of the properties were subsequently sold, but without payment of GST on the sale of the properties. Most of the money was paid towards arm's length secured and trade creditors, but some was paid to the family trust. In March 2014, Debut Homes went into liquidation on the IRD's application for unpaid GST. The liquidator then brought claims against Mr Cooper for alleged breaches of his duties as director of Debut Homes.

THE HIGH COURT AND COURT OF APPEAL

The High Court decided that Mr Cooper had breached his duties and ordered him to pay \$280,000 to the liquidators. The Court of Appeal disagreed and decided that Mr Cooper's decision to complete the homes under the circumstances was a "sensible business decision", notwithstanding that the IRD would be more at risk than other secured creditors as there was no specific provision for payment of the GST.

SUPREME COURT

The Supreme Court overturned the Court of Appeal and restored the High Court's decision against Mr Cooper. The Supreme Court confirmed that the directors of a company must consider the interests of creditors where the company is insolvent or near insolvent.

Based on the Supreme Court's reasoning, it is now clear that if a company reaches the point where continued trading will result in a shortfall to creditors and the company is not salvageable, then continued trading will

be in breach of section 135 (reckless trading) of the Act. This principle applies whether or not continued trading is projected to result in higher returns to some of the creditors than would be the case if the company had been immediately placed into liquidation.

Further, entering into a course of action designed to ensure that some creditors receive a higher return at the expense of new liabilities that will not be paid will be in breach of section 136 (duty not to incur obligations) of the Act.

The Supreme Court confirmed that solvency is a key value in the Act. Where a company is insolvent, there are statutory priorities for the distribution of funds to creditors. There are alternatives other than liquidation open to directors where continued trading is projected to result in a shortfall (including compromises with creditors and approval of arrangements by the court). The Supreme Court considered that:

"THE REMOVAL OF DECISION-MAKING POWERS FROM DIRECTORS IN SUCH CIRCUMSTANCES IS A RECOGNITION THAT DIRECTORS ARE NOT THE APPROPRIATE DECISION-MAKERS IN TIMES OF INSOLVENCY OR NEAR INSOLVENCY. THIS IS BECAUSE THEIR DECISIONS MAY BE COMPROMISED BY CONFLICTING INTERESTS AND, EVEN WHERE THAT IS NOT THE CASE, THEY MAY BE TOO CLOSE TO THE COMPANY AND ITS BUSINESS TO BE ABLE TO TAKE A REALISTIC AND IMPARTIAL VIEW OF THE COMPANY'S SITUATION"

This case is important as it identifies some clear principles for directors to consider when projecting a shortfall from continued trading. Rather than trying to make the best of a bad situation, directors must now consider the options available for independent involvement or risk personal liability in circumstances where a company is insolvent and cannot be salvaged.



ANDREW SKINNER
PARTNER,
MARTELLI MCKEEG

Heeding the quality call

■ BY CHELYDRA PERCY

To call 2020 a 'challenging' year would be an understatement and I suspect I'm not alone in being glad to see the back of it. Hopefully, the holiday season will enable us to recharge the batteries, reflect on lessons learnt and plan (as best we can) for a new year that's likely to be as 'challenging' as 2020.

One of the issues I will be reflecting on over the break is that of building quality. My family and I have recently undertaken a significant renovation of our home. I can't speak highly enough of the building team we worked with. The quality of their workmanship and work practices was exceptional and I get such pleasure from living in a healthy home, rebuilt with such care and attention to detail. I have been known to gaze lovingly at my perfectly built deck while washing my scuba gear!

Similarly, in my role at BRANZ, the people I spend time with are passionate about the quality of their work, whether they are designers, builders, engineers or inspectors.

Sadly, that's not everyone's experience, nor is it the whole picture.

Pre-COVID-19, I attended an industry leaders' briefing in Australia which was focussed on the changes underway there as a result of the Building Confidence Report. This report documented major flaws with construction design, certification and handover processes. The speakers highlighted a litany of failures and concerns in Australian construction, product certification, specifying, emerging legal issues and the increasing difficulty of getting insurance. There were accusations of "not knowing how to build" and the need to "relearn how to build quality". It made for very gloomy listening.

Despite the additional complexity caused by Commonwealth, State and Federal systems, these problems are almost identical to those facing the NZ construction sector and ultimately revolve around quality.

I've been pondering these issues all year because I simply cannot believe that anyone sets out to intentionally do

a bad job. So, if the majority of us are coming to work wanting to do a job that we can be proud of, what's stopping that happening? What are the barriers to doing a great job? Is it time? Is it cost? Is it a lack of access to the knowledge – training, onsite mentors, time to read that good practice guide that we need to upskill? Not enough regulation and compliance (yeah, right)?

I OFTEN HEAR THE BLAME LAID AT THE FEET OF "COWBOYS" IN THE INDUSTRY OR IMPORTED LABOUR. INTUITIVELY, THAT DOESN'T TOTALLY STACK UP: THE ISSUES ARE TOO WIDESPREAD AND TOO CONSISTENT TO BE CAUSED SOLELY BY A SMALL GROUP OF POOR PERFORMERS. SO WHILE THEY ARE LIKELY PART OF THE PROBLEM, THEY'RE NOT ENTIRELY RESPONSIBLE. HOWEVER, IT DOES RAISE ANOTHER QUESTION WHICH IS WHAT SHOULD WE BE DOING TO WEED OUT POOR PRACTICES, OR TO TRAIN AND SUPPORT IMPORTED LABOURERS SO THEY UNDERSTAND OUR EXPECTATIONS OF BUILD QUALITY?

Truth be told, all of these factors probably contribute to a greater or lesser degree. However, identifying the root cause or causes of poor quality (rather than just the contributing factors) is really tough.

BRANZ is keen to help find those answers because we know that to flourish, and to regain the trust of the general public, the NZ construction industry needs to do quality well. But simply telling the industry that they don't know how to build well when there are many great examples of good builds, (including my renovations!) is insulting.



"Quality is the best business plan."

Commanding the industry to "relearn quality" doesn't seem to me to be any solution either as it fails to account for those builders – of which there are many – who do great work every day.

The solution lies in identifying those barriers to quality building and working together to dismantle them. Then the industry can collectively do the great work we all want to be proud of.

In my view, this is one of the biggest challenges the industry has to grapple with. It needs to drill down far enough to identify the root cause of failure to deliver quality in every aspect of the building system. And time is of the essence because we have additional pressures to face in the wake of COVID-19.

I suspect that the economic impact of COVID-19 will be felt ever more keenly in the coming months as wage subsidies and other supports are withdrawn. While the construction industry is largely in good heart, it will not be immune to the flow on effects of a recession, particularly in the SME sector.

Under that sort of pressure, it can be very tempting to cut corners simply to stay afloat. Quality has the potential to be further compromised as a result of the economic downturn. We can't let that happen.

I would argue that now the industry has to focus even more on delivering high quality because ultimately, that is the road to a sustainable future.

When work is scarce, responding to client pressure for "sharper pricing" can initially seem attractive. But as we experienced post the GFC, it only leads to a race-to-the-bottom mentality from which it takes years to recover.

Instead, we need to identify alternative ways of working that ensure the industry emerges stronger as a result of the current challenges, not weaker.

Instead, we need to focus on what we can do to not only survive, but to thrive in the post COVID-19 world. Now, more than ever, quality in every aspect of what we do – no matter how small – matters.

WE HAVE TO GET THINGS RIGHT FIRST TIME. AND THAT EXTENDS BEYOND THE OUTPUTS WE CREATE IN OUR DAILY WORK. WE HAVE TO GO FURTHER; WE HAVE TO TAKE THE TIME TO HAVE QUALITY CONVERSATIONS WITH OUR CLIENTS, OUR STAFF, OUR SUPPLIERS, OUR CREDITORS, AND OUR BANKERS. WE NEED TO BE HONEST AND OPEN ABOUT WHAT IS GOING ON IN OUR BUSINESSES AS A RESULT OF THE COVID-19 DOWNTURN.

Perhaps most importantly, we need to retain and invest in capability in our businesses to ensure that everyone is committed to quality outcomes in all that they do. Avoid impacting on service and quality by being underskilled or understaffed. We need to be making use of any down time to upskill, retrain or plug business knowledge gaps.

In short, we need to focus on the little stuff we can control, because we've got no control over how or when the impacts of the COVID-19 pandemic will end.

I firmly believe that those who bring a quality focus to their businesses and take this opportunity to do things better, will ultimately benefit from a consumer-led flight-to-quality as the economy recovers. Similarly, the sustained focus on quality will have a positive long-term impact on the collective industry's reputation and public confidence in NZ construction practices. In short, the end result will be greater than the sum of the parts.

I've used this quote before, but it's really worth repeating here as we approach 2021. John Lasseter, the creative genius behind Walt Disney Animation and Pixar Films got to the heart of the matter when he said "Quality is the best business plan."



Chelydra Percy,
BRANZ CEO



Building his way to the top

Thomas O'Brien wins this year's Registered Master Builders CARTERS 2020 Apprentice of the Year competition

With carpentry apprentice numbers at an all-time high, Registered Master Builders CARTERS Apprentice of the Year national finalists have recently competed to see who will take out this year's top apprentice title.

In the final showdown against eight of the top trades from around the country, Thomas O'Brien has taken out this year's Registered Master Builders 2020 Apprentice of the Year, in partnership with CARTERS national competition.

The best from New Zealand's nine regions came together for the final stage of the competition, involving an interview and practical challenge. The practical component challenged the apprentices to each create a mud kitchen to donate to early learning centres through Evolve Education Group.

Proudly winning the title of New Zealand's 2020 Apprentice of the Year, Thomas O'Brien, 20 from Northland, is employed by Beacon Construction and completing his training with BCITO.

Registered Master Builders Chief Executive, David Kelly was impressed with the group's talent and their commitment to being the best in their field. "It is promising to see the level of skill, knowledge and dedication in this year's apprentices. Our industry will be in safe hands with these apprentices as our future leaders. I congratulate Thomas and look forward to watching what he goes on to achieve."

The competition comes at a time when support of the trades and apprentices has never been more important.

Off the back of the Government's Apprenticeship Boost, since July there has been a record jump in the number of

registered carpentry apprentices, up by 17% compared to last year.

"Demand for skilled labour is not going away, the Trades and Apprenticeships Training Package is a fantastic incentive to ensure we have a strong future workforce - this will be vital to New Zealand's economic recovery," continues Kelly.

The final stage of the competition was held over two-days and involved a 45-minute interview with the judging panel, and a practical challenge held at Auckland's ASB Showgrounds.

The judges, all leading building experts said "Thomas impressed all three judges throughout the competition. He demonstrated a broad range of skills from managing a build, relationship with clients, through to his work on the tools. His employer shows the trust he has in Thomas by giving him responsibility. This responsibility has been rightfully earned. Thomas had with him today his Grandfather's toolbox that was made for him when he was 11. He was bought up beside a craftsman and this legacy shone through today in the practical challenge.

"Thomas is a true all-rounder and he should be very proud of himself. He will be an asset to our industry."

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THOMAS HAS RECEIVED A RANGE OF GREAT PRIZES TO ACKNOWLEDGE HIS WIN:

THE USE OF A BRAND NEW NISSAN NAVARA FOR ONE YEAR, PROUDLY PROVIDED BY CARTERS. CARTERS BUSINESS TOOLS GRANT - \$5,000 TO FURTHER HIS CAREER.

Runner-up went to Mathew Van Boheman, 23, from Bay of Plenty Central Plateau, with Mark Lovelock, 27, from Upper South Island being awarded third place.

The six-hour practical challenge saw each apprentice building mud kitchens which have been donated to nine early learning centre playgrounds around Auckland.



Evolve Education Group's Area Manager, Nicole Butler congratulates this year's apprentices and is looking forward to the arrival of the mud kitchens. "Mud kitchens provide a wide range of learning opportunities including creative, imaginary, sensory and explorative play. The children of the centres receiving these are very lucky and we are so grateful."

One of the special features this years' apprentices had to complete during the competition was the water play wall for the children. This was designed using coloured spouting components by lead practical coordinator Dave Mudge, in collaboration with product supplier Marley.

The achievements of all nine apprentices was celebrated with the finalists and their employers, family, and friends at a gala awards dinner, hosted by The Rock's Rog Farrelly.

Committed to standing behind all apprentices as they start their careers, CARTERS Chief Executive, Mike Guy is impressed with the talent the competition brings together year-on-year.

"We're proud to be the long-standing Principal Partner of Master Builders Apprentice of the Year Competition, which we have sponsored for 16 years. CARTERS remain committed to supporting carpentry apprentices as they further their careers in the building and construction industry by taking part in the competition. Celebrating emerging talent in New Zealand's trade industry is a great initiative to be involved with as we continue to look to the future of the building industry."

The Master Builders Apprentice of the Year competition is made possible thanks to principal sponsor CARTERS, the Building and Construction Industry Training Organisation (BCITO), and supporting sponsor Licensed Building Practitioners, as part of the Ministry of Business, Innovation and Employment (MBIE).



For more information on the competition, this year's apprentices and how you can prepare to apply in 2021, visit: www.apprenticeoftheyear.co.nz

“Thomas is a true all-rounder and he should be very proud of himself. He will be an asset to our industry.”

RUNNER-UP

Mathew Van Boheman - 23
Bay of Plenty Central Plateau

THIRD PLACE

Mark Lovelock - 27
Upper South Island



Government building initiatives promise much

However, they may again fall well short of what is promised.

■ BY RODNEY DICKENS, MANAGING DIRECTOR, STRATEGIC RISK ANALYSIS LTD

Labour's majority victory on 17 October and the need for fiscal policy to support the recovery from COVID-19 give the government a strong mandate to pursue its housing initiatives with vigour. In terms of residential building, there are five main initiatives:

- Building 18,000 extra public and transitional houses by 2024.
- The Residential Development Response Fund that will help progress stalled or at-risk developments that support the government's objectives like building more affordable housing.
- Funding infrastructure needed for new housing developments, in part linked to the COVID-19 rescue package.
- The Urban Development Bill that supposedly gives Kāinga Ora, that has taken over from Housing NZ, the tools needed to build homes at scale and pace.
- Removing planning barriers to residential construction, including replacing the RMA to reduce cost and complexity.

Labour winning a majority rather than having to rely on the Greens is potentially important to some of the initiatives. It increases the likelihood the Urban Development Bill, government assistance in funding infrastructure and reforms to the RMA can get down new housing costs enough to start to fix the housing affordability problem. To do this there will need to be more focus on Greenfield developments relative to intensification; something the Greens would likely have opposed, although it isn't certain Labour will put enough focus on Greenfield development to make a difference.

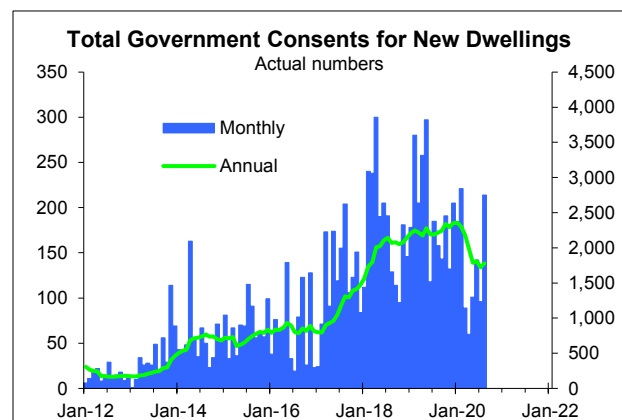
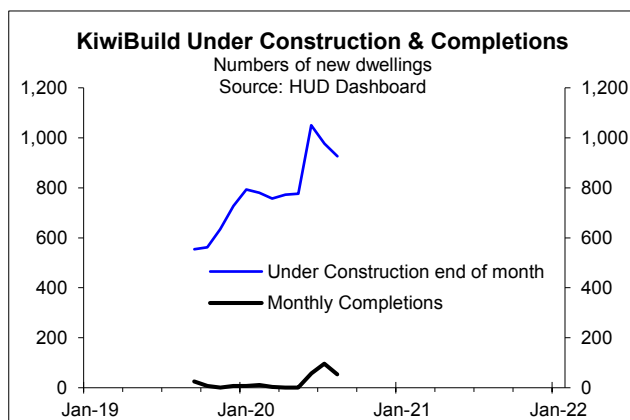
The list of initiatives looks impressive, if you have a government-knows-best inclination. It doesn't look

so promising if you think the government should just create an environment that allows the private sector to deliver more affordable housing. However, even if you like government-know-bests, poor progress with the government housing initiatives over the past three years is reason for scepticism about how much progress will be made over the next three.

KiwiBuild was Labour's main answer to the housing affordability problem, but has made poor progress. Based on the original target, 5,000 KiwiBuild homes should have been finished in the year to June 2020 or 417 per month. Instead an average of 22 per month were completed in the 12 months to August 2020, although the number of completions should increase given how many are currently under construction (see the first chart).

In terms of building new public/social housing the progress over the last three years has also been poor. The COVID-19 lockdown caused a temporary setback to consents for government-controlled new social housing, but even before this there was little upside in the annual number of consents under Labour's stewardship (see the second chart). The increase over up to mid-2018 was the result of National's policies, given it can take some time to progress state housing projects to the consenting stage; not helped by opposition from locals.

Labour was lucky COVID-19 came along because it took the focus away from the poor track record of its building initiatives. Hopefully Labour takes more decisive actions over the next three years. However, a lack of understanding of what is required to fix the housing affordability problem and bureaucratic bungling will probably mean significant underperformance relative to what the government's initiatives could achieve.



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