TRADELEADER

JUN - JUL 2022 ISSUE

Business 5 ways to keep young staff working hard

Industry
Apprentice of the
Year for all ages

Economics
The battle to
control inflation

LegalPenalty fees and building contracts



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In the frame

BY MIKE GUY CARTERS CHIEF EXECUTIVE

For the first time in some time, it feels like COVID-19 is starting to take a back seat, even though it's still an issue that continues to cause an impact across our industry.

Shortly before this issue went to print, the international borders started to open (although with certain conditions) and visitors from around the globe began to trickle into New Zealand.

The easing of travel restrictions is a welcome relief for those in the travel, tourism and hospitality sectors but, more importantly, for those in the building and construction industries, it spells potential relief for our workforce which has been feeling the strain for some time.

The borders won't fully open until later in the year but at last, the opportunities for vital and skilled overseas workers to join the industry are available again, which not only hints at a more efficient and profitable building sector but also adds massive benefits for a range of other primary industries such as farming and agriculture.

It's going to take some time for everything to get back to normal - or as 'normal' as things are likely to be in the foreseeable future - but the signs are certainly there. We know that many of you are ready for this and eager to head overseas again and our CARTERS Advantage trip to Dubai taking place this October has filled up quickly. If you're interested in attending, talk to us today.

Health and safety is a focus again in this issue of Trade Leader, although the article we're running in this edition focuses on a very unique approach to safety on the construction site.

BIM, or building information modelling, is an innovation used by the construction sector for integrating all of the information of a structure, but the potential of it as a health and safety asset are being explored as part of a joint venture project between the Canterbury Safety Charter and a group at the University of Canterbury.

It's not a small project either – with \$1.7 million in funding from ACC and MBIE – but the outcomes from it could be ground-breaking in both worker and workplace safety.

Paul Duggan, the Project Lead at BIMSafe NZ, has penned a very informative piece, starting on page 10, which we're pleased to include in this issue as health and safety is an important part of our industry.

This month CARTERS are proud to be supporting Registered Master Builders Apprentice of the Year competition, where 10 of our branches around the country will host the Regional practical challenge on Saturday June 11. Good luck to all of this year's entrants.

In what looks to be a positive for the industry, building consent numbers continue to remain strong, which indicates a full pipeline of work coming through, right across the industry. At CARTERS, we want to play our part in ensuring the sector remains as efficient and effective as possible.

If there's anything we can do to help you, please don't hesitate to contact your CARTERS Account Manager.



MIKE GUY
CARTERS Chief Executive

TRADE LEADER.

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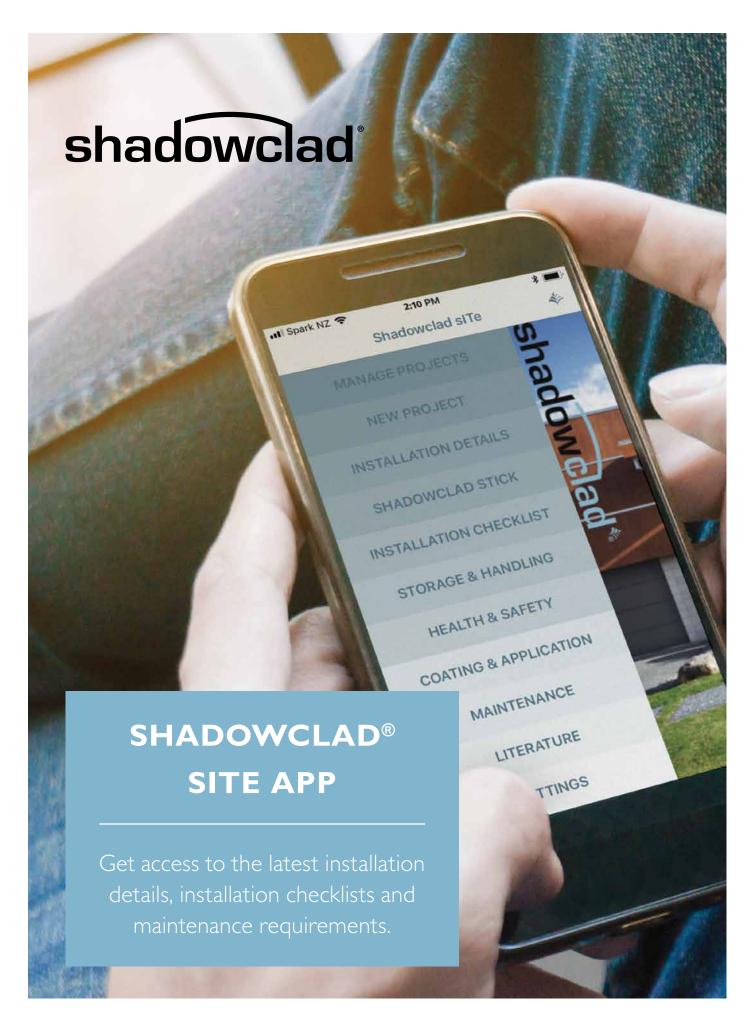
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As part of Codewords, the Building Practitioners Board have published findings against an LBP to highlight the importance of adhering to license limits.

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PENALTY FEES - WHAT DOES YOUR BUILDING CONTRACT SAY?

There are often all sorts of reasons that a construction project may run past its completion date, but you need to examine your contract to find out what's reasonable and what's not to avoid penalty fees.



Skills Maintenance and the requirement for continuing development

Most professional associations where the members need to keep their knowledge up to date have a CPD programme of some kind. Can you imagine going to an architect or engineer and getting advice that was current when they trained 30 years ago? And there's the medical industry, airline pilots, your accountant, building consent officers – you'd really expect them to know what they're doing to earn your hard-earned cash, wouldn't you? This is exactly what your client is expecting of you.

A lot of keeping up with the play is naturally occurring – you're in the industry carrying out your job every day, so you're bound to pick things up from the plans or see one of your workmates doing something differently. This is what the boss was talking about when you first started work – "you'll learn something new every day on site..."

And it's not just about laying one brick on top of another or drafting a plan. If something you do improves efficiency in your work or in the running of your business, improves your dealings with customers or workmates, or provides a more cooperative and inclusive working environment, it's going to be beneficial to the customer, to you, and therefore, to the industry.

Design, Site, and Carpentry

For carpentry and site practitioners it's relatively easy – there is always a new product, system, or installation instruction, so there is always something new on site. It may be a bespoke engineering detail or architectural feature which requires them to explain exactly what they want. This may not be a discussion you're personally involved in, but the message will be relayed to you if you're doing the job, so there's good skills maintenance there. This discussion is great for one of your on the job learning examples – remember to keep a copy of the detail off the plans and any instructions from the designer as evidence.

It could even be that the building or safety inspector has a discussion with you regarding an incorrect installation or a potential hazard you hadn't picked up on.

Our Design LBPs have a far more stringent CPD regime than skills maintenance if they belong to a professional organisation.

Robyn McArthur of Architectural Designers New Zealand (ADNZ) shares some of the CPD activities their members undertake:

- · A vast selection of supplier's webinars and films.
- Superhome events such as bus tours (working towards more-healthy and efficient homes).
- Tuelo talks, pods, and Notion Flo webinars (Teulo Ltd is an online education platform).
- Passive House (PHINZ) events.
- Engineering New Zealand (ENZ) Engineer involvement in their projects.
- Manufacturer's seminars.

Roofing, Plastering, Brick and Block, and Foundations

For our specialist trade practitioners, it becomes somewhat more difficult to find, or recognise learning opportunities, especially where there is not the abundance of new products entering this market.

Brian Miller, on behalf of the Master Brick and Blocklayers Association, provided the following 4 key elements which they feel are necessary to ensure a competent and enduring tradesperson in the sector:

- Current competency technical compliance and keeping current, being aware of dimensional and composition changes in products to ensure accurate and aesthetically correct installation.
- Core business skills such as operational costs, employment

Following on from the 'History of LBP' series, this article looks into what continued professional development (CPD) looks like. In the Licensed Building Practitioners scheme we know this as skills maintenance.



law, and financial acumen for businesses and contractors.

- Health & safety a wider focus on wellbeing in addition to site-specific requirements.
- Future proofing the industry taking on apprentices and being fully involved in their training. The Association is introducing access for apprentices with an education package which includes webinars, and a site verification app to improve the efficient compliance certification of installation work, all at no cost.

Graham Moor, CEO of the Roofing Association of New Zealand (RANZ) agrees that CPD doesn't always need to be trade specific – there are many softer skills which will fit the criteria of improving site awareness and the client's experience during the disruption in their space while you are working there. His suggestions are:

For dealing with the customer:

- Knowledge of the requirements under the Consumer Guarantees and Fair Trading Acts.
- Customer service awareness.
- Dispute resolution courses.

And for a cohesive worksite, which also enhances the customer's experience:

- Cultural awareness, given the mix of ethnicities and cultures found on sites today.
- Mental health the building industry has some of the highest suicide rates in NZ. Join Mates in Construction or one of the many organisations active in this field.
- Employment law and this is for employers, employees, and contractors alike - know what's required and what's fair

One thing that is highlighted above - industry associations are there to keep you up to date and current, using webinars, newsletters, magazines, conferences, workshops, seminars, competitions, etc. Although belonging to an association has a small cost, the benefits are worth it not only for your skills maintenance requirements but also for your own personal growth.



For more information and guideance on skills maintenance and On-the-job-learning, see: www.lbp.govt.nz/for-lbps/skills-maintenance/

CODEWORDS QUIZ

- Why is keeping your knowledge current so important?
 - A. It's a requirement under the current act
 - B. Because most professional people do it
 - C. You have to do it so you can re-licence
 - D. The client expects your knowledge and skills to be right up to date, just as you do when paying for a service
- 2 Why is it relatively easy for carpentry and site BPs to identify and record skills maintenance?
 - A. They've been doing it longer
 - B. They're much more likely to encounter new products or systems in their work
 - C. There are more of these practitioners
- What things are considered to be good skills maintenance activities
 - A. Teaching the dog to jump into the new ute
 - B. Buying lunch for the team
 - Something you do that improves efficiency in the work you do or in the running of your business

Answers: 1. d 2. b 3. c

Decision of the Building Practitioners Board in respect of the conduct of a Licensed Building Practitioner

In October 2021, the Building Practitioners Board (the Board) recorded their final decision in the matter of a complaint against a Canterbury trade qualified licensed roofing practitioner in the profiled metal roof and wall cladding area of practice (the respondent).

CODEWORDS QUIZ

- Where would you find the grounds for discipline of LBPs?
 - A. In the Licensed Building Practitioner Rules
 - B. Under clause E2 of the Building Code
 - C. Section 317 of the Building Act 2004
 - D. On the back of your licence card
- 2 If a Building Consent was necessary, would this have been restricted building work (RBW)?
 - A. No, it was only replacing a 'like for like' component or assembly
 - B. Yes, if work on the structure or weathertightness envelope is carried out under a building consent, then it is RBW
- 3 If a LBP's license is cancelled, when can they apply for their license again?
 - A. Six months after it was cancelled
 - B. Two years after it was cancelled
 - C. 2027
 - D. Immediately after it was cancelled

Answers: 1. c 2. b 3. a

The Board viewed a wide range of evidence in relation to the case, including photos and videos of the work, a Television NZ article, and even an episode of the TV show 'Fair Go'. The hearing was undertaken 'on the papers' (i.e. entirely on written submissions), and the initial draft decision was issued to the Complainant and Respondent seeking further submissions. The Complainants responded with further submissions, the respondent did not.

The Disciplinary Offences under consideration

(See link below for section 317 Building Act 2004)

The Board resolved to investigate the respondent's conduct in respect of carrying out or supervising building work in a negligent or incompetent manner and conduct likely to bring the regime into disrepute.

There was also an additional issue around the need for a building consent for the work. Schedule 1 of the Building Act 2004 (work not requiring a building consent) allows for the comparable replacement of a component or assembly. When replacing metal tiles with long run roofing, the fixing and support methods are very different, even though the weight may be similar. This means the question of whether it would be a 'comparable' replacement should have been further explored. There was no evidence provided to show that the respondent had made inquiries about whether building consent was required, nor had he given the client advice that inquiries should be made with the local building consent authority (BCA).

The Evidence

The respondent was engaged to install a replacement roof. The original decramastic tile roof which had been badly damaged in a storm, was to be replaced with long run steel. The work was not carried out under a building consent.



The work was started by the respondent, but not finished, and the Complainants raised workmanship issues regarding the work carried out. They contacted the Roofing Association of New Zealand (RANZ), and CEO, Graham Moor, stated that the work he saw was "well short of good trade practice and that there are compliance issues apparent as well".

The remedial roofer also provided a report which noted issues such as:

- excessively scratched and dented roofing
- no transition flashings at the change of pitch
- purlins installed at the bottom row and at the ridge and hips, but not in-between and without valley purlins
- the iron was laid over, and fixed to, the original tile battens and underlay. Some new underlay had been installed
- poorly finished ridging junctions
- appalling sheeting at the chimney, with silicon used to prevent water ingress
- damage to the roof was apparent due to the difference in thickness of the purlins and the tile battens
- · incorrect fixings had been used.

The report ended with "This roof has been left unrepairable & requires replacing. In my opinion the contractor engaged to carry out the replacement of roof and gutter has little knowledge of roofing & should discontinue his services"

A health and safety issue was also found in that there were no fall protection measures supplied, such as edge protection or scaffolding, and images supplied to the Board showed the respondent standing on the roof with no means of protecting him from a fall. The Fair Go video clip also showed him on the edge of the roof with no means of protection or restraint being used.

Submissions to the Interim Draft Report

The complainant brought further matters to the Board's

attention, namely that no contract had been provided for the work, which was over the threshold for disclosure information and provision of a contract. There was also the alleged misappropriation of funds, and misleading information given to the Complainants with regard to the use of the funds provided.

The Board searched the Insolvency Register and found that the respondent was adjudicated bankrupt in late 2019 and he remains bankrupt, as well as being a sickness beneficiary. Under the Insolvency Act 2006, a bankrupt must inform the Assignee of income and expenses including any funds obtained over \$1,300, and that it is an offence to obtain credit of more than \$1,000.

The Complainants noted that, when they inquired at the roofing supplier, the flashings had been ordered but would not be made until they were paid for. The respondent said that all materials were paid for, and he was waiting for them to be made.

Penalty, Costs, and Publication

As no further submissions were received from the respondent, the Board confirmed that his licence is cancelled and cannot be re-applied for before the expiry of six months, and he was ordered to pay \$500 towards the costs, and incidental to, the Board's inquiry. The Registrar is also to record the Board's action in the Register of Licensed Building Practitioners, and, in addition, the Board's action will be publicly notified.



For more information see: Section 317 Building Act 2004 tinyurl.com/Building-Act-317 Full report with photos tinyurl.com/CB25691

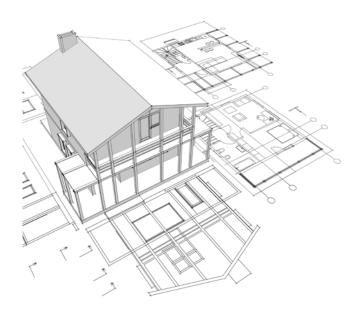


BIMSafe NZ – taking health and safety to another dimension

A VERSION OF THIS ARTICLE WAS ORIGINALLY WRITTEN BY FAITH DENNIS FOR THE ASSOCIATION OF CONSULTING ENGINEERS (ACE NEW ZEALAND)

"How can a 3D model save lives on the construction site?"

By allowing people to visualise risks more easily and communicate these earlier, says Paul Duggan, General Manager of the Canterbury Safety Charter and Project Lead for BIMSafe NZ.



BIMSafe NZ is a three-year \$1.7 million joint venture between the Canterbury Safety Charter and the University of Canterbury (UC) Building Innovation Partnership.

Funded by ACC and MBIE, BIMSafe NZ aims to change the way risks are identified, managed, and communicated on construction sites – using the visualisation and communication powers of 3D computer models. The project aims to increase the amount of health and safety information kept within a BIM file and increase worker access to this information.

What is BIM?

Building Information Modelling (BIM) is used by architecture, engineering and construction firms to document, visualise, and develop the designs behind infrastructure.

"A BIM model is a digital 3D representation of a project, which then becomes the single source of truth for all of the project's information, throughout its entire lifecycle," says Paul.

"Architects and engineers – civil, structural and service – work collaboratively on a single model in the design stage, rather than in their traditional silos."

"It has the potential to be a game changer in the way risks are identified, managed and communicated on construction sites."

Tackling health and safety by design

When it comes to health and safety, the more you can do earlier in the piece, the greater effect you will have – for the least cost, says Paul.

"Using BIM models really simplifies the health and safety by design process. Everybody can get together, look at a model, identify risks, and then solve them by improving the design."

"It's also so much easier to visualise potential risks in a 3D environment, than on paper. If you can see it, it's real."

Thanks to their visual medium, BIM models can also help break down language and geographical barriers, says Paul.

"People can be sharing and looking at these models from anywhere in the world, and the information is presented much more clearly than the traditional risk assessments that can get lost in screeds of other documents."

Riding the BIM wave

BIM models and processes are more common in design and construction projects than they were just a couple of years ago, says Paul. While designers and Engineers are familiar with BIM models, we aim to extend this all the way down to workers and ultimately facilities users as well"

"We want to ride this wave and help people understand how health and safety can be wrapped into the process."

BIMSafe New Zealand will produce best practice guidelines for incorporating health and safety information into BIM models, says Paul.

"Any process that benefits from prior planning benefits from BIM. Once people can see how – the why becomes apparent."

BIMSafe NZ in three stages

The BIMSafe NZ project has three main stages.

The first is developing best practice guidelines for integrating health and safety information into BIM models. These are set to be published in mid-2024.

The second is trialling these guidelines in a case study. This will be the construction of the Ōtepoti building, home to ACC's new offices in Dunedin. It's been designed by Warren and Mahoney, with Ngāi Tahu Property and the ACC Investment Fund as the client. In this phase the BIM model will be used extensively for worker site inductions, training, and toolbox talks. Enabling the workers to access the BIM file will let them make real time decisions on health and safety and identify risks in the model space prior to work being done.

The final stage will be to promote the project outcomes and encourage organisations to adopt the guidelines as a way to reduce accidents and injuries on construction sites. This will be done by a series of video resources and a nationwide roadshow in late 2024.

"The success of the BIMSafe NZ project relies on industry input and uptake," says Paul. "In the near future an iPad will be a key tool in a workers toolbelt".

"Designers, architects, contractors, and sub-contractors collaborating using this common platform have an exciting opportunity to bring about meaningful industry change, and literally save lives."

"It has the potential to be a game changer in the way risks are identified, managed and communicated on construction sites."

PAUL DUGGAN
PROJECT LEAD
BIMSAFE NEW ZEALAND



For more details, see:
BIMSafe NZ website bimsafe.nz
Connect with Paul on LinkedIn tinyurl.com/Paul-Duggan

MyACC for Business designed to streamline processes

In order for businesses to better manage their processes, ACC has launched an online portal called MyACC for Business.

Using the new portal means that businesses can manage their business account and levies and access claims report anytime.

There are also other significant advantages to using the system, including

- Going paperless set your preferences to receive your invoice by email
- Update your liable earnings to ensure you get the most accurate invoice possible
- Use live chat to talk to a customer service representative
- View and download your employer claims reports
- View, pay or download your levy invoices
- Check and update your details
- Update, renew or cancel CoverPlus Extra
- Inviting a delegate to manage the business account on your behalf
- View and download your account activity timeline
- See and redeem subsidy offers (if eligible).

For those managing more than one business, they'll be able to manage all of their accounts using MyACC for Business.

Access to MyACC for Business profile requires a Google, Microsoft or RealMe login. Each business must register their ACC number or Inland Revenue number and have an email address or New Zealand mobile phone number to activate the account.

ACC also provides a tips page for help and support if businesses have questions, or online support options for further assistance.



For more details see:

Sign in or register tinyurl.com/MyACC-Business
Get tips tinyurl.com/MyACC-Tips



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LBP Updates

Self-service portal, communications and licence packs in mid-2022



The Ministry of Business, Innovation and Employment (MBIE) is upgrading the LBP self-service portal in mid-2022. This upgrade is part of a wider MBIE initiative to modernise and improve security for their services. As a result of this upgrade, they are changing the way they communicate with LBPs and the format of the licence packs.

What is changing?

1. New self-service portal

If you currently use the LBP self-service portal, all your information will be transferred to the new portal. The new portal will look different, but you will still be able to use it for key tasks, such as renewing your licence, suspending your licence, and recording evidence of on-the-job experience. To access the new portal, you will need to be sent an invitation email. They will provide more details closer to the release date.

When you first log in, you will be able to choose to use a Google or Microsoft account. You will still be able to use a RealMe account if that's your preference.

2. They're moving communications online

If you have provided an email address, all future communications will be via email and you will no longer receive updates from them by post.

They encourage all LBPs to provide them with an email address so that they can send you timely and important notices, such as:

- automated notifications about licensing and/or renewal,
- updates about upcoming changes to the LBP self-service portal, and
- urgent notifications and announcements.

3. New digital licence packs

After you renew your registration, you will be able to download a PDF copy of your licence, which will show your photo and your licence details. You can choose to print it or save it on your smartphone. This PDF will have a QR code, which your customers can scan to verify your status on the LBP Register. MBIE will no longer send physical ID cards by post. They will provide more details closer to the release date.

What do I need to do now?

If your current email address is already on record, you do not need to take any further action.

If not, we encourage you to download and complete the Change of Details form linked below. Provide your name, licence number, phone number and email address.

In the interim you will continue to receive updates and licence packs by post however in the long term these will only be provided electronically.



For more details see:

LBP Contact tinyurl.com/LBPcontact
Change of details form tinyurl.com/LBPdetailsform



Have your say on Building Code updates

Proposed Building Code update to ensure new buildings better protect the safety of New Zealanders

MBIE has opened consultation on proposed changes to the Building Code acceptable solutions and verification methods which cover plumbing and drainage, protection from fire, and structural stability of hollow-core floors.

"As New Zealand's central building regulator, we consult on updates to the Building Code to ensure we are keeping pace with innovation, current construction methods and the needs of our modern society," says Dave Gittings, Manager Building Performance and Engineering.

"We update the Building Code every year to support New Zealand to deliver safe, healthy and durable buildings. This year we are looking to update some key areas which will help make new builds even safer and healthier for our whānau and communities."

THE PROPOSED CHANGES FOR PLUMBING AND DRAINAGE LOOK TO LIMIT THE ALLOWABLE LEAD CONTENT IN CERTAIN PLUMBING PRODUCTS, REDUCE THE RISK OF HOT WATER SCALDING INJURIES, AND PROTECT POTABLE WATER SUPPLIES.

"We want to improve the safety and reliability of plumbing systems so that New Zealanders can have greater confidence that water from a tap is healthy and safe.

"While products which contaminate drinking water do not comply with the Building Code, we are proposing to reduce the maximum allowable lead content for certain plumbing products to align with changes being made in Australia. This is the next logical step to reduce the presence of lead in our built environment. Health officials recommend that where exposure to lead can be reduced, it should be reduced, and we want to know whether New Zealanders support this change," Mr Gittings says.

"We know that most tap water scalds take place in the bathroom at home and that those most at risk from scalds are infants, young children, elderly and disabled people. Maximum hot water delivery temperatures in New Zealand are higher than in other countries which leads to an increased risk of tap water scalds. This is why we are proposing to lower the maximum hot water delivery temperatures for most buildings from 55°C to 50°C. We want to ensure water temperatures are safe for all New Zealanders, including the most vulnerable," says Mr Gittings.

"As part of this year's update, we are also proposing to improve the level of fire safety for our buildings.

"As the demand for multi-unit dwellings continues to increase, we are looking to support this type of construction with simple solutions for the associated fire risks.

"The proposed changes also include bringing fire safety system requirements in line with the latest industry standards to ensure the compliance pathways reflect modern design practices.

"This includes proposing a simple solution to improving fire safety by requiring interconnected smoke alarms throughout new homes. This will help to ensure all occupants in that home are notified in the event of fire, no matter where in the house it occurs," Mr Gittings says.

More information on these and other changes, including proposed changes to the compliance pathway for the use of hollow-core floor systems in new buildings are available at the link below. Submissions to the consultation can also be made from this webpage. Consultation on the proposed amendments to the Building Code runs until 1 July 2022 with final decisions made later this year.



Have your say at: tinyurl.com/22code-update

MANY BUILDING FIRMS ARE LIKELY TO BE EXPERIENCING REDUCED ENQUIRIES, ALTHOUGH MANY MAY STILL HAVE A BACKLOG OF WORK. IN TIME, MOST WILL FEEL THE IMPACT OF WHAT HAS ALREADY BEEN A LARGE INCREASE IN MORTGAGE INTEREST RATES.

Taming inflation is painful, and housing is in the firing line

BY RODNEY DICKENS

The threat to residential building from rising interest rates is already large, as shown in the chart. It is likely to increase and be protracted because of the battle the Reserve Bank faces to tame inflation.

Just as the large increase in consents in 2021 was largely the result of the earlier fall in mortgage rates, the increase in mortgage rates over the last year poses a large threat to consents. The red interest rate line in the chart has been advanced or shifted to the right by 14 months to reflect how long it normally takes for changes in interest rates to impact on consents.

Many building firms are likely to be experiencing reduced enquiries, although many could still have a backlog of work. In time, most will feel the impact of what has already been a large increase in mortgage interest rates.

Surging energy costs and fallout from the impact of COVID are part of the inflation story that has seen consumer prices on average increase 6.9% over the last year. However, more concerning is the excessive stimulus the Reserve Bank gave the economy before, and in response to, COVID that resulted in the unemployment rate falling to 3.2%, well below my 4.5% estimate of the rate consistent with the Reserve Bank's inflation target.

New Zealand had an underlying inflation threat before COVID and surging energy costs, but they have made it worse and increased the likelihood of a wage-price spiral developing. Firms put up prices to cover rising costs, workers demand larger pay increases to offset a rising cost of living, firms respond with further price increases, etc.

New Zealand has not had a major wage-price spiral since the 1970s and early-1980s. It had a moderate one in the mid-2000s that required 13 OCR hikes and a recession to tame it. The current one is larger than that in the mid-2000s because the unemployment rate is lower, the government is boosting wages by the likes of large minimum pay increases and there is a global inflation problem.

Unfortunately, it will take enough OCR hikes to cause a major economic downturn or recession to break the wage-price

spiral and housing is most at threat because it is impacted a lot by interest rates. The only bright spot I see is that the housing downturn over the next year may be large enough to see a pause in interest rate increases or even a temporary fall in rates.

Consents for New Dwellings & Mortgage Rates Consents ** Mortgage Rate * left scale 4,800 11 right scale 4,400 10 4,000 3,600 9 3.200 8 2,800 2,400 7 2,000 6 1,600 1,200 5 800 4 400 0 3 '98 '01 '04 '07

* Average mortgage rate, major banks

** Six month average of seasonally adjusted





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*Offer ends 31 July & applies to cumulative spend in June & July 2022 on James Hardie Accessories excluding fibre cement sheet products and fibre cement weatherboard with every \$1000 spent earning an entry in the draw. The actual product may differ slightly from that pictured, subject to availability. For full details, terms & conditions, see CARTERS.co.nz



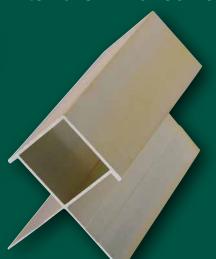
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· Aluminium internal W corner to be used with Linea™ Weatherboard by James Hardie

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- · Adjustable head for 150 and 180mm widths



A new registration and licensing regime for engineers

The Ministry of Business, Innovation and Employment (MBIE) has announced that Cabinet has agreed to progress with a new regulatory regime for professional engineers.

"Engineering is a highly skilled profession and our regulations need to reflect this," says Amy Moorhead, Manager Building Policy, MBIE.

"We want to ensure that all practising engineers are highly trained, skilled and experienced in the work they do and that they are able to be held to account."

Cabinet has agreed to proposals to develop a bill to introduce a new two-tiered regulatory regime for engineers, and to establish a new regulator to oversee the regime.

"The bill will require all engineers to be registered, and for those in higher-risk disciplines to be licensed in order to practise. While a large number of engineers are highly professional, there are too many that are practising with no checks on their professionalism or competence and there are few means to hold them to account if their standards slip."

In order to be registered under the new regime, engineers will need to have a minimum qualification, and be subject to a code of ethics and continuing professional development requirements.

To be licensed for higher-risk work, engineers will need to meet stricter competency criteria and reapply for their licence to be renewed periodically. This will ensure that only competent practitioners with relevant expertise and appropriate skills could provide certain engineering services.

"Engineering work affects us all in the buildings, tools, machinery and infrastructure we interact with every day. While

the vast majority of engineers consistently deliver top quality work, substandard work has the potential to present risks to the public and the environment and can be expensive to remediate.

"IMPROVING THE REGULATION OF ENGINEERS WILL MINIMISE THE POTENTIAL FOR THINGS TO GO WRONG, PROTECT NEW ZEALANDERS FROM THE RISK OF UNEXPECTED REMEDIATION COSTS, AND GIVE THE PUBLIC GREATER CONFIDENCE THAT PROFESSIONAL ENGINEERS ARE ALL ACTING WITHIN THEIR AREAS OF COMPETENCE," SAYS AMY MOORHEAD.

"While the probability of significant harm occurring from engineering work in New Zealand is low, the consequences can be catastrophic. We are introducing the new regime following lessons learned from engineering failures here and overseas, including from issues identified after the Canterbury earthquakes, so that we can reduce the risks for future events. The new regulatory regime for engineers will help minimise the possibility of further failures happening from new engineering work."

As part of the decisions made at Cabinet, an Engineers Registration Board would be established to be supported by a Registrar, Complaints Officer and Disciplinary Committee. MBIE would be the default Registrar and Complaints Officer, with the opportunity for other Registrars to be appointed and the Complaints Officer function reassigned.

Cabinet's decisions have been made following a 2021 public consultation on proposed changes to the occupational regulation of engineers. MBIE received 250 submissions, predominately from the engineering profession. 84% of submitters agreed that there were grounds for intervention, and 81% agreed that all engineers should be subject to occupational regulation.

"We received overwhelming support for these proposals from the public consultation. It's clear that not only is it in the best interest of New Zealanders, but engineers want to ensure our regulations are supporting them to be highly trained, skilled and accountable," Amy Moorhead says.

Proposed details of the scheme are being worked through by MBIE and a bill is expected to be introduced later in 2022.

The proposals are being progressed as part of MBIE's building law reform programme, a series of reforms to building laws to lift the efficiency and quality of building work, and provide fairer outcomes if things go wrong.

STRATUS®



Importance of contract works insurance

BY BEN RICKARD, TRADE INSURANCE EXPERT, BUILTIN INSURANCE

Contract works insurance (also known as builders' risk insurance) insures your building work in case of accidental damage or loss. The sum insured typically starts with the contract price and then includes an allowance for inflation, amongst other things. But, in the current market, with prices on some key materials increasing by more than 50% in less than a year, this allowance may not be enough.

It's a basic requirement that you nominate a sum insured for your insurance policy. When it comes to building work, this is typically the value of the builder's contract (including all their sub-contractors and materials), plus any components supplied by the owner for example tiles, kitchen appliances or bathroom vanity, that the builder will incorporate into the works

If a homeowner is attempting to project manage their own construction work, the sum insured must include all the input costs from contractors and materials as well as a market rate for any hours of labour provided free by friends or family.

Contract works insurance includes a range of "post-loss allowances", which are items that the policy covers in addition to the sum insured. These are things like the cost of demolition and professional fees if there is a claim.

There are also allowances for inflation during the build and cost escalation during any reconstruction after a claim. These amounts are typically around 5% of the contract works value by default. However, they may not be sufficient in the current high inflationary environment, particularly if project timeframes are extended since inflation has a greater effect the longer the project takes.

Make sure you set these allowances at a level sufficient to cover the rebuild cost of your project if there is a significant claim. While insurers will charge more to increase these amounts, that's a small price to pay compared to being underinsured.

Ordering materials early?

With prices rising and supply chains stretched, it's tempting for builders to pre-order the materials they need to get a lower price. Those materials will need to be stored somewhere and are then at risk of being stolen or damaged. Contract works insurance includes a substantial allowance for materials stored off site, but the cover only begins when work starts on site.

If you've bought materials in advance, these will need to be insured elsewhere until the project commences. A commercial material damage or mobile business assets policy should cover them, but check with your insurer as they may impose additional conditions (particularly for theft). Homeowners should speak to their contents insurer about getting them covered.

Project completion delayed?

If your project is delayed, which is not uncommon with the current supply chain challenges the industry is facing, make sure your contract works insurance is extended. This is a common oversight by homeowners who are getting alterations done and are usually responsible for arranging the insurance for the project. If a claim happens after the end date on the policy, there may be no cover.

In a nutshell

Check that the sum insured on your contract works policy is adequate, Also, be sure that the allowances for inflation and cost escalation are sufficient if there is a claim towards the end of your project. If you're pre-ordering materials, these may not be covered by your contract works insurance, so they need to be insured elsewhere. Finally, if your project is delayed, make sure your contract works policy is extended.



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

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Millennials on your team? 5 ways to keep your young staff working hard

If you've been in business for any length of time, you've probably had a few bad experiences with younger staff. They can sometimes be lazy, entitled, or even self-absorbed. Some of them don't want to work hard... but they still want to be paid top dollar. There are those that want too many days off. Or, even worse, the ones that don't even turn up (and your call goes straight to voicemail).

BY DANIEL FITZPATRICK



When staff are unreliable, it wrecks your schedule. It's time consuming, and it costs you money. You feel disrespected and frustrated... and justifiably so. Generational differences are nothing new, but that doesn't mean they're easy to navigate.

Here are a few tips that will help you draw the best out of your younger team members:

Keep the faith - there are good ones out there

Keep in mind that young staff are a bit like referees. You hear more about the bad ones than the good. However, it's inevitable that millennials will be part of your team.

When it comes time to hire, here's how to sort the good from the bad:

Good young staff are enthusiastic. Look for this when you interview so you know they're motivated from the outset.

Uncover their patterns of behaviour. You're looking for signs of work ethic and commitment. How long were they at their last job? Why did they leave?

If they're fresh out of school, look for something they've shown commitment to in the past (like a sports team). If you can reveal their attitude early, you won't find yourself regretting hiring them after their first week.

If you've got great young staff already (or you know someone that does), ask them if they've got mates looking for work. Like attracts like.

Consider a referral bonus to add a little motivation. If they introduce you to someone you end up hiring, give them a \$500 bonus.

Most importantly, don't settle. Finding good staff is not easy, but hiring someone who brings the whole team down will cost you massively.

Hot tip: make sure your website is up-to-date and your company uses digital tools. If you're still relying on paper trails, the good millennials may think you're stuck in a time lapse.

Use their love of tech to your advantage

We all know how much today's young staff love being on their devices. It's no doubt caused you a few headaches. But what if their love of tech could benefit the business?

Try asking them to take site photos for your social media. They know how to take a good photo and what content works. Plus, it's one less thing you need to worry about.

If you're looking for a good piece of software, consider involving a young team member. Have someone explain to them what's needed and let them do the research for you.

Showing one of your team members how to do something? Ask another to video it. You'll start documenting your training processes. This way you can start to systemise, and don't end up having to explain the same thing every time you hire.

While using their love for tech is good, it still doesn't solve the productivity problem. Set things up so phones can only be used in breaks (or for work purposes of course).

Make the most of the first digital generation and use their tech skills to help your business.

Be frequent with your feedback

Think back to when you started out in the trades. How did your first boss teach you? They probably fast-tracked your learning by dropping you in the deep end and hoping you'd swim.

That was how you were led. Keep in mind your younger staff have grown up in a world of instant gratification. They're used to everything happening fast, so can struggle with things that take time.

It's up to us to help them build confidence and learn patience. This just means leading them differently.

They want to know where they stand and thrive off more frequent feedback. They'll learn faster, and you get a happier team member turning up to work each morning.

A quality of a good leader is changing the way you communicate to serve the people you lead.

Use things like the 5-min chats before meetings, the oneliners of recognition or the 'hey good job, have you thought of trying it this way?' coaching as quick ways of giving feedback. It's easy for you and meaningful to them, so they'll keep working hard.

It'll probably feel different to how you were led, but it shows them you're interested in them. This means they'll invest more in you and your business. Small, consistent wins will add up to big triumphs.

Everyone will work hard for something

Your first job was a measure of security. It may have been your escape from the academic system that didn't suit you, and finding another one would've been difficult. So, you worked hard to make sure you kept it.

But millennials want a job that helps them see their future. If they can't see their next step with you, they are more willing to find it elsewhere. Studies show that 25% of millennials will have worked 5 jobs by their 35th birthday.

They want to level up in life and aren't afraid to jump ship if they need to. So, show them what they can achieve with you.

This might be completing their apprenticeship, reaching a certain pay rate, saving for a house or escaping from living paycheque to pay-cheque. They'll work harder with a target in mind.

Tell them about the levels they can achieve within your business and the timeframes they can achieve it in. It shows them why they should stick with you, so you end up with loyal employees.

Learning is an important part of levelling up. When they make mistakes, train them how to do it right. Most importantly, teach them what matters most - learning from it. This way, they'll improve and you won't have to go back and fix things next time.

Help them enjoy their job by being approachable. If you work hard, help your team out and can have a laugh at the same time as doing your job, chances are you'll see the same in your team.

5 Where are you at as a leader?

If you want your staff to perform, they'll always need nurturing (regardless of their generation).

It's easy to sit back and blame young people for underperforming. The reality is, as a business owner, the more you take responsibility for building your team, the better the results.

Yes, millennials have their generational challenges. But so does every generation. Let's face it; Good leaders adapt. How are you leading your team - the way you were led, or how they need to be?

Getting the best out of them means meeting them at their level first. Then fueling them to deliver on what you need.



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

DANIEL FITZPATRICKBUSINESS COACH





If you need a plan to move your business forward with confidence? Book a free strategy chat with me here: nextleveltradie.co.nz/nextstep/



REGIONAL EVENTS

Come along to the Apprentice of the Year practical challenge and show your support to those competing in your region.

SATURDAY 11 JUNE 8:30AM-12:30PM

CARTERS Glenfield
CARTERS East Tamaki
CARTERS Hamilton
CARTERS Rotorua
CARTERS Napier
CARTERS New Plymouth
CARTERS Palmerston North
CARTERS Wellington DC
CARTERS Nelson
CARTERS Madras St, Christchurch
CARTERS Queenstown



2021 Registered Master Builders Apprentice of the Year Jarred Badham, employed by Nailing It.

Apprentice of the Year reaches wider

Recent growth in New Zealand carpentry apprentices has led Master Builders to open its annual carpentry apprentice competition to all ages.

Registered Masters Builders announced this year that its Apprentice of the Year competition in partnership with CARTERS was open to all ages, as more older apprentices, and second career seekers look for opportunities in the building sector.

Dubbed the "Great Resignation", both in New Zealand and globally, we are seeing more people re-evaluate their employment and look for new opportunities. A recent study by AUT reports that those most likely to leave their jobs has increased from 34.7% to 46.4% since the inception of Covid. However, the study also showed that one of the professions that are most likely to retain employees are the trades. This is also evident in the record level of building and carpentry apprentices now signing up to join the sector.

Where once an apprentice would join their trade straight from school, we are now seeing older apprentices join the sector. The average age of a BCITO apprentice is currently around 27 or 28, and many are coming to building as a second or even third career.

Last year's Apprentice of the Year national winner, Jarred Badham says that the pandemic solidified his decision to get into carpentry.

"After five years as an aircraft mechanic with a hobby of building furniture, I decided it was time for a change and I became a carpentry apprentice. Looking back now and how times have changed, it was the best change I could have made, "reflects Jarred Badham.

Jarred's employer, Stewart Buchanan of Nailing It, believes having a mature apprentice is a real asset.

"It's great to have someone who's had a bit of life experience. Jarred is able to apply his prior learnings and life skills to his job now, which I see as a real bonus."

Master Builders has opened the Apprentice of the Year competition age limit to reflect the employment landscape

and our new climate.

Master Builders Chief Executive, David Kelly comments on the benefits the trades has to offer.

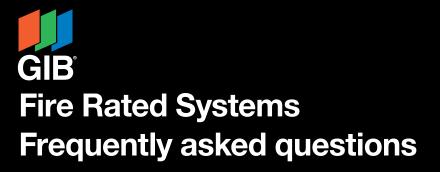
"Apprenticeships provide fantastic career opportunities – not only do you earn as you learn, but you are also part of an industry with strong job prospects and opportunities for growth. It is great to see that this is being recognised by so many New Zealanders. The Apprentice of the Year competition helps young apprentices as they begin their careers and also recognises the employers who invest in young talent.

"THE PANDEMIC HAS INFLUENCED THE WAY THAT KIWIS ARE THINKING ABOUT THEIR JOBS, AND WE FELT THIS WAS THE PERFECT TIME TO WELCOME ALL AGES TO PARTAKE IN OUR COMPETITION.

"Our industry needs more skilled builders to not only meet our current demand, but to provide a pipeline of skilled workers as we look to our recovery. The Government Apprenticeship Boost has been a great initiative and is also a huge contributor to the rise of new apprentices. Programmes such as these are essential to help bring talent on board and create a skilled construction workforce," continued Kelly.

CARTERS are hosting the regional practical Apprentice of the Year competition element in-store on Saturday 11 June and welcome you to come along and see what it's all about.







Talking Trade

There is a lot of building on the go at present, which is also reflected in calls we are getting at the GIB® Helpline. Here are some of the most frequently asked questions and information from our helpline:

Q. Multi-layer fire rated walls – what you should know.

- O1. The inner layer does not need to be 'stopped' or plastered in most systems; touch fitted only.
- 02. Either the inner or the outer layer can be used for bracing.
- 03. The inner layer can be reversed (the face of the board to the studs)
- 04. Outer layer stopping / plastering can be replaced with a strip or sheet of any GIB® plasterboard, minimum 150mm wide fixed at 300mm centrally into stud or by 'cladding' as per page 6 of the GIB® Fire Rated Systems literature.
- 05. Sheets in both layers are touch fitted only and no fire sealant is required between the edges of the sheets.

Q. What are surface finish properties?

A. All paper faced GIB® plasterboard sheet materials have been tested in accordance with ISO 5660 Reaction to Fire Tests. Heat release, smoke production and mass loss rate Part 1 and 2 and achieves Group 1-S classification.

This classification applies to the plasterboard product without paint or wallpaper finish. The supplier or manufacturer of any selected surface finish must be contacted for their product classification when applied over a relevant substrate.

Q. Is there glue used in a fire rated system?

A. Although the presence of glue itself is not an issue, it cannot replace mechanical fasteners in a fire rated system. It is important that the screw length and spacings follow the specifications as stated in the GIB® Fire Rated Systems Specification and Installation literature.

Q. What happens if a truss penetrates a fire rated wall?

A. This is best handled at the design stage where the fire rated wall can be detailed all the way up and then the truss can sit on a surface mounted stringer eliminating any penetration.

Q. When completing an alteration on an intertenancy wall, do I require access to both sides of the wall to install fire linings? Or can I add additional layers to a single side of the shared wall to gain the required fire rating?

A. Typically you should gain access to both sides of the wall to install the fire lining in accordance with the GIB® Fire Rated Systems Specification and Installation Manual. In some cases, it is possible to use the existing plasterboard or layer over the top, depending on it's age/type. Call us for specific guidance if this option is preferred.

For further information view the GIB® Fire Rated Systems literature and GIB® Fire Rated Systems Supplement or call the GIB® Helpline 0800 100 442.

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The Government has announced an easing of the threshold for major infrastructure projects, opening the way for more construction and infrastructure workers to enter the country.

Previously, the threshold for relevant workers to come into New Zealand was a project valued at \$100 million, but this has now been reduced to \$50 million, effectively doubling the number of projects that qualify.

The new changes came into force on April 20, and we have also seen a relaxation around the requirements that workers have a time critical or essential role for the delivery or execution of these projects. This restriction has been removed and replaced with a requirement that workers earn at least the median wage.

The Construction Sector Accord Forum, on behalf of the building and construction sector, indicated to Ministers that simplifying and widening the 'other critical worker' pathway would go a long way toward addressing current workforce challenges faced by the industry.

Along with the announcement, two other decisions around silviculture forestry workers and wood processors and manufacturers were revealed, with the Construction Sector Accord indicating these will also have flow-on benefits to the construction sector.

For up to 300 silviculture forestry workers earning at least median wage (currently \$27 per hour), a border class exception has been approved, while a similar exception has been granted for up to 280 wood processors and manufacturers (plus partners and dependent children) for up to 12 months. "The forestry industry is a big presence in our rural communities and regional economies, bringing vital jobs to regions across the country," said Forestry Minister, Stuart Nash.

"The forest planting season runs from May to September and a shortage of workers could limit the number of trees going in the ground and their survival rates. Silviculturalists also add value to the wider forest nursery industry through their management of plantings."

"The forestry industry also needs skilled workers in wood processing and manufacturing, across a range of roles like kiln operators, electricians, sawmill workers, timber machinists and carpenters. Extra help from migrant workers will keep building and construction supply chains open and meet the growing demand for timber and wood products."



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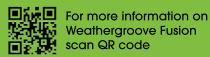
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Alternatively, the vacuum can be controlled using the wireless remote's on/off button.









Completion delays and what to look out for By ANDREW SKINNER & KIREN NARAYAN



The construction industry is in full swing at the moment and there are numerous reasons for delays that may impact your initial completion date. Some of these reasons may be beyond your control and so you need to understand what areas of your building contract may assist you. This article examines what you can do to make sure you're not stung by any penalties for completing late.

Check your contract - extensions of time

If you have committed to carrying out work for a customer and it is quickly becoming apparent that you're not going to be able to complete the job on time, your first port of call is to check the relevant provisions on the completion of the project.

Check your completion date. Do you think you'll make it? If not, you'll need to look at how your contract deals with extensions of time for the completion date.

Each contract deals with delays differently. The first thing to look for is what delays are covered by your contract. Some are very wide ranging and include anything that's beyond your control. Some are slightly more narrow and set out a list of things. Check to see whether the issue could be covered by the relevant clause.

If the cause of the delay is covered by your contract, the next thing to look out for is the process you need to ensure that the completion date is extended by the necessary amount. Some contracts allow for an automatic extension of time where the listed delay events have occurred. Others may require you to submit a notice. If a notice is required, ensure you submit your claim for an extension of time within any time limits set out in the contract

Some forms of contract require those extensions of time to be approved by an independent party. If this is the case, then ensure those requests for an extension of time are submitted to that independent party within any contractual time limits.

Variations

Extensions of time are the envisaged way to deal with delays to a project. If however, there is nothing in your contract which deals with them, you may wish to turn to variations.

Have a look at the variations clause in your contract to see whether it caters for variations of the contract in circumstances where something occurs that is beyond your control that may affect the performance of the contract or a variation for the period for completion. While this is not the correct way to deal with extensions of time, some less commonly used contracts rely on variation clauses for all changes to the contract.

Similarly, if the clause does allow you to vary the completion date, check to see whether you are required to submit any notices for this and if so, whether there are any time limits for doing so and whether there is any particular process for doing this

Potential consequences

It is important to follow the steps above to avoid any negative consequences from not meeting the completion date. If a completion date is not met, this is a breach of contract and the customer can seek to recover any losses resulting from the delay.

In some contracts, there is a provision for what is called "liquidated damages", which is an agreed, usually daily sum of money which is an estimate of the loss that would be incurred by a delay. If the contract provides for these, the liquidated damages will accrue until the date the project is completed.

Alternatively, if there is no provision discussing delays, the damage will be calculated in terms of any actual financial damage suffered and proved to be suffered.

For delays which are not of your making, this is clearly not ideal and for that reason, it is important to follow any contractual processes to extend the completion date.

Andrew Skinner has over 20 years of experience as a commercial lawyer and is a partner in the Auckland firm Martelli McKegg.

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Kiren Narayan, Associate - Litigation (09) 300 7632 kiren.narayan@martellimckegg.co.nz



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