

LBP Scheme Evaluation Report due

THIS ISSUE

MBIE determinations:
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a vehicle?

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flashings and
screw-type anchors

**Avoid slips
and falls on site**

Business:
Death and taxes

**Making insurance
claims easier**

**Will capacity
constraints affect
the building market?**

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In the frame

BY MIKE GUY, CARTERS CHIEF EXECUTIVE

In this month's Trade Leader we cover a number of subjects that are hot topics for this time of the year. Check out our article on tax tips and as always, we want you to be safe, avoid slips, trips and falls - check out Site Safe's 7 point analysis on page 23.

We're also very interested in the LBP Scheme evaluation report that is due out in July. The report has been commissioned by Paul Hobbs, the Registrar for Building Practitioner Licensing at the Ministry of Business, Innovation & Employment.

The evaluation report is designed to look at the original intent of the LBP Scheme from a policy perspective and whether it has delivered on its original intent.

The LBP Scheme was initiated some 10 years ago and we know that our customers have endured a lot of change within this period which includes builder licensing, product certification, consumer protection measures (as part of the Building Act), mandatory contracting, the Construction Contracts Act and the Health and Safety at Work Act.

When released, we will be looking closely at the evaluation report and what it says about the LBP scheme. We're keen to understand the outcomes of this report and the impacts, if any, and what that will entail for all of us.

Speaking of all things government, we're also keeping a close eye on the KiwiBuild initiative and the opportunities that this programme may deliver over time particularly in the building and innovation sector.

It's always an exciting time of year for our customers, it's the time our big annual Advantage trip comes around and we look forward to hosting those of you who are joining us, on our trip to Mexico and Cuba. If you would like to know more about CARTERS Advantage or would like to join us next year then please talk to your account manager or the local branch team for more information. These trips are a real 'money can't buy' experience and your only job on these trips is to sit back, relax and enjoy the moment.

Look forward to talking to you all in our next issue!



MIKE GUY
CARTERS Chief Executive

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TRADE LEADER.

CARTERS Trade Leader is produced by TLP Media Ltd 11 times a year in association with CARTERS.

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ISSN 2463-3550 (Print)

ISSN 2463-3569 (Online)

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One of the trickiest flashing details to design and construct correctly is a balustrade-to-wall junction flashing. We provide some useful tips and other step-by-step information on how to correctly install this type of flashing.

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New Housing and Urban Development Ministry

MINISTER OF HOUSING AND URBAN DEVELOPMENT PHIL TWYFORD RECENTLY ANNOUNCED A NEW MINISTRY WILL BE SET UP TO HELP THE GOVERNMENT DELIVER ON ITS PRIORITIES OF MAKING HOUSING MORE AFFORDABLE AND OUR CITIES MORE LIVABLE.

The new Ministry of Housing and Urban Development will be established from 1 August. It will officially start operating on 1 October.

"Addressing the national housing crisis is one of the biggest challenges our Government faces. The new Ministry will provide the focus and capability in the public service to deliver our reform agenda," Phil Twyford said.

The new Ministry will be the Government's lead advisor on housing and urban development. It will provide across-the-board advice on housing issues, including responding to homelessness, ensuring affordable, warm, safe and

dry rental housing in the private and public market, and the appropriate support for first home buyers.

Initially, the Ministry will be set up by moving functions across from existing agencies, and look at utilising funding from their existing operational budgets:

- From the Ministry of Business, Innovation and Employment: the housing and urban policy functions, the KiwiBuild Unit and the Community Housing Regulatory Authority.
- From the Ministry of Social Development: policy for emergency, transitional and public housing.
- From the Treasury: monitoring of Housing New Zealand (HNZ) and Tāmaki Redevelopment Company (TRC).

Phil Twyford said the new Ministry will provide the Government with strong leadership and fresh thinking. It would also end the fragmented

current approach caused by involving a number of agencies.

The Government is:

- Ramping up efforts to house the homeless
- Building affordable homes through KiwiBuild
- Modernising and building more public housing
- Reforming the tenancy laws to make life better for renters
- Setting minimum standards to make rentals warm and dry
- Adjusting the tax settings to discourage speculation
- Setting up an Urban Development Authority to lead large scale urban development projects

"The Ministry of Housing and Urban Development will help us deliver our bold and ambitious plan to build much-needed affordable housing, and create modern and livable cities ready for the future," Phil Twyford says.

Work continues on BSP priorities

THE GENERAL MANAGER OF BUILDING SYSTEM PERFORMANCE (BSP), ANNA BUTLER, HAS ISSUED AN UPDATE ON THE SEVEN PRIORITY AREAS HER TEAM IS WORKING ON.

In the most recent issue of Codewords from the Ministry of Business, Innovation and Employment (MBIE), Ms Butler has said they are making progress on all priorities, but the top three around skills, consenting, and risk and liability have been a big focus for the branch in the first half of this year. This work will support KiwiBuild objectives and enhance the building regulatory system.

As part of the Construction Sector Skills Strategy project MBIE presented a draft action plan to Cabinet at the end of May. The Action Plan will build the capacity and capability of the sector, so that New Zealand has the construction workforce it needs now, and in the future, she says.

"A good consenting process is able to deliver consistency, clarity and certainty. Through our More Efficient Consenting project, BSP is working to identify

why the current process is not consistent, clear or certain for users and will be working with the sector to test options for improving the current process," she says.

"Risk in the building process is frequently cited as an area of concern amongst the sector. The aim of our Risk and Liability project is to rebalance risk and liability in the building process so that parties take appropriate responsibility for their work, building consent authorities are not driven to be over-cautious and are more open to innovation, and consumers are protected if things go wrong.

"We've started to talk about these priorities with industry, including engaging with the Building Advisory Panel when they met in mid-May. BSP sought the BAP's feedback on work to date on all three projects. They were supportive of the approach we are taking to the work and are eager to see rapid progress. Sub-groups of Panel members agreed to do further thinking to support our work on the Skills Strategy and the Risk and Liability project."

Notable decisions against three LBPs

THE BUILDING PRACTITIONERS BOARD (THE BOARD) RECENTLY HANDED DOWN SIGNIFICANT SANCTIONS AFTER COMPLAINTS AGAINST THREE LBPs. THE BOARD HAS CHOSEN TO PUBLISH THE DETAILS OF THE MATTERS DUE TO THEIR SERIOUSNESS AND THE STRONG PENALTIES.

The first complaint was against a Christchurch LBP who held a Carpentry licence and was found to have:

- carried out building work in a negligent or incompetent manner;
- failed to provide a record of work as required by the Building Act;
- acted in a manner that would bring the LBP scheme into disrepute.

He was engaged by the homeowner to build a new dwelling. The LBP's quote for the build was incorrect, which meant the build costs were \$100,000 above the contract price. The LBP was negligent in failing to correctly read and interpret the plans and to price the project based on the actual size of the dwelling and the materials required.

The homeowner stated that she had not received a record of work from the LBP and that he had refused to provide one. The territorial authority did not receive a copy, despite the LBP's claims.

He also did not meet the requirements of Part 4A of the Building Act 2004 in relation to contracts for building work. Variations (described as 'extras') were not dealt with in accordance of the legislative requirements. It was found the LBP took a cavalier approach to pricing, failed to keep the homeowner informed and took advantage of the homeowner's assumed ability to pay.

The second complaint was against an LBP, based in Hamilton, who held a Brick and Blocklaying licence and was found to have:

- been convicted of an offence punishable by imprisonment for six months or more that reflects adversely on his fitness to carry out

building work;

- made a false and misleading declaration for the purpose of becoming licensed;
- acted in a manner that would bring the LBP scheme into disrepute.

The Board considered the dishonesty offences the LBP was convicted of to be serious and would affect public confidence and his fitness to carry out or supervise building work.

He was also found to have used a false name and identity and made a false declaration in order to obtain his LBP licence.

As the LBP was convicted of a serious criminal offence involving deliberate deceit, behaviour that continued when he sought an LBP licence, the Board established that he had also brought the LBP scheme into disrepute.

The third complaint, was also against a Hamilton-based LBP who held Carpentry and Foundations licences and was found to have:

- been convicted of an offence punishable by imprisonment for six months or more that reflects adversely on his fitness to carry out building work;
- acted in a manner that would bring the LBP scheme into disrepute.

The LBP had been convicted of offences under the Tax Administration Act and imprisoned for two years. The Board determined that carrying out or supervising building work is an undertaking that often involves handling client funds or entering into credit arrangements and as such there is a link between the nature of the charges and the LBP's fitness to be licensed.



The Board also determined that the offending was serious, prolonged and designed to benefit the LBP. He made false claims regarding his innocence and his general conduct in relation to the offending has been disreputable. The Board accordingly found he has brought the LBP scheme into disrepute.

In all cases, the LBPs' licences were cancelled with stand-down periods ranging from 24 months to five years before they can reapply. All three LBPs were also ordered to pay some of the costs towards the inquiries.

KEY LEARNINGS

The Boards states that understanding your regulatory and contractual obligations is key. Ensuring that there is a written contract for work that costs \$30,000 or more (including GST) and the required documents are provided before starting building work is a requirement by law.

How you conduct yourself is important. If you are convicted of certain offences that reflect adversely on your fitness to hold a licence, you could be subject to discipline including your licence being cancelled. It does not matter if the offending was before you became licensed.

Being honest on your licence application and in your business decisions is important – not only for your reputation and that of your business, but also to maintain your licence.



LBP Scheme Evaluation report due; a snapshot of where we're at

Just over a decade since it was implemented, a report on the Licensed Building Practitioners scheme is due to deliver a snapshot of its performance and level of success for the New Zealand construction sector.

Mr Hobbs says MBIE commissioned the LBP Scheme Evaluation which is designed to look at the original intent of the scheme from a policy perspective, the reasons why the government of the day decided to implement the scheme, and whether it has delivered on that intent. The results of that report are due out later this month.

"I don't want to pre-empt it, but there will be a bunch of stuff that will come out which will inform the direction of the scheme going forward. Is it a raging success? Are there pockets of success? Are there work-ons?", Mr Hobbs says.

"THIS EVALUATION WILL POINT TO SOME THINGS THAT ARE GOING OKAY, SOME THINGS THAT COULD BE BETTER, AND SOME THINGS THAT WE'VE DISCOVERED THAT WE DIDN'T KNOW - THAT'S THE IDEA."

The evaluation report is being formed following a series of case studies put together by the MBIE evaluation team around New Zealand, right across the construction sector ranging from licensed building practitioners to building consent authorities and other stakeholders.



Paul Hobbs, the Registrar for Building Practitioner Licensing at the Ministry of Business, Innovation & Employment (MBIE), recently sat down with CARTERS Trade Leader at the MBIE headquarters in Wellington to give his views on the Licensed Building Practitioners Scheme ahead of an evaluation report soon due to be released.





"The team talked to a lot of people in the sector to try and get a range of views and gathered a significant amount of information.

"When I'm out in the sector, I hear stuff and wonder whether it's factual or anecdotal, and that's what one of my jobs is, to work with what's factual," he says.

"As the regulator, an evaluation of the scheme was the responsible thing for us to do. It will allow us to paint a picture for the Minister (Building and Construction Minister, Hon Jenny Salesa) so we can have a conversation with her about things like 'are the settings right?', 'is it still fit for purpose in the form that it's in?'"

Despite the contents of the report not yet being completed, Mr Hobbs says the LBP scheme represents what he terms a "huge, probably unprecedented, amount of change over the last decade."

In a recent presentation to the New Zealand Certified Builders conference titled "LBP – a decade (and a bit) on", Mr Hobbs reviewed the timeline of the LBP scheme, beginning with the design phase from 2002-2004 that came out of the Leaky Buildings crisis.

"The design phase was probably

about normal for designing a scheme and the implementation phase (2007-2012) took longer; now we're into running and refining.

"You can argue whether the settings are right or not. For people coming into the scheme, have we got the competency set at the right level? People argue about those sorts of things, but fundamentally some people are either advocates of an occupational licensing scheme, or they're not."

Mr Hobbs stresses, though, that he has a level of sympathy for the building sector due to the large amount of change that has happened in the past decade or so. He says this includes the implementation of builder licensing, the advent of Building Consent Authorities, product certification, consumer protection measures as part of the Building Act, mandatory contracting, the Construction Contracts Act and, more recently, the Health and Safety At Work Act.

"THERE REALLY WASN'T A VAST AMOUNT OF CHANGE AND THEN, IN JUST OVER A DECADE, THE CHANGE HAS BEEN MASSIVE FOR THE INDUSTRY"

While these changes have all been

for good reason, he says, it has been a real balancing act in order to tailor a regulatory scheme that caters to all levels of those involved.

"When I'm out and about and I'm talking to someone, I'll often recognise that I'm talking to someone who really knows their stuff. These are the ones that just do a good job and have probably never had a bad job in their lives, but if they have, they've dealt with it well; if they've made a mistake, they've gone back and sorted it out.

"The really good builders that have always been good builders; if everyone was in that category we wouldn't need a licensing system because there wouldn't be a risk to consumers.

"In the middle level, we've probably got it about right, but we're having some discussions about our approach to the lower end of the competency scale.

"We have to be aware of striking the right balance and what we do has to work for the vast majority of people.

"It's finding that middle ground, but the crucial thing is that we've got a licensing system that holds people to account and we're working to strengthen it further."

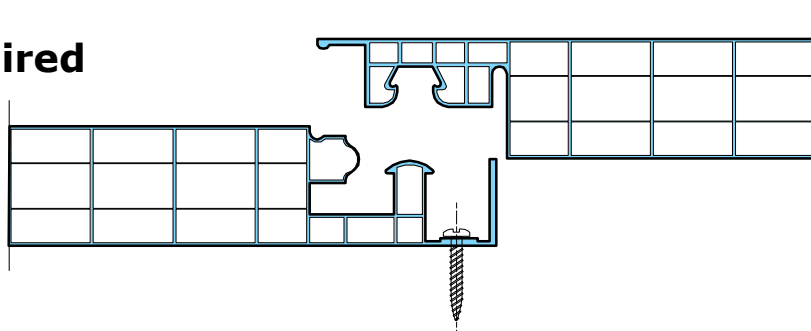
The results of the LBP Scheme Evaluation are due to be published in July 2018. We will have a breakdown of the report in CARTERS Trade Leader once it is released.



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When is a structure a vehicle or building?

The Ministry of Business, Innovation & Employment (MBIE) has issued several determinations in recent years relating to whether a structure is a vehicle or a building under the Building Act.

IS IT A VEHICLE?

Section 8 of the Building Act considers the meaning of a building. Section 8(1)(b)(iii) states a building includes "a vehicle or motor vehicle (including a vehicle or motor vehicle as defined in section 2(1) of the Land Transport Act 1998) that is immovable and is occupied by people on a permanent or long-term basis."

'Vehicle' and 'motor vehicle' are not defined in the Building Act. To establish whether something is a vehicle, the following definitions should be considered:

- the dictionary definition (natural and ordinary) meaning:
 - ▷ a thing with a primary purpose of transporting people or goods
 - ▷ powered by some form of combustion or self-propulsion.
- 'vehicle' or 'motor vehicle' as defined in section 2(1) of Land Transport Act 1998:
 - ▷ Vehicle – (a) means a contrivance equipped with wheels, tracks, or revolving runners on which it moves or is moved...
 - ▷ Motor vehicle – (a) means a vehicle drawn or propelled by mechanical power, and (b) includes a trailer...

(Note: this is not an extensive list of Land Transport Act definitions)

Just because a structure has some vehicle-like features, such as wheels, doesn't necessarily make it a vehicle under the Building Act. The distinction between a building that is movable, and a vehicle, is that a vehicle is used for transporting people or goods, or must be powered by some form of combustion or self-propelled.

Recent determinations have considered whether the following structures were vehicles or buildings:

- a shepherd's hut with wheels and tow bar
- a shed registered as a trailer under the Land Transport Act
- a structure with wheels
- a structure previously fitted with wheels.

The determinations found the structures had some features of vehicles, such as wheels, and could be moved on-site, but had very few other characteristics in common with vehicles (eg suspension, chassis, brakes, lights).

The structures weren't used for transporting people or goods, and weren't road vehicles powered by internal combustion engines or self-propelled.

Generally, there was no evidence of the structures being used as vehicles.



MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

IS IT A BUILDING?

If a structure isn't a vehicle, the test for whether it is a building falls within the general definition of a building set out in section 8(1)(a) of the Act. Under this definition, "building" means "a temporary or permanent movable or immovable structure..."

The examples above were all considered to be movable structures, and not vehicles. This means they were buildings under the Building Act, and needed to comply with the requirements of the Act and Building Code.

WHEN IS A VEHICLE ALSO A BUILDING?

If a structure is a vehicle, it can still be considered a building under the Building Act if it is "immovable" and "occupied by people on a permanent or long-term basis."

Caravans or mobile homes are vehicles used as accommodation. However, they are clearly designed to move on roads and are generally moved from site to site. A vehicle such as a caravan or mobile home would only be considered a building if it were both immovable and occupied permanently or on a long-term basis.

If the structure doesn't meet both of these criteria, it will not be a building as set out in section 8(1)(b)(iii). Determination 2016/011 outlines the criteria to consider whether a vehicle is immovable.



RELEVANT DETERMINATIONS:

Determination 2016/011 (<https://www.building.govt.nz/resolving-problems/resolution-options/determinations/determinations-issued/determination-2016-011/>) (includes the vehicle decision tree)

Determination 2016/019 (<https://www.building.govt.nz/resolving-problems/resolution-options/determinations/determinations-issued/determination-2016-019/>)

Determination 2017/058 (<https://www.building.govt.nz/resolving-problems/resolution-options/determinations/determinations-issued/determination-2017-058/>)

Determination 2018/001 (<https://www.building.govt.nz/resolving-problems/resolution-options/determinations/determinations-issued/determination-2018-001/>)

CARTERS 1

The CodeMark product certification scheme in New Zealand and Australia

THE CODEMARK PRODUCT CERTIFICATION SCHEME IS A VOLUNTARY SCHEME THAT OPERATES IN AUSTRALIA AND NEW ZEALAND UNDER SEPARATE LEGISLATION ENACTED BY BOTH COUNTRIES. EACH COUNTRY HAS ITS OWN SCHEME RULES, WHICH ARE SIMILAR BUT DO HAVE SOME DIFFERENCES IN DETAIL.

Product certification bodies are accredited by the Joint Accreditation System of Australia and New Zealand (JAS-ANZ) to issue CodeMark certificates. These certification bodies may be accredited to issue CodeMark certificates for compliance with the New Zealand Building Code (NZBC), the Building Code of Australia, or both, under the respective scheme rules.

Each CodeMark certificate relates only to compliance with either the NZBC, or the Building Code of Australia. Building products must be certified separately for each country due to differences in the building codes and regulatory systems.

New Zealand CodeMark certificates should explicitly state that the product complies with the NZBC and must reference all NZ Building Code clauses that the certificate applies to. If any relevant performance clauses are not covered by the certificate further evidence of compliance with

these clauses should be sought from the manufacturer or supplier.

Under Section 19 of the Building Act 2004, a product certificate issued under the CodeMark scheme for New Zealand must be accepted by building consent authorities (BCAs) as evidence of compliance with the NZBC for the clauses it applies to. All conditions on the certificate need to be met and the proposed use of the product must be within the scope defined on the certificate.

USING PRODUCTS WITH AUSTRALIAN CODEMARK CERTIFICATES IN NEW ZEALAND

Australian CodeMark certificates do not have automatic acceptance in New Zealand, so caution needs to be taken if these certificates are submitted as part of a building consent application. Products assessed for certification under the Australian CodeMark scheme go through a similar process to those certified under the

New Zealand scheme. There are differences between New Zealand's environmental and regulatory settings and those in Australia, and these differences would need to be considered.

A particular issue for products originating from outside of New Zealand is that terminology used to explain technical information about the product may be inconsistent with that used in New Zealand. The technical information may not be sufficiently clear for designers, installers, and the BCA's processing and inspection officers.

BCAs can, at their discretion, place some reliance on an Australian CodeMark certificate when processing building consent applications, but would still need to be satisfied, on reasonable grounds, that compliance with the NZBC has been demonstrated for the particular situation.

If the supplier of an Australian CodeMark certificate provides any evidence of a product's performance, designers and BCAs may be able to consider that evidence and its suitability for the New Zealand context in which the product is proposed to be used. Evidence of performance might include the results of relevant tests undertaken by recognised laboratories, and appraisals or assessments from experts.

If supporting evidence is not available, designers and BCAs may need to question the suitability of the product, particularly if the product is complex, new to the market, or if the Australian Building Code clauses referenced on the certificate are not directly relatable to the performance requirements of the NZBC.

CodeMark is a voluntary product certification scheme that provides an easily-understood and robust way to show a building product meets the requirements of the New Zealand Building Code. A product can be a building or construction method, building design or a building material.

CodeMark is suitable for any building product but is particularly beneficial to manufacturers and suppliers of products that are innovative, new to the market or would have serious consequences if they failed. It also provides a marketing advantage as certified products are deemed to comply with the Building Code, are listed on our public Register and can use the CodeMark brand on advertising relating to the product.

CodeMark is an unchallengeable form of product assurance. Building consent authorities (BCAs, usually councils) must accept a product certificate as evidence of compliance with the Building Code – that is, as long as the product is used in accordance with the use and limitations defined on the certificate.

Manufacturers and suppliers may find alternative or less stringent levels of assurance, such as product technical statements (PTSs) or independent testing, are enough for building products that are already well used and accepted in the New Zealand building industry.

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Makita 165mm Plunge Cut Circular Saw

PTMKSP6000J

SPECIAL
ORDER

- 1300W
- Magnesium base, blade case, cover and gear housing for strength
- Depth stopper for setting blade to -2mm
- Position of cutting line remains constant regardless of bevel angle (on or off guide rail)
- Included accessories: 48-tooth TCT blade (B-15534), Hex wrench, vacuum connector, carry case.

\$699 EA
EXCL GST

SPECIAL
ORDER

Makita Guide Rail

- Guide rails for SP6000J
- Helps ensure an accurate cut every time
- Can be joined to more of the same model to extend length of guiderail

PTMK1943685 - 1.4M

\$119 EA
EXCL GST

PTMK1943677 - 3.0M

\$249 EA
EXCL GST

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insulation is proven
to be safe.**

Don't be mistaken, any slight irritation caused by Pink® Batts® insulation is harmless and temporary – as confirmed by international research. Plus, Pink® Batts® is GREENGUARD Indoor Air Quality Certified® for low chemical emissions, and **proven to do a great job with no impact on your health and safety. Always.**




Always.

Screw-type anchors for fixing bottom plates

■ BY ALIDE ELKINK

Anchors that fix bottom plates to concrete slab-on-ground floors are an essential component of timber frame construction as they secure the upper building structure to the foundation.

They must be able to withstand forces in three directions – uplift (tension), along the wall (in-plane shear), and across the wall (out-of-plane shear).

TWO OPTIONS FOR FIXING BOTTOM PLATES:

Section 7 of NZS 3604:2011 Timber-framed buildings provides two options for fixing bottom plates to concrete floor slabs:

- cast-in anchors consisting of M12 bolts and either 50 x 50 x 3mm square washers or 55 x 3mm round washers that are cast into the concrete, or
- tested proprietary anchors that are inserted in the concrete once it has sufficiently cured.

A range of proprietary anchors are available, including anchors screwed into pre-drilled holes, anchors chemically grouted into pre-drilled holes, expanding or wedge anchors.

The focus here is on screw-type anchors inserted into pre-drilled holes.

ANCHORS SCREWED INTO PRE-DRILLED HOLES

Screw-type anchors were initially designed as removable fasteners for fixing plant and machinery to concrete walls and floors. In residential and commercial construction they have become a popular option when inserted into pre-

drilled holes, for fixing timber bottom plates to concrete floor slabs.

Screw-type anchors offer some advantages over other types of proprietary anchors as they are:

- quick and easy to install – drill a hole in the correct location in the concrete floor, align the timber framing and install the screw anchor using either a power driver or manual socket or wrench
- easily removed
- less likely to cause damage to the concrete as they do not have an expanding wedge or sleeve that applies an expansion force.

A FEW THINGS TO CONSIDER

There are some considerations if you are going to install screw-type anchors into concrete foundations:

1. Have the anchors been tested to demonstrate they have the required capacity to meet the requirements of NZS 3604:2011?

Anchor capacity must meet the performance criteria for external and internal walls described in NZS 3604:2011 paragraphs 7.5.12.3 and 7.5.12.4. These are shown in Table 1, below.

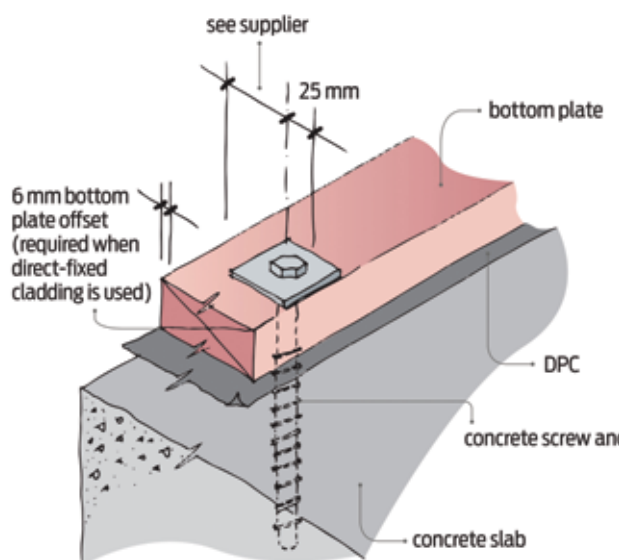
2. Can screw-type anchors be used to hold down walls containing bracing?

TABLE 1: MINIMUM HOLDING CAPACITIES FOR PROPRIETARY ANCHORS

| Type of force | | Capacity (kN) |
|----------------|---------------------------------------|---------------|
| External walls | horizontal in-plane (along wall) | 2 |
| | horizontal out-of-plane (across wall) | 3 |
| | vertical (uplift) | 7 |
| Internal walls | horizontal in-plane (along wall) | 2 |
| | horizontal out-of-plane (across wall) | 2 |

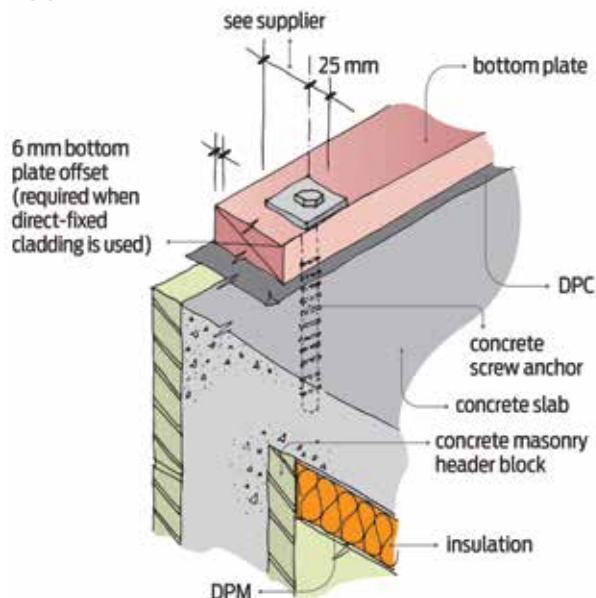


FIGURE 1.



IMAGES SUPPLIED BY BRANZ BUILD MAGAZINE

FIGURE 2.



Proprietary anchors may be used as hold-downs for walls containing bracing but require additional uplift capacity depending on the bracing unit (BU) ratings:

- 150 BUs/m – 15 kN uplift fixings
- 120 BUs/m – 12 kN uplift fixings.

Proprietary anchors should also have test results to demonstrate that they have been tested and meet the NZS 3604: 2011 requirements for their intended use.

3. Can adequate cover to the anchor be achieved, particularly in exposure zone D (as described in NZS 3604:2011)?

Figures 1 and 2 (above) provide two details of how the maximum cover can be achieved.

EDGE DISTANCES AND SPACINGS

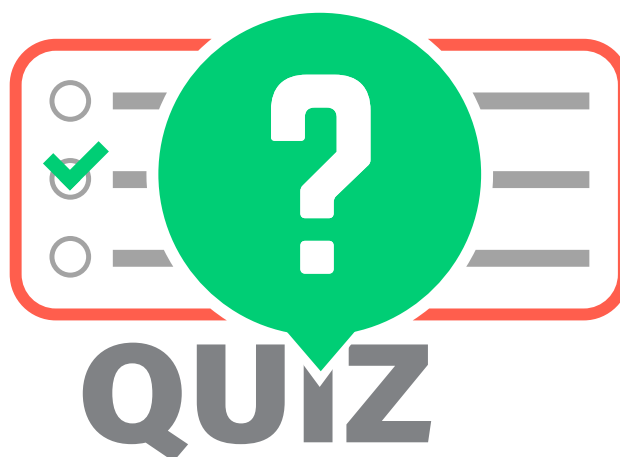
NZS 3604:2011 does not give edge distance dimensions for proprietary anchors as the dimensions depend on the particular product and the slab edge detail, frame width, concrete strength and load.

Anchor spacings for proprietary anchors are given in the Standard as:

- 900mm centres maximum for in-situ concrete floor slabs
- 600mm centres maximum where the slab edges are formed using concrete masonry header blocks
- no more than 150mm from each end of every plate.

DURABILITY DEPENDS ON USE

The protection required for all structural fixings for all zones in closed environments may be mild steel (ie uncoated and non-galvanised) in accordance with NZS 3604:2011 Table 4.1. However, the Standard states that where fixings are into timber treated with a copper-based preservative, the fixings in closed environments should be at least hot dipped galvanised steel.



1. Proprietary anchors fixing bottom plates can be:
 - (a) cast into concrete floor slabs
 - (b) inserted into the concrete once it has cured
2. Which of the following is true for screw-type anchors?
 - (a) They need to be accurately located before installation
 - (b) They need to be installed before the slab has been cast
 - (c) They place no expansion stress on the concrete
3. Proprietary anchors used to hold down brace walls with 150 BUs/m must have uplift resistance capacity of:
 - (a) 9 kN
 - (b) 12 kN
 - (c) 15 kN
 - (d) 20 kN
4. Edge distances for proprietary anchors in NZS 3604:2011 are:
 - (a) 50 mm minimum
 - (b) 65 mm minimum
 - (c) no dimension is given, as the dimension will depend on several factors



CHECK ANSWERS HERE

(<https://www.building.govt.nz/about-building-performance/news-and-updates/codewords/codewords-issue-84/screw-type-anchors-bottom-plates/quiz-answers/>)

Saddle flashings to enclosed balustrade-to-wall junctions



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■ BY ANDREW VERE-JONES, SENIOR ADVISOR, BUILDING PERFORMANCE, MBIE

ONE OF THE TRICKIEST FLASHING DETAILS TO DESIGN AND CONSTRUCT CORRECTLY IS A BALUSTRADE-TO-WALL JUNCTION FLASHING. THIS ARTICLE GIVES A QUICK OVERVIEW OF THIS DETAIL AND PROVIDES SOME USEFUL TIPS AND OTHER STEP-BY-STEP INFORMATION ON HOW TO CORRECTLY INSTALL THIS TYPE OF FLASHING.

The junction where the capping of an enclosed balustrade meets the face of the main exterior wall of a building (typically at the end of a deck) is a high-risk location for weathertightness failure.

Where a metal cap flashing is used along the top of the balustrade, designs to Acceptable Solution E2/AS1 require a fabricated metal saddle flashings to make these junctions weathertight. However, the metal saddle flashings must be positioned correctly to ensure the junctions are weathertight.

DIFFERENT SADDLE FLASHING AT FRONT OF CAVITY

Figure 12 of E2/AS1 requires these saddle flashings to be positioned at the front of the cavity (immediately behind the outer cladding) – see NOTE (1) and detail (c) in the drawing (on right hand page). Placing these flashings at the front of the cavity reduces the likelihood of water entering the cavity where the flashing passes through it.

Importantly, this approach is different to most other cavity flashing details provided in E2/AS1. The narrow width of the balustrade means that only a very small volume of water

could enter the cavity of the main wall above, so a different approach is acceptable. Any such water will instead run down to the flexible flashing tape where the sloped packer meets the main wall underlay, then be diverted to the adjacent cavity beside the balustrade, and eventually drain out its base.

GETTING IT RIGHT

E2/AS1 has several specific requirements for parapets and enclosed balustrades:

- No penetrations are allowed in the top surfaces of parapets and enclosed balustrade walls. Where rails are required on balustrades, they must be side-fixed through the cladding into the framing as per E2/AS1 Figure 19 (on page 58 of the E2/AS1 document).
- The sides of cappings must overlap the cladding laps on both sides as per E2/AS1 Table 7 (on page 40) situation 2 or 3:
 - ▷ 70 mm plus kick-out (or bird's beak for inside edge of enclosed balustrades as per E2/AS1 Figure 5 on page 38) for low, medium, high and very high wind zones
 - ▷ 90 mm plus kick-out or bird's beak for extra high wind zone.
- All claddings on parapets and enclosed balustrades must be installed over drained cavities, except vertical corrugated steel
- In extra high wind zones, all claddings must be installed over a rigid wall underlay, consisting of minimum 7 mm H3 treated plywood or 6 mm fibre-cement sheet.

to these junctions in their recent Build flashings supplement, which is available on the Build Magazine website.

As with the installation of any flashing, sequencing of installation steps is key to a good outcome. The balustrade-to-wall junction can be found in section 4.5 of BRANZ's 'Build flashings supplement'. This key resource provides a comprehensive overview of construction sequencing for most common residential flashing applications, and explains the installation process.



1. What is the minimum slope allowed by E2/AS1 for the top of a metal saddle flashing to a parapet or enclosed balustrade?

- (a) 15 degrees
- (b) 5 degrees
- (c) Depends on the wind zone and average rainfall at location

2. Using E2/AS1 can you penetrate the upper surface of a parapet or enclosed balustrade saddle flashing?

- (a) No
- (b) Yes, but it depends the wind zone
- (c) Sometimes
- (d) Only if the homeowner signs a disclaimer

3. What cover is required by E2/AS1 to the sides of a saddle flashing in a VH wind zone?

- (a) 70mm (b) 25mm (c) 90mm



CHECK ANSWERS HERE

(<https://www.building.govt.nz/about-building-performance/news-and-updates/codewords/codewords-issue-84/saddle-flashings-to-enclosed-balustrade-to-wall-junctio/quiz-answers/>)

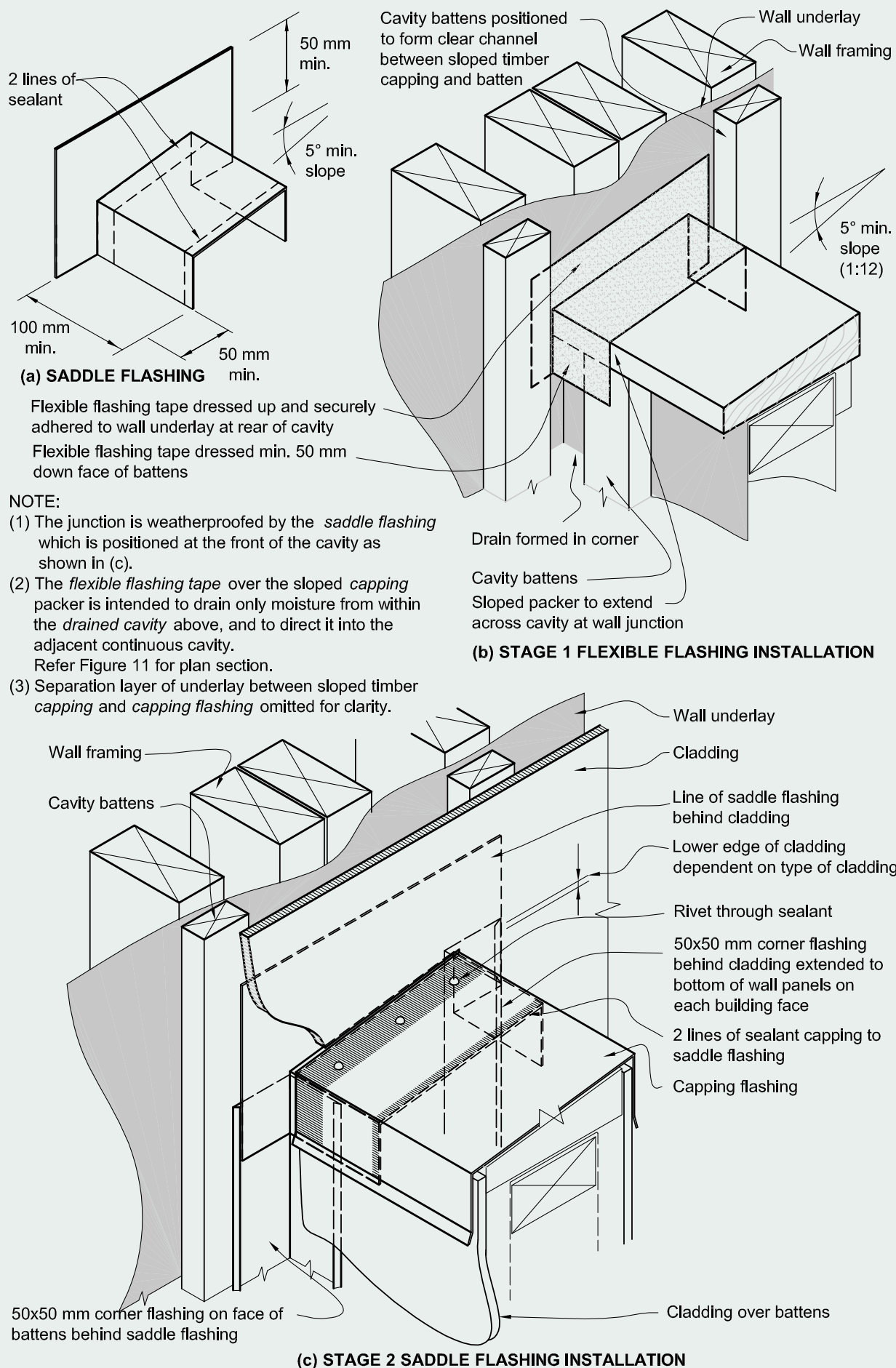


Refer to E2/AS1 document on www.building.govt.nz for references

























































MORE DETAIL IN FLASHINGS SUPPLEMENT

BRANZ has published step-by-step diagrams showing the installation sequence for the components

Figure 12: General junction of parapet and enclosed balustrade to wall
Paragraphs 6.4.1, 7.4.2, 7.4.4.1, 7.4.4.2 and 9.9.10.1, Figures 10, 12, 117, 129 and 130



WHICH SCAFFOLD IS RIGHT FOR THE JOB?

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|
| Toeboards are required for platforms 2m or higher. Some site regulations require toeboards on platforms regardless of height. | | Mobile | Suitable for Uneven Surfaces | Suitable for Interior Use | Roof Edge Protection | Exterior Fascia Access | Modular Components | Can Fully Surround a Building |
| <div></div> <div>MOBILE MINOR SCAFFOLDS MINI MOBILE SAFEDECK</div> |  |  |  <small>* Use adjustable casters or all-terrain pack</small> |  |  <small>* Use 'Saferoof' additional edge protection components</small> |  |  |  <small>* Use corner packs and long boards</small> |
| <div></div> <div>FULL SIZE SCAFFOLDS 1.4M OR 0.8M WIDE MOBILE TOWERS H-FRAMES</div> |  |  |  <small>* Use adjustable casters or all-terrain pack</small> |  |  <small>* Use Saferoof</small> |  |  |  <small>* use corner packs and long boards</small> |
| <div></div> <div>EASYRAIL ROOF EDGE PROTECTION</div> |  | |  <small>* Option to use snaplock bracing</small> | |  | |  |  |
| <div></div> <div>EASYREACH LOW LEVEL ACCESS</div> |  | |  | | |  |  |  |
| <div></div> <div>EASYDECK PLATFORM ACCESS</div> |  | |  |  <small>More designed for outdoor use</small> |  |  |  |  |

*A Scaffolding ticket is required for platforms with an overall height of 5m or over.

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DON'T SLIP UP!

Avoiding slips, trips and falls

STEP BACK 5 X 5

Step back five paces and spend five minutes planning.

Ask yourself:

- What will I be doing?
- What are the hazards?
- What equipment and plant do I need?
- How can I get hurt?
- What if something unexpected happens?

EACH YEAR THOUSANDS OF WORKERS ARE HURT IN OFTEN PREVENTABLE ACCIDENTS CAUSED BY SLIPS, TRIPS AND FALLS. WITH WINTER JUST AROUND THE CORNER, NOW'S A GREAT TIME TO START THINKING ABOUT HOW YOU CAN PREVENT THESE COMMON ON-SITE INJURIES. SITE SAFE HAVE PUT TOGETHER SOME HELPFUL TIPS TO HELP YOU STAY ON TOP OF THIS RISK THIS WINTER.

Slips, trips and falls account for many of the injuries in workplaces. However, they can also cause very serious injuries, mostly to the ankle, knee or back, leaving workers with long-term problems which can significantly affect their quality of life. Falls from relatively low heights can cause serious injury or death. Many slips, trips and falls are preventable, and there are often low-cost solutions you can put in place to eliminate or control the risk.

WATCH OUT FOR:

- Poor housekeeping/messy sites
- Ground clutter
- Unstable surfaces
- Uneven or slippery floor surfaces
- Lack of signage
- Poor lighting
- Unmarked changes in floor levels
- Damaged flooring
- Lack of/not using hand rails

WHAT YOU CAN DO:

- Keep work and access areas clear
- Take time to tidy as you work

- Pay attention to your surroundings
- Put tools away
- Wear suitable footwear with good grip
- Keep areas well-lit
- Keep deliveries and skips always from work areas and access points
- Isolate, barricade or cover penetrations, excavations, open cavities, manholes and access hatches – ensure they are clearly marked and identified
- Have designated areas for waste collection and provide skips and bins. Make sure everyone knows who is responsible for waste removal
- Use mechanical lifting aids rather than carrying heavy or unwieldy loads that block the view ahead
- Use cordless tools where possible. If you need to use cables for temporary lighting or power tools, run the cables at a high level
- Improve the design of the environment/site e.g. install handrails

- Communicate with workers and visitors about hazards
- Allow extra time when conditions are slippery
- Check your path is clear before carrying loads and make sure you can see over and around your load
- Treat slippery surfaces with stone or grit, depending on the conditions
- Make sure you signpost any slippery areas

Consider using a ramp for any changes in level. Where this is not possible, use signs to warn workers to look out for a level change

Do a step back 5 x 5: take five steps back (if it's safe to do so) and spend five minutes planning the job.

Remember to always choose the most effective controls that are proportionate to the risk, and appropriate to the situation.



SITE SAFE'S SEVEN POINT ANALYSIS

POSTER is a great free tool that helps keep common on-site risks top of mind. To download your free poster, check out the posters and signage in the products and services section on Site Safe's website at www.sitesafe.org.nz



SITE SAFE

7 POINT ANALYSIS

To identify hazards on site, ask yourself: > Can I:



1. Come in contact with an energy source?



2. Come in contact with a hazardous substance?



3. Be struck by or strike against anything?



4. Be caught in, on or between anything?



5. Slip, trip or fall on the same or lower level?



6. Be injured by poor job/plant design?



7. Strain or sprain a muscle?

> **Proud to be safe**

Death and Taxes

■ BY SHANE STOREY

Western culture has a long and colourful history of tax enforcement. The modern attitude was cultivated more than 200 years ago, by a founding father of the United States, Benjamin Franklin, who famously observed that “in this world nothing can be said to be certain, except death and taxes.” Unfortunately both have the ability to close your business. I have since discovered that these certainties are not limited to just the two mentioned, but let’s not get into an argument this early on.

We can’t do much about the day of reckoning; but the tax man doth cometh - what’s more, with surprising frequency - especially if you run your own business. It can be monthly, or sooner, if you have staff and PAYE; GST can come as fast as every other month and, if you’re fortunate enough to make a profit, then there’s terminal and provisional tax during the year, not to mention your own personal tax to pay too.

It’s not always easy to pay tax on time. Managing business growth, expenses and employing staff can all erode cash flow that was intended for the tax man, let alone paying suppliers on time just to keep the business wheels turning and ensure the lights stay on. Once IRD interest at 8.89% and late payment and late filing penalties at 10% incur, that’s 27% per year, the debt balloons and it’s easy to slip into arrears. It’s at this stage that Lotto can seem the only chance for survival and religiously checking tickets takes on a whole new dimension.

Some tips you can do to avoid the ire of the tax man:

LOCK IT AWAY

Maintain a reserve in a separate bank account for any tax liabilities that locks away the cash.

DO NOT GET CHARGED PENALTIES

Be aware of all the tax dates and set personal reminders for payment.

Contact IRD early if you foresee a problem arising with paying on time.

Set up a workable payment arrangement with IRD to avoid any interest and penalties blow out.

While some businesses are loathe to be charged interest by IRD, the business may have insufficient cash flow and it’s not always possible to obtain additional funding from a finance institution at an interest rate below that of IRD. If this is the case, IRD can be a cheap source of unsecured finance.

Late payment and filing penalties are cumulative, so by understanding how the penalties are calculated, you will be better able to minimize and preferably eliminate them.

IRD can also impose penalties for lack of reasonable care, gross carelessness, adopting an unacceptable tax position or more serious charges such as evasion.

The chances of such penalties being charged are greatly reduced by seeking specialist tax advice, therefore taking “reasonable care”



ENSURE YOU HAVE THE RIGHT STRUCTURE

There are different tax rates depending on the entity type, whether the business is trading as a company, a trust or a sole trader. If a company structure is the best for your business, then whether you decide to own the shares in a trust or in your own name will also impact the tax position. With the right set of circumstances, a business could benefit by trading as a Look-Through Company (LTC).

An important consideration when considering structure is to always plan for the long term. Changing structure can be risky and expensive, especially where there is a tax benefit. Many businesses have been caught out by changing their structure as a direct result of changes in tax rates, one of the more high profile cases being Penny and Hooper.

ENSURE YOUR DECISIONS ARE "TAX EFFICIENT"

Contact your accountant about more tax efficient strategies such as structures and the filing frequency and accounting

basis of GST returns. Register on a payments basis so that the GST on its debtors is not payable until the funds are collected.

Not only should your business be adequately insured, the insurance can be structured in such a way that the insurance is tax deductible.

Certain simple decisions we make, can reduce the possibility of your business becoming another statistic.

You can't avoid death and taxes, but you can manage them.

TOP TAX TIPS

Have a separate account for the tax liability that locks away the cash

Know all the tax dates and set your own reminders for payment

Tell the tax man early if you can foresee a payment problem

Talk to your accountant about tax efficient strategies.



Shane Storey has more than 20 years experience in financial accounting and is the Managing Director of accountancy specialists Storey & Associates, which offers innovative and creative solutions to business and investment needs and valuable business development advice. Storey & Associates can be contacted on (06) 355-4647, via email at administrarion@storey-associates.co.nz or visit their website at storeyandassociates.co.nz

Will capacity constraints affect construction levels?

The huge increase in building activity since 2011 has meant many firms have had significantly increased staff numbers. At times, finding properly qualified staff has been a challenge. Some economists have suggested capacity constraints, particularly related to staff, will limit the ability of government initiatives like KiwiBuild to boost the level of building. However, another economist's analysis brings this view into question.

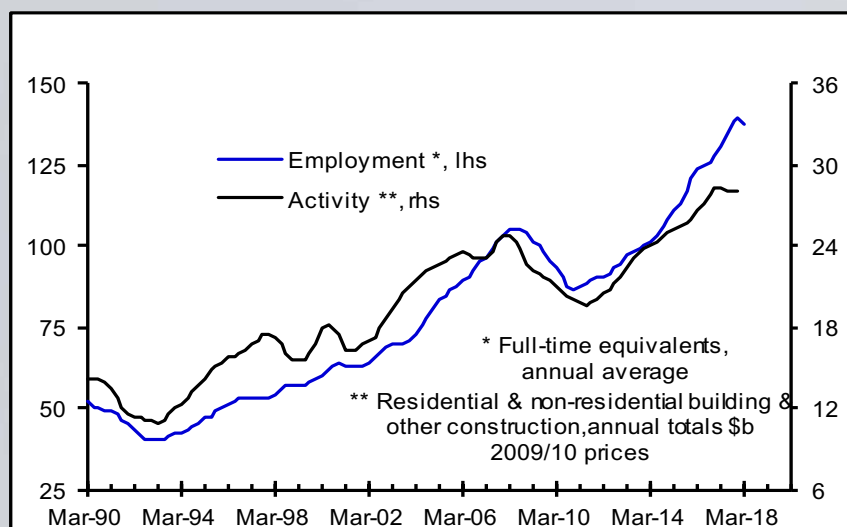


FIG.1 - BUILDING & CONSTRUCTION EMPLOYMENT & ACTIVITY

In their weekly commentary the Westpac economists suggest, "Capacity constraints are really what is at the heart of the outlook for construction. After large increases in recent years, the sector is encountering some strong headwinds, including rising costs and shortages of skilled labour." They conclude that, "This means that, even if KiwiBuild related construction does pick up (and we have our doubts), this would likely result in private sector construction being crowded out."¹

The comments by the Westpac economists appear to be in response to a heated debate between the Minister of Housing and Treasury over KiwiBuild prospects². The Westpac economists suggest capacity

constraints will be even more of a drag on building activity than Treasury.

By contrast, an independent economist has questioned how much capacity constraints will limit the ability of government building initiatives to provide a boost to the level of building. To some this will be a reminder of a saying attributed to George Bernard Shaw: "If all the economists were laid end to end, they would not reach a conclusion."

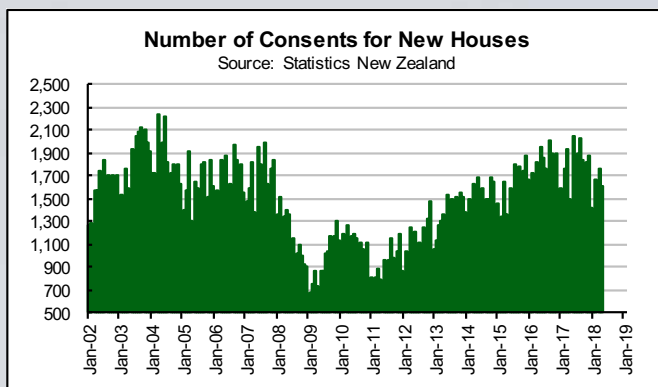
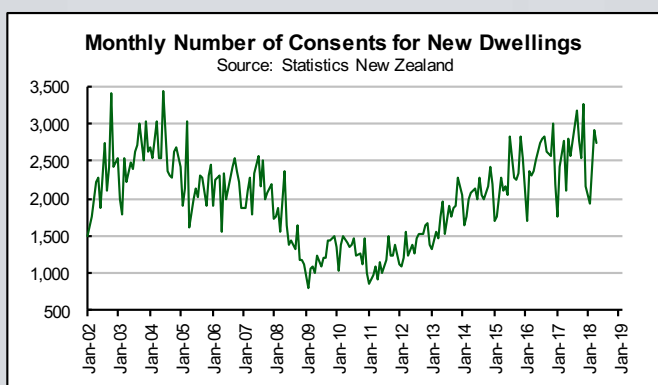
However, the independent economist's analysis of total building and construction employment versus total building and construction activity brings into question the view that staff shortages will be a significant constraint on the level



of building³. Supporting his view, since the trough in 2011, total building and construction activity has increased 43% while over the same period employment in the building and construction industry has increased 58% (see Fig.1).

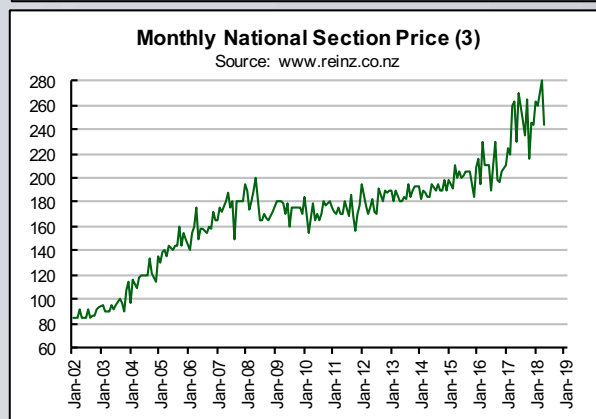
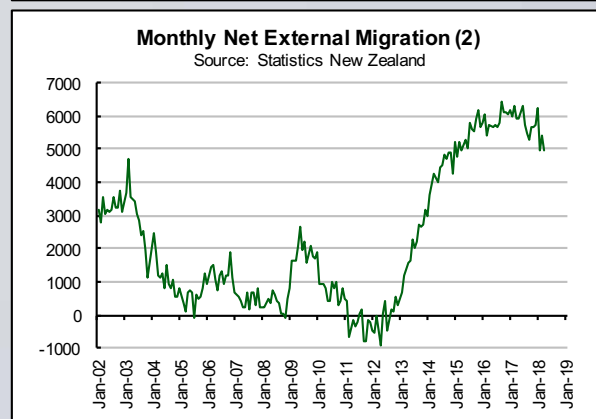
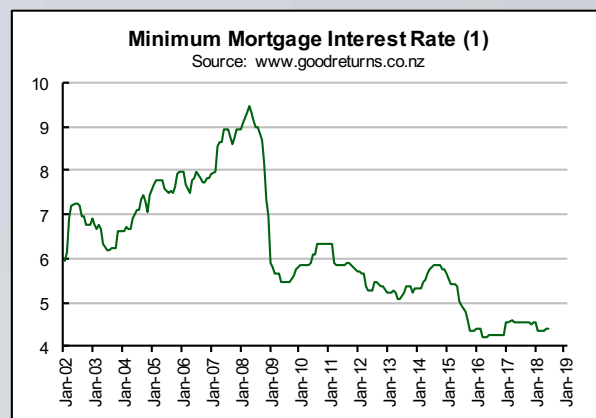
The economist's analysis suggests it takes around two quarters for changes in activity levels to impact on employment. Consistent with the upturn in total building and construction activity having stalled last year, the upturn in building and construction employment appears to be peaking with around a two quarter lag.

The chart points to building and construction being a dynamic industry that, when needed, can attract staff. The economist acknowledges that it is likely to take more than two quarters for skilled staff numbers to catch up with increased demand. However, he suggests that this shouldn't be a major constraint over the three-year timeframe the government plans to scale up KiwiBuild activity.



FOOTNOTES

(1) The lowest of the average floating and various fixed mortgage rates charged by the largest mortgage lenders. (2) Adjusted by Statistics New Zealand to remove the seasonal pattern. (3) Median section price reported by REINZ (\$000)



1. https://westpaciq.westpac.com.au/wibiqaauthoring/_uploads/file/New_Zealand/2018/May_2018/28.05.2018_NZWC.pdf
2. <https://www.interest.co.nz/news/93853/friday-phil-twyford-slammed-treasury-officials-their-kiwibuild-forecasts-calling-them>
3. <http://www.sra.co.nz/pdf/YeahNahJun18.pdf>

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Tips for handling claims

■ BY BEN RICKARD

SERVICE, POLICY COVERAGE AND PRICE ARE IMPORTANT FACTORS FOR MOST PEOPLE WHEN CHOOSING AN INSURANCE PROVIDER. BUT HAVING TO MAKE A CLAIM IS WHEN THE RUBBER REALLY HITS THE ROAD. IN OUR EXPERIENCE, MOST INSURERS GENUINELY WANT TO SETTLE CLAIMS FAIRLY ACCORDING TO THEIR POLICY TERMS, AND THE VAST MAJORITY ARE SETTLED THAT WAY. HOWEVER, DISSATISFACTION CAN ARISE WHEN:

1. A claim is particularly complicated (e.g., an unusual situation where the process can take time and cover may come down to interpretation – more frequent with liability claims);
 2. The client has misunderstood the extent of their cover (e.g., they have not read the policy or have assumed cover that is not provided);
 3. There is poor communication during the claim handling process.
- Below are some tips to help ensure your claim is settled as swiftly and satisfactorily as possible.

ALL CLAIMS

- Read and understand your policy, what it covers and what it doesn't;
- Notify your insurer of a potential claim immediately;
- Complete and return the claim form quickly and in full;
- Don't admit liability (even if it may seem obvious). Your policy says you must not do this, as it may jeopardise your insurer's ability to defend a claim. Doing so could result in your claim being declined.

COMMERCIAL VEHICLE CLAIMS

- Get your sum insured as accurate as possible when you take out or renew the policy. This includes the value of signwriting and other accessories. Most policies insure the vehicle for its market value, so getting this right means you're paying the right premium and will avoid arguments and delays over this at claim time.

If stolen or broken into:

- You'll need a police report.

If involved in an accident:

- Get a photo of the other driver with their vehicle. Your insurer will try to recover your excess from the other party if they were at fault.

Photographic evidence will help ensure they can't wriggle out of it (this is happening more and more).

- Take your vehicle to a repairer approved by your insurer. This is not required but may make the claim process easier.

If it's a windscreen:

- Take it to an approved windscreen repair/replace company. You may want to ring ahead with the vehicle's VIN number to ensure they have the right replacement in stock;
- Give them your policy number;
- There is usually no excess or claim form required.

TOOLS CLAIMS

- Insure the full value of all your tools, not just the proportion of the total that may be in your van or out on site. Doing so could mean your insurer only pays an equivalent portion of any claim.

If stolen, you will need:

- A police report;
- A quote to replace the stolen items;
- Evidence of ownership of the items, ideally an asset register. This should contain: item description; date & where purchased; cost; serial number. There are a number of tools available to help you create and keep this up to date including phone apps, spreadsheets and the Police's online asset list snap.org.nz. Receipts are another way to prove ownership, as are photos.

If damaged, you will need:

- A repair quote, or if it can't be repaired confirmation of that and a quote to replace it/them.

LIABILITY

- A liability policy is not about refunding your costs; it is about reimbursing other parties for their losses that you're responsible for.

Bear this in mind if you're tempted to repair or pay for things yourself before involving your insurer.

- These can be, and often are, complicated and consequently take time to sort out.
- If your client has damaged (or lost) property they are advised to make a claim on their house and/or contents insurance, as this is likely to be settled more quickly. Their insurer will then seek to recover their costs, including their client's excess, from you.
- Cooperate fully and promptly with an assessor if one is appointed (they frequently are), as no decision will be made before their report is completed and reviewed by the insurer.

Include with your claim form:

- Written correspondence from the other party (often referred to as the "third party"), holding you liable for their loss. This is the key to a liability claim;
- Quotes/estimates of the cost to repair the damage/reimburse the loss;
- Photos and/or other evidence of the event, such as witness statements, expert reports, etc.

There is never any guarantee that an individual claim will be accepted, because there are so many unique factors involved. However, by following these tips you will at least improve the likelihood of a swift and satisfactory outcome should you need to make one.



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CARTERS 2



KEEPING YOURSELF SAFE ON THE BUILDING SITE.

KEEP THE SITE CLEAN.

REFRESH YOUR SKILLS.

WEAR APPROPRIATE SAFETY GEAR.

What you need to know about ACC

■ BY JAMES SKINNER & KATE LEE

LEVIES

The requirement to pay levies to the Accident Compensation Corporation (ACC) depends on the employment arrangement. Contractors, as self-employed persons, are required to pay levies to ACC, whereas employees are not. Levies tend to be higher for those industries with greater risk, such as forestry, as opposed to low risk businesses, such as office work. Accordingly, building contractors may experience higher ACC levies.

ACC COVER

As a contractor, if you injure yourself and ACC determines that you are unable to work because of an ACC-recognised injury, ACC will pay you up to 80% of your weekly income, commencing one week after the time that you become unable to work.¹ This is subject to limits and provided that you were earning prior to the accident. There may be

other entitlements available to you depending on the circumstances. These may include meeting treatment costs and payments of lump sum compensation for permanent impairment.

If you are a contractor, we recommend that you obtain insurance advice about what other cover may be available to you and/or worthwhile obtaining to protect you in case of injury or impairment.

IF YOU ARE UNHAPPY WITH ACC

If you are unhappy with a decision made by ACC in relation to your claim, we recommend that you obtain legal advice. You may be able to apply for a review of the decision made by ACC and there are also certain rights of appeal.

KEEPING YOURSELF SAFE ON THE BUILDING SITE

With the topic of safety in mind, it is important to keep safe on the

building site. A couple of suggestions are to:

1. Keep the site clean. A clean up at the end of each day will keep the site organised, reduce hazards and prevent materials and equipment from being damaged.
2. Refresh your skills. Keep current on best practice to keep yourself safe, and of course to maintain high performance standards.
3. Wear appropriate safety gear.

FOR MORE INFORMATION

James is an experienced construction and civil litigator who has represented a wide range of clients large and small, including builders, building companies, waterproofers, roofers, window joinery suppliers, designers, engineers, homeowners and councils across New Zealand.

Kate is a solicitor who works closely with James in the construction arena www.skinnerlaw.com.

This publication is intended only to provide a summary of the subject covered and is of a general nature. You should not act in reliance on any statement contained in this publication without first obtaining specific professional advice from your lawyer.

¹Schedule 1, Part 2, Section 32 of the Accident Compensation Act 2001

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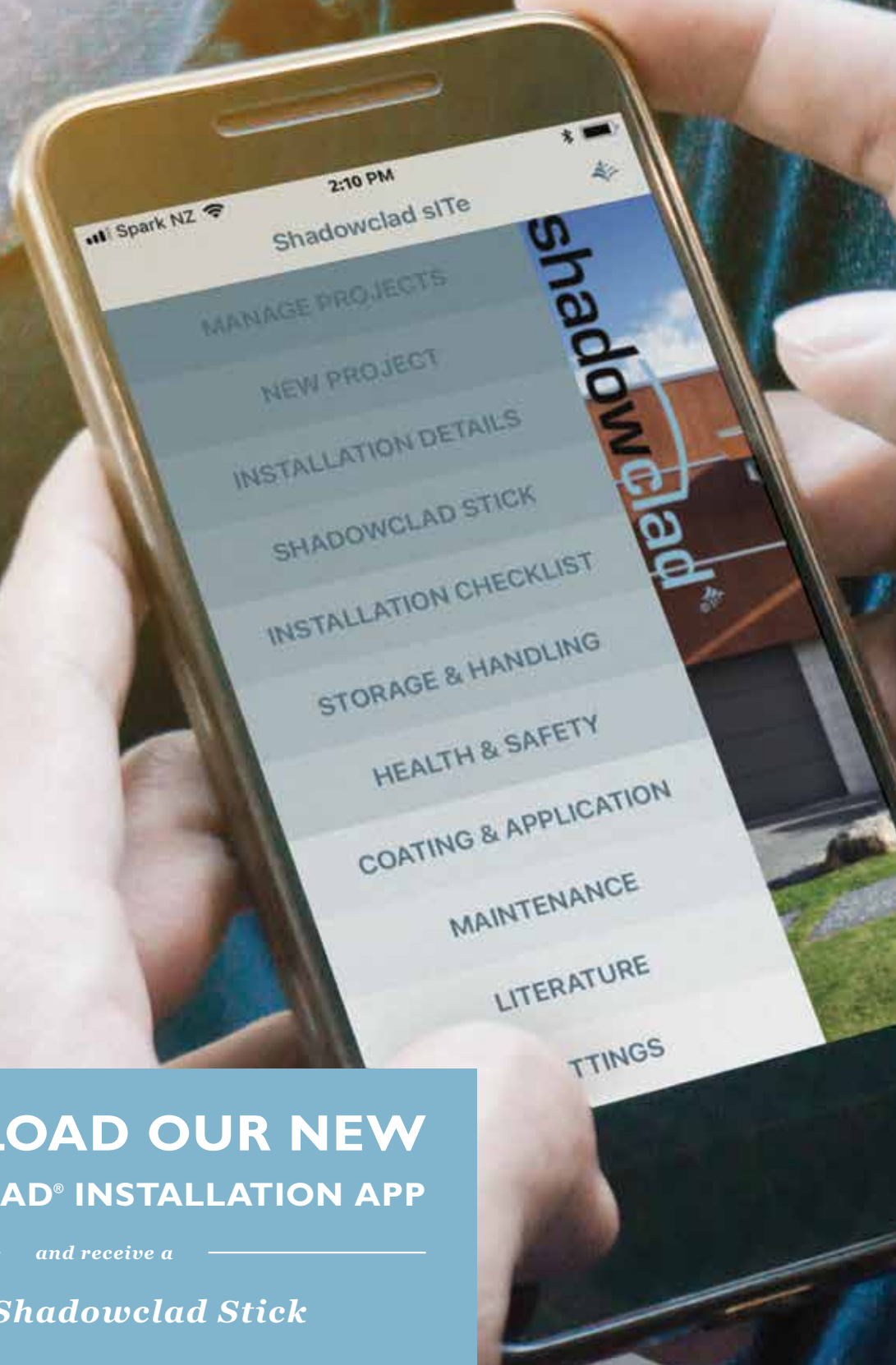
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