

MARCH 2018

CARTERS

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TRADE LEADER.

THIS ISSUE ■

- LBP: Designers' responsibilities
- Busting myths around ladder safety
- Is your rental's insulation up to standard?
- Global markets and residential building trends
- The trail left by cash jobs
- What are liquidated damages?



READING TRADE LEADER

can contribute towards your LBP Skills Maintenance requirements.

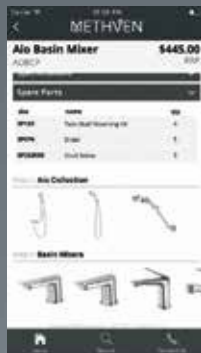
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In the **frame**

BY MIKE GUY, CARTERS CHIEF EXECUTIVE

Just as this issue of CARTERS Trade Leader was in the final stages of production, the US markets hit a bump, triggering concern right around the world and bringing back memories of the global financial crisis.

It appears, at this stage anyway, that the market drops were nothing too much more than a ripple, although there may still be some 'readjustments' to come as everything settles down again.

In one of our columns this month, we look at the world economy showing a distinct lack of correlation between global markets and the effect they have on residential building in New Zealand. This means those working across the trades in construction here can relax a bit and stay confident in the future of the building industry in the country.

If you're one of our valued trade clients, who also happens to be a landlord or have a rental property, you need to be aware of insulation requirements that will be coming into force. It's important to ensure the insulation in rental properties is up to standard. If you get it wrong, you could be up for a

fine of \$4,000, so we have put together a comprehensive article on what the new regulations will mean for you.

At CARTERS, installation providers can also offer a range of solutions from on-site assessments to supply and installation to make sure you meet your requirements under the new rules.

In future articles, we will also look at some of the other issues facing those who own rentals so that you, as a landlord, can stay on top of what's needed.



MIKE GUY
CARTERS Chief Executive

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TRADE LEADER.

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MARCH TRADE OFFERS.
INSIDE THIS ISSUE



Embrace design diversity with Linea® Oblique Weatherboard, one of the latest additions to the James Hardie cladding range. Linea Oblique Weatherboard can be installed both vertically and horizontally for countless design combinations.

Plus, the advanced technology within the product means you can paint it any colour you like, even the darker shades as it won't warp or crack in the sun. Talk to the team at James Hardie to find out more about Linea Oblique Weatherboard.



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8. LICENSED BUILDING PRACTITIONERS

DESIGNER RESPONSIBILITIES

Under the Building Act 2004, people who take part in building work have certain responsibilities. Some of these responsibilities are highlighted under sections 14A–14G of the Act to ensure that if you take part in building work you are responsible for your part of the project.

9. TECHNICAL

MOVEMENT CONTROL JOINTS IN PLASTERED FINISHES

Work on a plaster-based cladding system is restricted building work (RBW), unless you are doing repairs, replacement or maintenance work under Schedule 1. All RBW requires building consent and, if you are doing the work, you either need to hold an external plastering licence or be supervised by someone who does.

12. INDUSTRY

COMPULSORY INSULATION REQUIREMENTS

If you have a rental property, then you must have ceiling and underfloor insulation installed by the start of July next year, provided it is reasonably practicable to do so. If, as a landlord, you fail to comply with the regulations, you are committing an unlawful act. The penalty for this could be up to \$4,000.

17. LEGAL

LIQUIDATED DAMAGES

Liquidated damages are common in construction contracts, yet the detail surrounding what they actually mean, why they are included and their enforceability can be confusing and glossed over by the contracting parties. In this article we examine liquidated damages clauses and their implications for contractors in construction contracts.

18. ECONOMICS

GLOBAL MARKETS AND RESIDENTIAL BUILDING

Builders probably shouldn't be too concerned about falling global share prices as there is no clear tendency for major share market corrections or crashes to be associated with, or followed by, downturns in NZ residential building.

21. HEALTH & SAFETY

MYTHBUSTING; LADDERS

New laws around the Health and Safety at Work Act don't specify heights at which you should or shouldn't use a ladder, but it does say you must use equipment that's appropriate to the task. So, if you work at height, you must take action to protect workers from harm that could come from a fall, as far as is reasonably practicable.

23. HEALTH & SAFETY

KEEP FATIGUE OUT OF THE WORKPLACE

It's a shock to the system going back to work after the holidays, particularly after a couple of weeks off over Christmas. It's a good time to remember to look after yourself and keep getting enough sleep as the likelihood of a work-related incident can be higher if you are fatigued.



25. BUSINESS

THE TRAIL LEADING TO 'CASHIES'

Inland Revenue has been working hard to target tax crime in the building sector, reminding those in the industry that "every undeclared cash job leaves a trail". However, this claim has been met with a few unbelieving responses on social media and in some smoko rooms around the country.

27. BUSINESS

PAID SICK LEAVE; GET IT RIGHT

If an employee has been with you for more than six months, in most cases you must give them paid sick leave. Make sure you know all the ins and outs, including how to deal with casual and part-time workers, when to roll over untaken sick days, and when it's OK to ask for a GP's certificate.

29. EDUCATION

CASE STUDY; TRUST IN THE TEAM

Russell Clark has been in the trade since he was 15. For almost as long as he's been in the industry, he's also been an employer. During that time, he's employed and trained many apprentices, supporting them with the same opportunities he's been offered in the construction industry.



Board disciplines LBP for poor supervision and work practices

A licensed building practitioner (LBP) was recently held to account by the Building Practitioners Board (the Board) for a range of serious offences relating to his performance, conduct and behaviour.

The Christchurch-based LBP was fined \$4,500 and ordered to pay costs of \$2,000 for what the Board considered to be underlying deficiencies in his awareness and understanding of licensing requirements.

The Board found that the LBP worked outside his area of competence in supervising external plastering work that he was not licensed to oversee. The Board stated that, "Plastering work that was restricted building work was carried out. As such it had to be carried out or supervised by a licensed building practitioner with the appropriate class of license. On the basis that the Respondent was licensed in carpentry and not in plastering, he is found to have supervised building work of a type that he was not licensed to carry out or supervise."

The LBP was also found to have supervised substandard foundation and cladding work, which

subsequently failed a series of council inspections. With respect to the workmanship of the foundations, the Board noted, "The building work on the foundations was, on the basis of the evidence heard, clearly below the standards to be expected of a licensed building practitioner. The LBP has accepted that it was not to an acceptable standard."

The matters are sufficiently serious enough to warrant a disciplinary finding of negligence."

During the hearing the LBP enquired about how to effectively carry out supervision. The Board responded by strongly encouraging the LBP to study the Practice Note on supervision, which was recently released by MBIE as a guidance document under the Building Act. LBP Practice Notes (<http://www.lbp.govt.nz/lbp/im-an-lbp/practice-notes>) are available on the LBP website.

KEY LEARNINGS

This case shows the Board will hold LBPs to account where they have failed to meet the expected standard. The decision further emphasises that it is an LBP's responsibility to remain current in the technical and regulatory knowledge that relates to their particular area of practice.

KEY POINTS TO TAKE FROM THIS DECISION:

- Always work within the limits of your class of licence and within your own competence.
- Read MBIE's Practice Note on supervision.
- Regularly failing inspections is not a good look and you might have to explain why the work you undertook or supervised did not pass a building consent authority's inspection process.

Complaints to the Building Practitioners Board (<http://www.lbp.govt.nz/lbp/complaints/complaints-to-the-buildingpractitioners-board>) on the LBP website has a guide to making a complaint about a licensed building practitioner.

When a complaint is received, the Board follows the complaints process published on the LBP website.

Employee wellness critical to success

NEW ZEALAND CERTIFIED BUILDERS (NZCB) HAS PARTNERED WITH EMPLOYEE WELLNESS PROGRAMME (EWP) TO PROVIDE ITS MEMBER BUILDERS WITH ACCESS TO MENTAL HEALTH SUPPORT AT TIMES OF STRESS. THIS INCLUDES A CONFIDENTIAL COUNSELLING SERVICE NATIONWIDE, WHICH NZCB MEMBERS CAN ACCESS AT PREFERENTIAL RATES WITH NZCB PICKING UP THE COST FOR THE FIRST COUNSELLING SESSION, AS WELL AS WIDER COACHING AND WELLNESS SUPPORT.

The need for such a service is reflected in indicators of the prevalence of mental health issues in the building and construction industry in particular, including New Zealand's suicide rates broken down by sector.

A recent Australian study found that construction industry workers are twice as likely as those in other professions to commit suicide.

This is attributed to the male-dominance of the industry and its culture, with builders potentially feeling the need to live up to a particular 'macho' image that involves 'toughing things out.'

NZCB is one of New Zealand's two building trade associations, providing a broad range of support to its members – from skills development to the industry's most comprehensive building guarantee product. Partnering with EWP to provide this wellness service to its members recognises that the wellbeing of both business owners and their staff is critical to NZCB members' business success, the organisation says.



Improving construction labour shortage

Site Safe's new partnership with Filipino recruitment organisations is helping ensure workers hit the ground running when they arrive in New Zealand.

Site Safe has joined forces with *Working In Resourcing*, an NZ-based immigration company and its counter-part Philippines-based recruitment agency, YWA Human Resource Corporation, to deliver entry-level health and safety training for workers preparing to start work in New Zealand.

Site Safe Chief Executive Alison Molloy said the partnership would benefit employers by ensuring workers are work-ready when they arrive.

"Teaming up with great recruitment agencies in the Philippines means workers will already have the right health and safety training to get them out on to site faster.

"This will help minimise delays for the New Zealand businesses who employ Filipino workers and provide a smoother transition process for the workers on arrival.

"We recognise that access to workers is a significant hurdle facing the construction industry and believe that this partnership will help improve turnaround timeframes for both our members and the wider industry."

The Site Safe Foundation Passport training, which provides successful trainees with site access through a Site Safety Card, will be delivered by experienced trainers as part of the wider induction process for incoming workers.



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Designers know your responsibilities

UNDER THE BUILDING ACT 2004 PEOPLE WHO TAKE PART IN BUILDING WORK HAVE CERTAIN RESPONSIBILITIES. IN THE LAST EDITION OF CODEWORDS WE LOOKED AT BUILDERS' RESPONSIBILITIES ON-SITE, INCLUDING THOSE OF LICENSED BUILDING PRACTITIONERS (LBPS). THIS TIME WE ARE LOOKING AT DESIGNERS' RESPONSIBILITIES.

Some of these responsibilities are highlighted under sections 14A–14G of the Act to ensure that if you take part in building work you are responsible for your part of the project.

WHO IS A DESIGNER?

Section 14D applies to designers. It states that, for the purposes of these responsibilities, a designer includes anyone who is preparing plans and specifications for building work (not necessarily under a building consent). It also includes giving advice about building work, compliance with the Building Code and whether or not the work requires a building consent.

This means that designers could include:

- a person holding a Design licence (1, 2 or 3)
- an architect who is preparing plans and specifications for a building consent application
- an engineer engaged to inspect building work undertaken to ensure it is structurally compliant
- a builder who takes on the role of a designer and drafts some plans for a client detailing building work that will not require building consent, such as a low-level deck.

DESIGNERS' RESPONSIBILITIES

A designer has only one responsibility under section 14D, unlike a builder who has several under section 14E. The designer's responsibility is to ensure that their advice or plans and specifications, if followed, will result in building work that complies with the Building Code. As the designer may not be involved in the construction, they are not responsible for whether the building work complies with the Building Code.

DESIGNERS' OBLIGATIONS

It is important that designers are aware of their other obligations that relate to, but are not specifically mentioned in section 14D. This includes being aware of and not breaching any of the grounds for discipline for an LBP, which are set out under section 317. Other sections of the Act also state that you need to be licensed to carry out or supervise design restricted building work.

NEW COMPETENCY ADDED

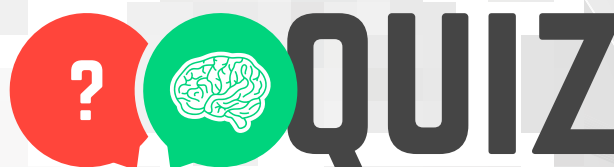
In 2016, small changes were made to the competencies in the LBP rules for the Design licence class to keep them relevant and easier to understand. Also, a new competency was added for contract administration and construction observation, and applies to Design areas of practice 2 and

3. However, you should also be aware that contracting obligations were included in the other competencies for Design 1 licence class holders, as well as other minor changes.

Including elements of contract administration as a core competency indicates how important it is. A designer who acts inappropriately in their role of contract administration could face sanctions because such conduct might breach a ground for discipline relating to negligence or incompetence.

You can read more about the design competency changes in Codewords issue 76.

LBP competencies amended (<https://www.building.govt.nz/about-building-performance/news-andupdates/codewords/codewords-issue-76/lbp-competencies-amended/>)



1) As a designer, what are my obligations in relation to advice I give about building work?

- You are responsible for ensuring that the builder carries out the building work in accordance with the Building Code.
- Your advice should result in the work being compliant with the Building Code, as long as the advice is followed by others.
- Everyone else must agree with your advice.

2) Did anything change last year for Design 1 licence holders?

- No, the only change was a new competency for Design 2 and 3 licences.
- Yes, some contracting obligations were included among other minor changes.
- No, section 14D of the Building Act has not changed.

3) Is a designer responsible for ensuring Building Code compliance in plans when drafting plans for a small 2 m by 3 m shed on a property?

- Yes, this responsibility applies to all building work.
- No this work is exempt building work, only the builder is responsible for building it right.
- No, but you need to get building consent for that.

Check answers (<https://www.building.govt.nz/about-building-performance/news-andupdates/codewords/codewords-issue-82/designers-responsibilities/quiz-answers-2/>) (<https://www.building.govt.nz/about-building-performance/news-andupdates/codewords/codewords-issue-82/designers-responsibilities/>)



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Movement control joints in plastered finishes

WORK ON A PLASTER-BASED CLADDING SYSTEM IS RESTRICTED BUILDING WORK (RBW), UNLESS YOU ARE DOING REPAIRS, REPLACEMENT OR MAINTENANCE WORK UNDER SCHEDULE 1. ALL RBW REQUIRES BUILDING CONSENT AND IF YOU ARE DOING THE WORK YOU EITHER NEED TO HOLD AN EXTERNAL PLASTERING LICENCE OR BE SUPERVISED BY SOMEONE WHO DOES.



REDUCE RISK OF CRACKING

Cracking in external plastered claddings such as stucco and textured finishes is a potential source of water entry into the building structure. The cracking may be caused by movement from changes in temperature, moisture level or curing shrinkage, or from building movement due to wind or earthquakes.

Movement control joints, which allow movement to reduce the risk of cracking occurring, must be incorporated in plaster finishes. They manage cracking by providing predetermined lines of weakness or a flexible sealed joint in the plastered finish.

LOCATE JOINTS DURING DESIGN

The locations of movement control joints should be determined at the design stage of the building project and should be based on the type of plastered or textured finish to be applied, as well as the overall 'look' of the building.

Movement control joint locations must be shown on drawings and not left up to the on-site plasterer. There is a range of options for vertical joints. However, horizontal joints should be flashed or have a cladding overlap.

MOVEMENT CONTROL JOINTS IN TEXTURED FINISHES

Textured plaster finishes include modified cement and acrylic plaster, and can be applied over a range of substrates. These include fibre-cement sheets, polystyrene, exterior insulation and finish system (EIFS) cladding and polystyrene block systems, clay bricks, concrete masonry and concrete.

LOCATING THE JOINTS IN TEXTURED FINISHES

The locations of movement control joints in the plaster finish vary according to the substrate type. The locations should align with any movement control joints in the substrate and occur where the substrate support changes, eg from

solid to timber-framed construction. Locations for movement control joints are typically required:

- vertically in accordance with the supplier's instructions, typically up to 5.4m for fibre-cement and up to 20m for EIFS;
- aligned with structural control joints;
- at each floor level for horizontal joints;
- vertically on either side of large window and door openings;
- at junctions between different materials.

FORMING CONTROL JOINTS IN TEXTURED FINISHES

Vertical control joints are formed in fibre-cement and polystyrene substrates by filling the gaps between the substrate sheets with sealant. This is over either:

- a bond-breaker tape between fibre-cement sheets (Figure 1), or;
- a polyethylene foam (PEF) backing rod between polystyrene sheets

(Figure 2). Alternatively, a proprietary unplasticised polyvinyl chloride (uPVC) expansion joint may be inserted between polystyrene sheets. The finish coat is then applied over the sealant or the expansion joint.

The sealant must be correctly installed to ensure that a waterproof joint is achieved. The sealant must:

- stick to both sides of the joint;
- have a cross section that is thinner in the middle of the joint than at the edges;
- not adhere to the substrate material.

The joint ratio should be 2:1, eg for a 10mm wide joint, and the sealant should be 5mm deep at the centre of the joint.

Vertical control joints are typically between 6–18mm wide depending on the substrate and the manufacturer's recommendations.

Inter-storey horizontal movement control joints are typically flashed with a metal flashing (Figure 3) and should have a minimum 15mm-wide gap.

MOVEMENT CONTROL JOINTS IN STUCCO

Movement control joint requirements for reinforced stucco over a drained and vented cavity with a rigid or nonrigid backing are set out in NZS 4251.1: 2007 Solid plastering – Cement plasters for walls, ceilings and soffits.

Locating the joints in stucco NZS 4251.1: 2007 requires control joints to be located:

- for vertical joints:
 - ◊ on both sides of openings that are 2m wide or more (Figure 4);
 - ◊ on one side of openings that are less than 2m wide*.
- at each floor level (horizontal joints);
- to break up expanses of wall more than 12m² (4m maximum spacings vertically and horizontally is recommended);
- at changes in a wall cross-section such as external and internal corners;
- at any point where natural flexing of the building may occur, such as at the top of a plate level of a gable wall, or;
- where there is a cantilevered deck.

***NOTE:** A vertical control joint is not required when an opening is less than 500mm wide, or the area of the opening is less than 0.2m². Where the width of an opening is between 500mm and 2m but the opening is more than 0.2m², diagonal reinforcing is required at the corners opposite the movement control joint.

FIGURE 1: Vertical control joint – plaster finish over fibre-cement sheet

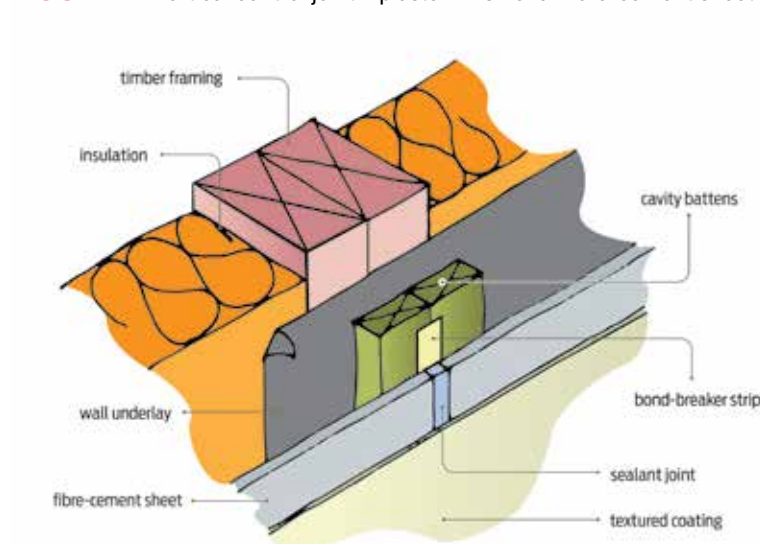


FIGURE 2: Vertical control joint – plaster finish over polystyrene sheet

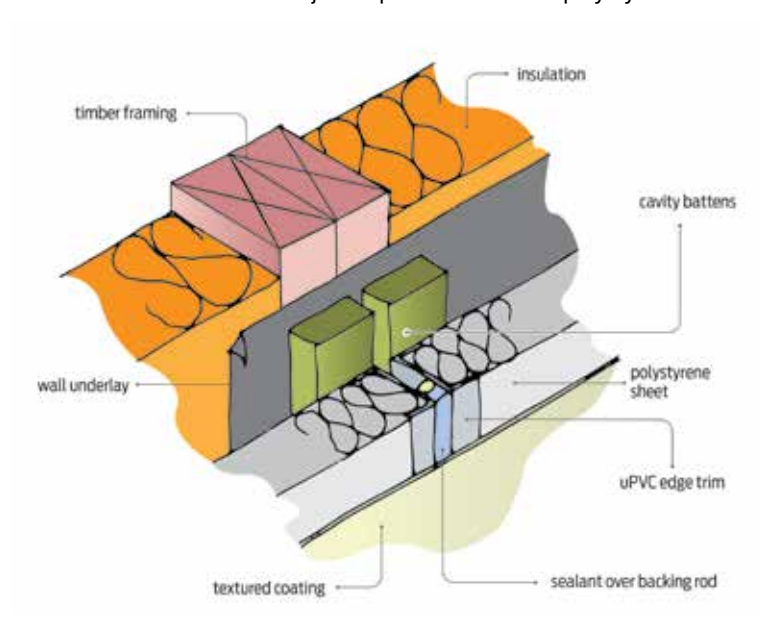


FIGURE 3: Horizontal control joint – plaster finish over polystyrene sheet

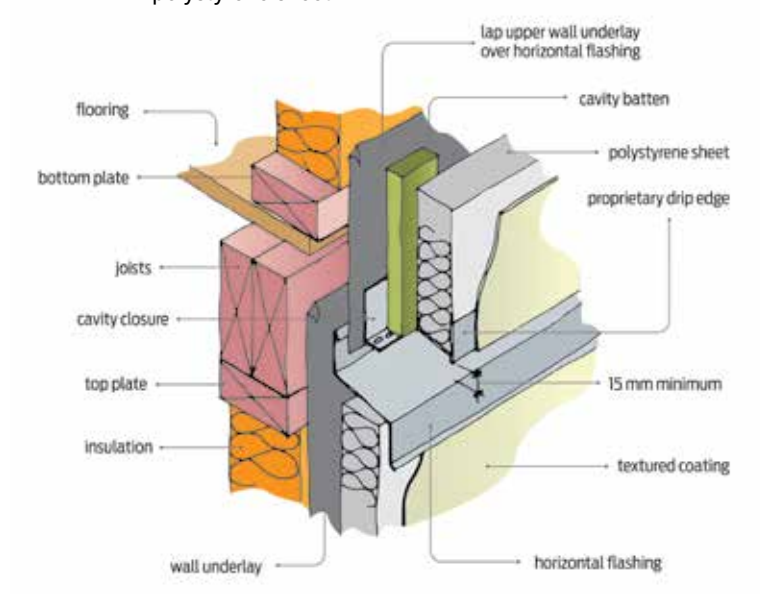


FIGURE 4: Vertical control joint locations in stucco

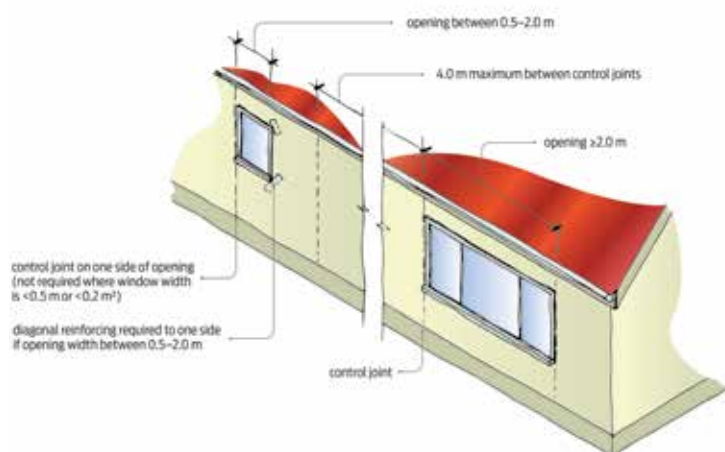


FIGURE 5: Vertical control joint in three-coat stucco

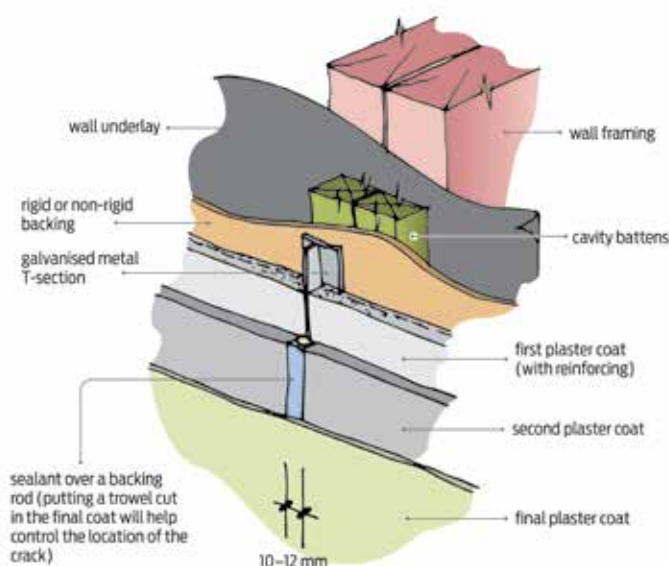
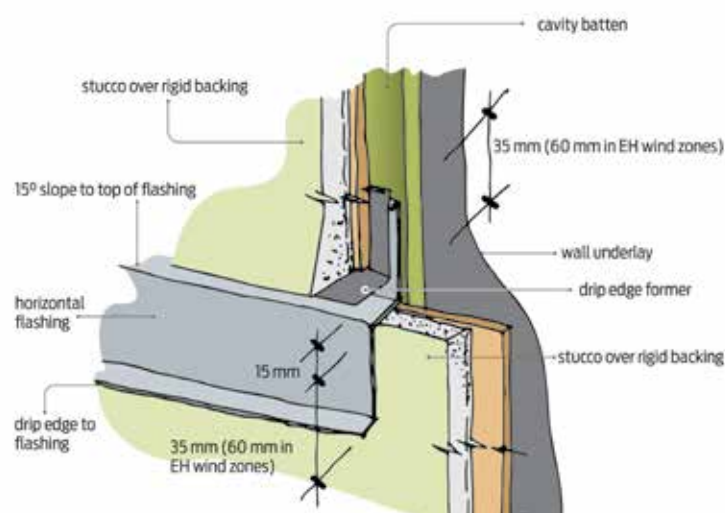


FIGURE 6: Horizontal control joint in stucco



FORMING JOINTS IN STUCCO

Vertical joints are formed by plastering up to a corrosion-resistant angle, T-section, proprietary jointing bead or temporary batten (Figure 5). Alternatively, for three-coat systems a V-groove may be cut through the lower (bond and flanking) plaster coats before they harden.

Fill the gap or groove that is created with a polyurethane, polysulphide or neutral cure silicon-type sealant inserted over a PEF backing rod, before the finish plaster coat is applied. Prime the joint edges before applying sealant because sealant will not stick to the plaster on both sides of the joint.

The joints should be 10–12mm wide. Wire mesh or lath reinforcing must not be carried across the control joints.

Horizontal movement control joints are typically flashed (Figure 6) and should have a minimum 15mm-wide gap.

QUIZ

1. Who should determine locations of movement control joints?

- ☐ the building owner;
- ☐ the plasterer on site;
- ☐ the architect/designer;
- ☐ the main contractor.

2. In stucco plaster, vertical control joints are required on both sides of openings that are 2.0m wide or more.

- ☐ True; ☐ False.

3. Vertical control joints in fibre-cement and polystyrene substrates may be formed by plastering up to an angle, T-section, proprietary jointing bead or temporary batten, or by cutting a V-groove through the lower plaster coats before they harden, then filling with sealant.

- ☐ True; ☐ False.

4. Joint sealant must adhere to the substrate or batten.

- ☐ True; ☐ False.

5. Vertical control joints in stucco may be formed by plastering up to an angle, T-section, proprietary jointing bead or temporary batten, or by cutting a V-groove through the lower plaster coats before they harden, then filling with sealant.

- ☐ True; ☐ False.

6. Joint sealant must adhere to both sides of the joint.

- ☐ True; ☐ False.

Check answers (<https://www.building.govt.nz/about-building-performance/news-andupdates/codewords/codewords-issue-82/movement-control-joints-in-plastered-finishes/quiz-answers/>)

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Compulsory insulation; is yours up to standard?

If you have a rental property, then you must have ceiling and underfloor insulation installed by the start of July next year, provided it is reasonably practicable to do so.

Any new, replacement or top-up insulation installed after 1st July 2016 in a rental home covered by the Residential Tenancies Act must meet the regulations that will apply to all rental homes from 1st July 2019.

Insulation has been compulsory in all social housing where the tenant pays an income-related rent since 1st July 2016. If the tenancy began on or after that date, the landlord has 90 days to meet the regulations.

If, as a landlord, you fail to comply with the regulations, you are committing an unlawful act. The penalty for this could be up to \$4,000.

Landlords can install insulation themselves but if they are not certain they can meet all the regulations including safety rules, they are strongly advised to contact a qualified professional insulation installer. There can be serious safety risks to both landlord and tenant if it's not done properly.

CARTERS can arrange a free-onsite insulation assessment, provide a quote, supply and

install the necessary solution using our PinkFit® installation provider. Whether your properties are insulated or not, CARTERS and the team can gauge the required insulation and complete the necessary work – on time, on budget, and up to spec.

WHAT INSULATION TO INSTALL

1) An upgrade isn't necessary if the rental property has ceiling and underfloor insulation that was:

- installed before 1st July 2016 AND;
- is in reasonable condition* AND;
- meets these minimum R values

Timber-framed minimum	Masonry minimum
Ceiling R 1.9	Ceiling R 1.5
Underfloor R 0.9	Underfloor R 0.9

If a rental property is below these levels of insulation, it must be upgraded.

If any part of the existing insulation is not

* Reasonable condition means no missing areas, no gaps except around down lights and other heat sources, and no defects. If you have missing areas, gaps or defects you need to bring the insulation up to standard to comply with the regulations.



in reasonable condition, then the landlord must install insulation that meets the new standard required from 1st July 2016.

Insulation installed before 1st July 2016 that is not in a reasonable condition cannot be repaired; it must be replaced with insulation that meets the new standard.

2) If ceiling and underfloor insulation was installed at your rental property after 1st July 2016 OR you don't have any, you need to ensure the insulation meets the minimum new and topped up levels of insulation before 1st July 2019. It needs to meet these minimum R-values:

Zone 1 and 2	Zone 3
Ceiling R 2.9	Ceiling R 3.3
Underfloor R 1.3	Underfloor R 1.3

If a rental property is below these levels of insulation, it must be upgraded.

If the rental property currently has insulation and it is not in a reasonable condition, then you must repair or replace the insulation (or part of) to meet the new standard.

Where there are multiple layers of insulation and all layers are in reasonable condition, then their product R-values may be combined.

TOPPING UP EXISTING INSULATION

Insulation that falls below the minimum requirements of the regulations will need to be topped up or replaced. Landlords should consider consulting a qualified professional insulation installer for the best way to meet the regulations.

BUILDING DESIGN EXCEPTIONS

Due to the design or construction constraints of some

property types, it is sometimes either not physically possible to insulate or would require major renovations to do so.

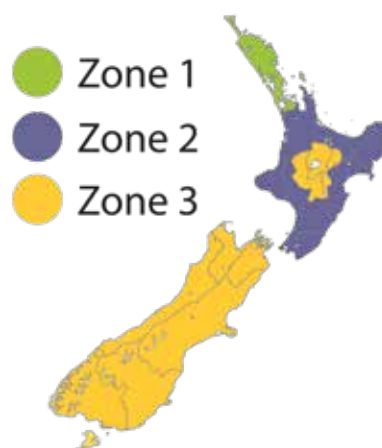
If you are in any doubt whether insulation can be installed in your rental property, you should consult

an experienced professional insulation installer and, if needed, a builder. If the experienced professional says insulating some areas is not reasonably practicable or not possible, you should ask for written confirmation of the reasons to include in the insulation statement on tenancy agreements.

Read more about building design exceptions (<http://mbie3.cwp.govt.nz/maintenanceand-inspections/insulation/compulsory-insulation/>).

Examples of types of properties that would meet exception criteria would be apartments where there is a habitable space above and below the apartment, houses constructed on concrete slabs where it is not feasible to install underfloor insulation, and homes with skillion roofs where there is no ceiling in place to install insulation above.

Map of climate zones





In many properties the most common way to access the ceiling space or underfloor to retrofit insulation would be through an existing trapdoor to the ceiling or an external door to crawl under the house.

Retrofitting insulation is not considered 'reasonably practicable' when an experienced professional insulation installer;

- cannot access the location to install insulation without removing any cladding or lining, carrying out other substantial building work, or causing substantial damage to the property.
- cannot install insulation without creating health or safety risks to people, that are greater than the level of risk normally acceptable when insulation is being installed.

Where access to the ceiling or underfloor can be achieved by carrying out minor work (eg: temporarily removing base boards from the exterior of the property to access the underfloor), the landlord is expected to do so. The need for building work to be undertaken in order for insulation to be installed by an experienced professional does not satisfy criteria for an exception, unless substantial building work would be required, or substantial damage would be caused to the property. Any building work carried out must comply with the building code.

If the reason a property was excepted from complying with insulation requirements changes – for example a new roof is installed that allows room for insulation – then a landlord must ensure that insulation is installed as soon as is reasonably practicable.

If a landlord is in any doubt whether insulation can be installed in their rental property, they should consult an experienced professional insulation installer and, if needed, a builder. If the experienced professional says insulating some areas is not reasonably practicable or not possible, the landlord should ask for written confirmation of the reasons to include in tenancy agreements.



It is not adequate for a landlord to simply claim that 'insulation is not reasonably practicable'. Failure to comply with insulation obligations under the new legislation could attract a penalty of \$4000 for income-related rent landlords. For all other landlords this penalty applies from July 2019.

Other situations in which landlords may be excepted from the insulation requirements are:

- Where, within 12 months of the start of a tenancy, the landlord intends to demolish or substantially rebuild all or part of the property. In this case the landlord must, if requested, provide evidence of having applied for the necessary resource consent and/or building consent for the redevelopment or building work.
- Where a property is purchased from and immediately rented back to the former owner-occupier – in which case a 12 month exception will apply from the date of purchase.
- If a property does not meet the new insulation requirements, but a landlord can provide evidence that when insulation was originally installed it did comply with particular insulation requirements (such as the specifications outlined in the building consent or an Acceptable Solution or Verification Method) the property is excluded from new requirements, provided the insulation is in reasonable condition.

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MARCH 2018

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when you spend \$4,500 (excl GST)[†] or more on GIB® Performance Plasterboard this month!

Offer excludes GIB® accessories, GIB® Rondo and 10mm GIB® Standard.



*Via redemption. See overleaf for terms. †Offer applies to cumulative spend on GIB® Performance Plasterboard during March 2018.

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SCGGSCHT326TH

- 1000 collated screws
- High thread
- GIB® Grabber® screws are the recommended fasteners for GIB® Plasterboard

\$19⁹⁵
EXCL GST PER BOX

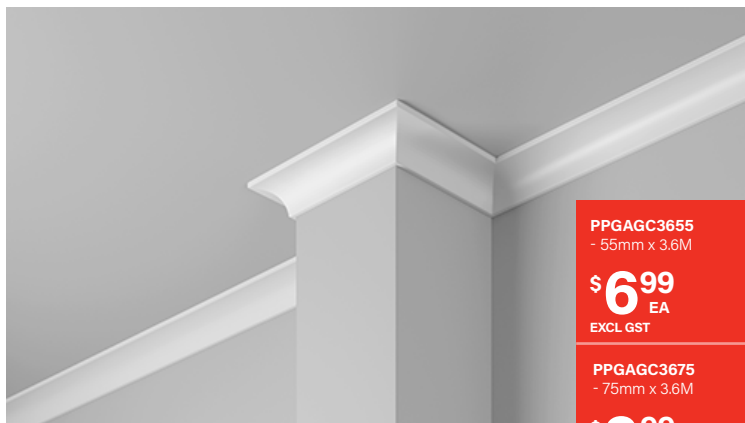
GIBFix® One® - 375ml Cartridge

PPGAGFONE375

- For use on timber and metal framing including all treated timber, plywood, timber based panels
- Water-based, non-toxic multipurpose construction adhesive
- Odour and solvent free



\$6⁴⁹
EXCL GST EA



GIB® Cove Classic Cornice

- Classic and stylish
- Easy to install
- 3.6m lengths
- Available in 55mm, 75mm and 90mm profiles to suit different ceiling heights and applications

PPGAGC3655
- 55mm x 3.6M

\$6⁹⁹
EXCL GST EA

PPGAGC3675
- 75mm x 3.6M

\$9⁹⁹
EXCL GST EA

PPGAGC3690
- 90mm x 3.6M

\$12⁹⁹
EXCL GST EA

GIB® TradeFinish® Multi - 15 Litres

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- Low shrinkage and easier to achieve a smooth finish
- Super slick to trowel
- Air drying ready mix

\$27⁵⁰
EXCL GST PER PAIL

Makita 18V LXT Auto Feed Screw Driver - Skin

PTMKDFR450ZX

SPECIAL ORDER



- Increased rotational speed ensuring smooth screw driving
- Accepts 25 - 41mm screw strips

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Hitachi 18V Compact Brushless Impact Drill & Impact Driver Kit

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Kit includes:

- 18V compact brushless impact drill
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- 2 x 5.0Ah lithium batteries, fan-cooled smart charger and 2-tool carry case

\$499
EXCL GST PER KIT

Liquidated Damages - What are they and why have them?

■ BY JAMES SKINNER AND CAMERON PATERSON

INTRODUCTION

LIQUIDATED DAMAGES ARE COMMON IN CONSTRUCTION CONTRACTS, YET THE DETAIL SURROUNDING WHAT THEY ACTUALLY MEAN, WHY THEY ARE INCLUDED AND THEIR ENFORCEABILITY CAN BE CONFUSING AND GLOSSED OVER BY THE CONTRACTING PARTIES. IN THIS ARTICLE WE EXAMINE LIQUIDATED DAMAGES CLAUSES AND THEIR IMPLICATIONS FOR CONTRACTORS IN CONSTRUCTION CONTRACTS.

WHAT ARE LIQUIDATED DAMAGES?

Liquidated damages are an amount of money that contracting parties agree on as the amount of damages one of them can recover if the party breaches the contract. The distinction between liquidated damages and general damages is that liquidated damages is a fixed rate or amount in a contract, whereas general damages is an amount determined by a court when it determines the claim.

It is usually the case that liquidated damages apply to some specific type of breach of the contract. For construction contracts, the parties will likely include a liquidated damages clause in relation to delays in completing the contracted works in case the contractor fails to meet the practical completion date.

Often, construction contracts use a formula for calculating liquidated damages which can differ from contract to contract. For instance, \$1000 per day that substantial completion is late. If the main contractor is 10 days late in substantially completing their work, they owe the owner \$10,000.

WHY HAVE LIQUIDATED DAMAGES CLAUSES?

Liquidation damages clauses are common in construction contracts to increase certainty, reduce the prospect of litigation, and preserve relationships, even in the face of a dispute over performance. They are also a useful mechanism for incentivising parties to complete their obligations under the contract on time.

Liquidated damages enable both parties to know up front what damages will be for the applicable breach. The principal can recover their loss without having to prove their actual loss, and the contractor will have certainty that the contract will cap their liability for damages at a certain amount.

Without a liquidated damages clause, it can be difficult for a party to prove actual damages.

FORCEABILITY OF LIQUIDATED DAMAGES

The key consideration and long-standing position in

relation to case law in construction contracts is whether or not the amount specified in a liquidated damages clause amounts to a 'penalty.' If the Court finds that the clause imposes a penalty on the party in breach, the Courts in New Zealand, at present, seem unlikely to enforce the clause.

For a liquidated damages clause to be enforceable, the damages specified must represent a genuine pre-estimate of loss that the aggrieved party is likely to suffer as a result of the other party's breach. Whether a liquidated damages clause is enforceable will, of course, depend on the circumstances of each contract.

Recent decisions from the United Kingdom and Australia demonstrating vastly different approaches may be influential in the future development of liquidated damages clauses in New Zealand, particularly with regard to liquidated damages. Therefore, as always, contractors need to proceed with caution when entering into construction contracts. Make sure you know what you are signing up to.

SUMMARY

Liquidated damages clauses can be useful tools for both the principals and contractors. Each liquidated damages clause should be tailored to the specific job and drafted in a way that reflects a genuine estimate of a party's foreseeable loss directly flowing from the other party's default.

If in doubt about the terms of the contract then seek some appropriate advice from a legal representative.

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.

Cameron is a lawyer who works alongside James in the construction arena. www.skinnerslaw.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.

Global markets shouldn't affect residential building

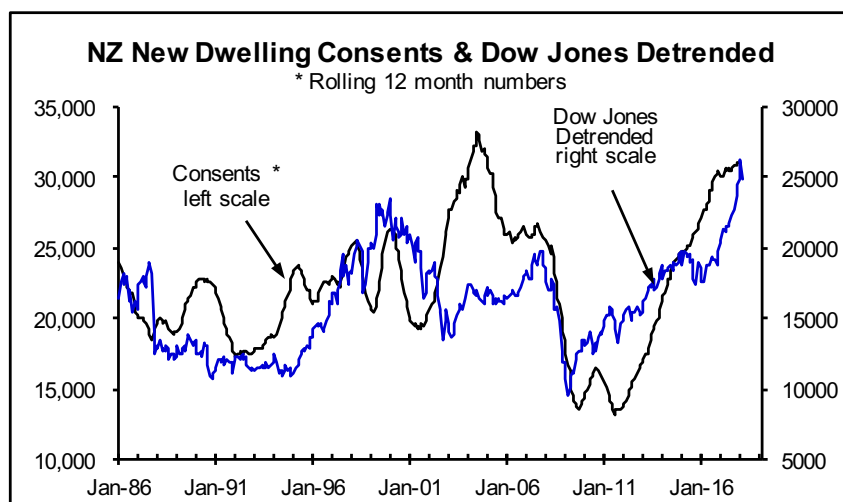
Builders probably shouldn't be too concerned about falling global share prices.

In the last 30 years there have been several global share market "corrections" and a couple of "crashes". The most recent crash was in 2008/09 as a result of the financial crisis that caused global share prices to almost halve on average. Nothing is certain when it comes to share markets, but it is possible another sizeable correction could occur this year or at least within the next 2-3 years.

What implication do global sharemarket corrections and crashes have for NZ residential building? For the technically minded, a correction tends to be defined as when share prices fall more than 10% in a year while a crash tends to be defined as a 10%+ fall in a day that is followed by at least a further 10% fall.

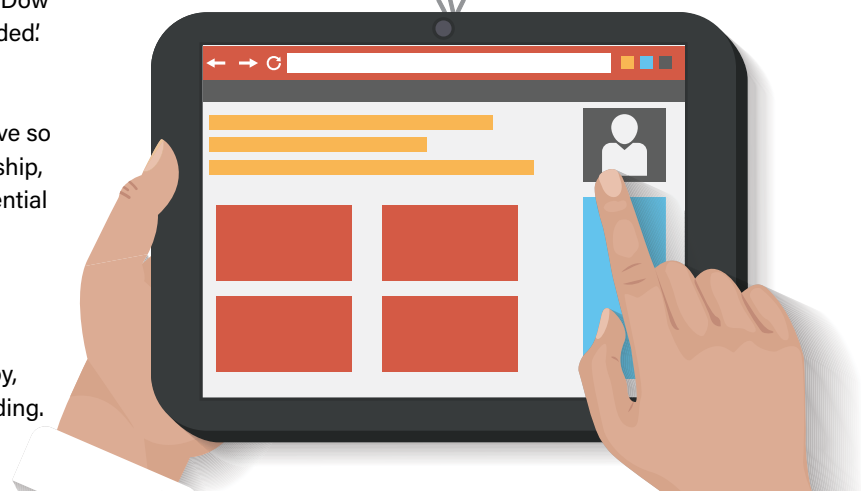
The chart will help you understand the implication of US/global share market corrections/crashes for local residential building. It shows the rolling 12 month number of consents for NZ new dwellings versus the Dow Jones sharemarket index 'detrended'. The Dow Jones is detrended or flattened out to better put past corrections/crashes in perspective so you can better see what relationship, if any, they have with local residential building.

The chart shows that there is no clear tendency for major share market corrections or crashes to be associated with, or followed by, downturns in NZ residential building. Certainly, the fall in US/global



share prices in 2008/09 was partly linked with a large fall in NZ building consents. However, the fall in consents was initially caused by NZ interest rates increasing significantly

prior to the crash. But the financial crisis that caused the large fall in share price in 2008/09 also made the fall in NZ residential building worse. This was because it meant NZ

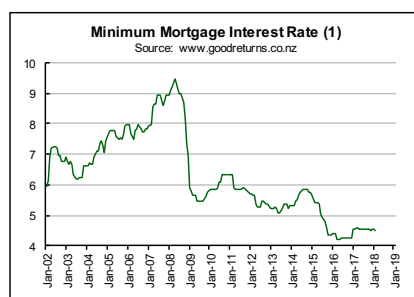
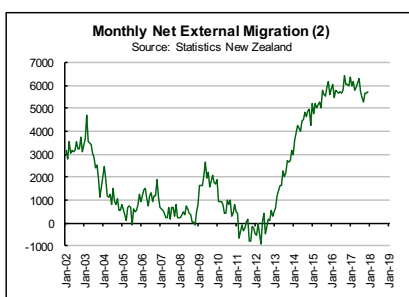
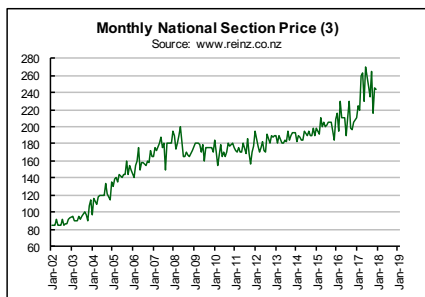
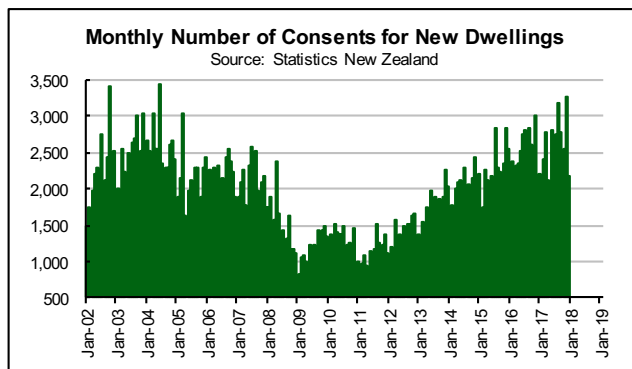


banks couldn't raise money overseas for a while. At a time around 38% of total bank funding was from overseas but NZ banks now have significantly less exposure to overseas funding although they still rely quite a bit on it.

By contrast, the equally large fall in US/global share prices between late-1999 and early-2002 was first associated with a large fall in NZ new dwelling consents and then a mega-boom. The downturn in consents and the subsequent mega-boom were driven by local developments and in particular interest rates and migration.

In general what happens to local interest rates and migration flows are much more important to the outlook for NZ residential building than what happens to global share markets. Provided any future global sharemarket corrections/crashes don't impact on overseas funding for

NZ banks there isn't a clear mechanism by which they will have a negative impact on local residential building. And some comfort can be taken in the fact that if a correction/crash has a material negative impact on the NZ economy, the Reserve Bank will respond by cutting interest rates.



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)

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See your CARTERS Account Manager or visit us at www.cartersadvantage.co.nz for further information or phone 0800 764 687 then hit 'option 3' to speak with a CARTERS Ninja.

REGISTER NOW at www.cartersadvantage.co.nz

Mythbusting: Ladders and the Health and Safety at Work Act

DESPITE WHAT YOU MAY HAVE HEARD, YOU CAN STILL USE LADDERS UNDER THE NEW LAWS GOVERNING HEALTH AND SAFETY AT WORK.

The new law doesn't specify heights at which you should or shouldn't use a ladder, but it does say you must use equipment that's appropriate to the task. So, if you work at height, you must take action to protect workers from harm that could come from a fall, as far as is reasonably practicable. Work platforms, scaffolding and towers are all options that help prevent falls. Ladders should be the last option, and only used for lower-risk and short-duration tasks.

According to WorkSafe, approximately 70 per cent of falls are from ladders and roofs. The cost of these falls is



estimated to be \$24 million a year – to say nothing of the human cost as a result of these falls.

If you do need to use a ladder, here's some quick tips from the team at Site Safe on how to do it safely:



- As much prep work on the ground as possible;
- Use a tool belt; don't put tools on the rungs;
- Secure the top and bottom of the ladder to prevent it slipping sideways or falling backwards;
- Keep three points of contact;
- Make sure you don't lean too far sideways - your belly button remains between the rails of the ladder;
- Face the ladder when moving up or down;
- Keep both your feet at the same level;
- Stop at the third step from the top of a straight ladder or ensure you have at least 1m extending past the point at which you are stepping off from;
- Use the 4-to-1 rule; if the ladder is 4m high, then the base of it should be 1m from the wall;
- Use an industrial-standard ladder in good condition on stable ground;
- Make sure the legs are fully open;
- Ensure the stays and clips are secured on stepladders, place the

- steps towards your work and avoid side-on loading (like drilling side-on through bricks);
- Ensure all working areas and access ways are clean, level, well-lit and in good condition;
- Remove unwanted material and construction waste regularly from site so it does not accumulate;
- Ensure construction materials, power leads, tools and equipment are positioned and secured to avoid creating hazards;
- Ensure you wear appropriate safety gear.



- Overload;
- Overreach;
- Work near openings or voids;
- Place the ladder against a fragile surface such as guttering;
- Have more than one person on the ladder at one time.



Site Safe is a not-for-profit, membership-based organisation that promotes, inspires and supports a culture of health and safety in New Zealand construction.

For more tips on how to use ladders, check out Site Safe's practical construction advice at <https://www.sitesafe.org.nz>, or consider booking Site Safe's new Passport renewal course, Passport Plus – Height, which is available for online booking.

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Keep fatigue out of the workplace



IT'S A SHOCK TO THE SYSTEM GOING BACK TO WORK AFTER THE HOLIDAYS, PARTICULARLY AFTER A COUPLE OF WEEKS OFF OVER CHRISTMAS. IT'S A GOOD TIME TO REMEMBER TO LOOK AFTER YOURSELF AND KEEP GETTING ENOUGH SLEEP AS THE LIKELIHOOD OF A WORK-RELATED INCIDENT CAN BE HIGHER IF YOU ARE FATIGUED.

"Lots of jobs rely on workers being physically and mentally alert to keep them and others safe.

"Fatigue is more than being tired – it's physical and/or mental exhaustion, to the extent people are no longer effective or safe at work," says WorkSafe's Acting Deputy General Manager Investigations and Technical Services, Simon Humphries.

Fatigue is a work-related health risk if it reduces ability and alertness to work safely and effectively. It can also affect people's wellbeing, impact productivity and lead to safety incidents.

Both businesses and workers are responsible for managing fatigue and the associated risks. Businesses must ensure the health and safety of workers and actively manage workplace risks. Workers need to turn up fit for work and consider their safety and the safety of others whilst there.

TOP TIPS FOR BUSINESSES TO MANAGE RISKS AROUND FATIGUE IN THE WORKPLACE:

- Eliminate the risk if you can reasonably do so through having good work schedules, working hours and rosters, monitoring overtime, limiting periods of excessive mental or physical demands.
- Involve your workers when identifying and working out how to manage work risks as they have useful operational knowledge.
- Make sure workers know they can make suggestions, ask questions or raise concerns.

- Monitor and review how work could be managed to minimise fatigue risks - such as having better processes, workflows and workstation conditions.
- Ensure workers know the signs and symptoms of fatigue so they know what to look out for.
- If you can't eliminate the risk, work out how to keep fatigue risk to a minimum such as developing a fatigue policy for managers and workers, having a reporting system workers can use when fatigued or there is a fatigue-related incident, and use the information to improve your fatigue risk management.

TIPS FOR WORKERS TO MANAGE FATIGUE RISKS:

- Keep hydrated at work, take your breaks and before agreeing to working overtime think about whether it could impact your health and safety. Ask for a variety of work if you regularly do repetitive tasks.
- Let your manager know if you're too tired to work safely, or to safely travel to or from work.
- At home, aim to get seven to nine hours of good quality sleep and make sure you have time to relax on days off.

A fatigue quick guide with information for businesses and workers to explain their respective responsibilities to manage fatigue is available on the Worksafe website at <https://worksafe.govt.nz/about-us/news-and-media/keep-fatigue-out-of-the-workplace/>

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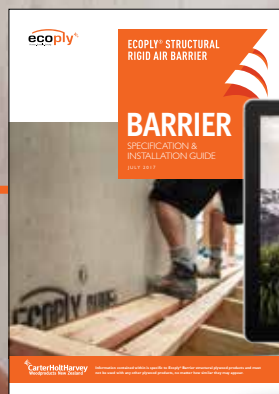
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If you reckon cash jobs don't leave a trail, think again

Inland Revenue has been working hard to target tax crime in the building sector, reminding those in the industry that "every undeclared cash job leaves a trail".

Using a series of radio ads and billboards, Inland Revenue has pushed this message out, but Investigations and Advice Manager Tony Morris says this claim has been met with a few unbelieving responses on social media and in some smoko rooms around the country.

"I want to reassure people that the message is 100% true," he says.

"Typically, with cash you have to spend it some time. So, whether it goes on travel, living expenses, a new saw, gambling, the mortgage or anything else – we can find it."

Here are three examples:

CASH PAYMENTS MADE THROUGH INTERNET BANKING LEAVE A TRAIL

Undeclared cash payments that are deposited into a business account are particularly hard to explain so, sometimes, the money might be directed to a family member's account to hide the evidence. When money is moved to, or between accounts, there is a trail.

"Everything's traceable," says Mr Morris. "Mortgage payments on a property and instalments on the work vehicle will still need to be made and that money needs to come from somewhere. Our investigators often find this is funded from an account other than the main business one. Suddenly a trail that leads to a cash job appears."

ASSET PURCHASES LEAVE A TRAIL

When Inland Revenue investigators see that an asset such as new equipment hasn't been purchased through the business accounts they get suspicious.

"We put the onus on the business owner to explain how they funded the purchase," says Mr Morris. "It's easy for us to see when the asset purchases don't align with their declared income."

"Often, when we look at the accounts of a tradie we suspect has been doing undeclared cash jobs, we see plenty of evidence of supplies being bought, such as paint, carpet and timber but no evidence of any work being done. Unless they can show us their stockpile of supplies another undeclared cash job is usually uncovered."

A SELECTION OF COMMENTS FROM SOCIAL MEDIA

- I say good luck to them trying to trace cash
- Cause I'm so gonna declare it when I do a cashie...good luck proving it with no paper trail
- They'll never stop cashies unless those involved dob themselves in or admit it
- And how exactly are they going to trace me paying my mate cash or even in beersies then?
- I think they will find that a lot harder than they think



LIFESTYLE EXPENDITURE LEAVES A TRAIL

Cash is often used to fund lifestyle spending on things like overseas holidays or gambling. Funding for these activities can be hard to explain to investigators when very little has been drawn down from the business account.

"Many people won't be aware but the Tax Administration Act gives us the power to access a wide variety of personal information," says Mr Morris.

"This includes, but is not limited to: any information held about you by other Government departments such as Customs, Land Information New Zealand, and Land Transport New Zealand as well as records from national and international banks, spending with loyalty cards from retailers and with commercial organisations like Trade Me, electricity companies, and casino or gambling accounts."

"Our international information exchange agreements also allow us to request data from more than 60 countries."

"If someone decides to not declare a cash job, we have plenty of means at our disposal to follow the trail – even simple internet searches can reveal plenty of incriminating information."

"Tradies and anyone else not declaring cash jobs should realise that it's not worth the risk to your business and reputation."

"There are plenty more examples of how an undeclared cash job leaves a trail and our investigators are uncovering new leads every day. We will get better and better at finding these inconsistencies."

The best advice is to record every job, declare every dollar and make sure GST is charged if required.

Inland Revenue can help put right past tax returns. Find out more at www.ird.govt.nz/getitright.

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*Qualifying Trade GIB® compounds are: all 15 litre GIB® compound pails, all 14 litre GIB® compound refill cartons, all 20kg GIB® compound bags, and the 17.5kg GIB Lite Blue® bags. Offer ends 30 April 2018, and starts 1 Feb. 2018.



Paid sick leave: Get it right

If an employee has been with you for more than six months, in most cases you must give them paid sick leave.

Make sure you know all the ins and outs, including how to deal with casual and part-time workers, when to roll over untaken sick days, and when it's OK to ask for a GP's certificate.

TIME OFF WORK

Employees can take sick leave if they are sick or injured, or to look after their partner or another dependant person who is sick or injured. This could be a husband or wife, partner, child, or anyone else who relies on them, eg an elderly relative.

Your employee must tell you as soon as possible if they want to take sick leave. Let them know how you'd like them to tell you, e.g., a phone call. Put it in your workplace policies, too.

The legal minimum is five paid sick days a year. You must give your employees sick leave once they've worked continuously for you for six months, or if they meet the average hours criteria set out in **Who can take sick leave** paragraph below. Those eligible for sick leave can build up at least 20 days of untaken sick leave — this is known as rolling over sick leave.

Employers are welcome to offer workers more than the legal minimum. Many do, giving more days off and/or letting employees take sick leave in advance.

WHO CAN TAKE SICK LEAVE

Employees are legally entitled to paid sick leave if they either:

- have worked for you continuously for at least six months, e.g. permanent employees, both full-timers and part-timers, and those on fixed-term contracts longer than

six months; or

- have worked for you over a period of six months, for an average of 10 hours a week, and have worked at least one hour in every week or 40 hours in every month – note this test may apply to employees who work intermittently, even if they are called "casual" employees - you must record their hours accurately and give them paid sick leave once they become eligible.

Think about what you'll do if a new employee gets sick before their first six months has been completed. Some employers allow workers to take sick leave in advance. Think about whether this will be extra days on top of the five-day entitlement, or if it will be taken from the five-day entitlement. Record what you agree with your employee in writing.

MEDICAL CERTIFICATES

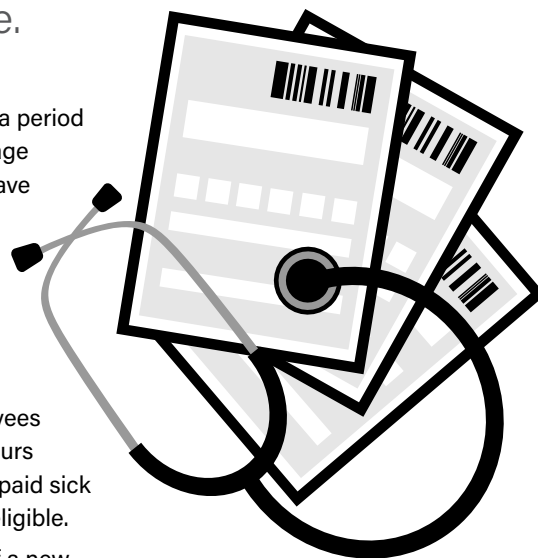
While you don't need a reason to ask for proof, it's better for staff relations if it's done only with reasonable grounds to suspect an employee's illness isn't genuine.

Who pays to get the medical certificate or doctor's note depends on how long the employee has been off work:

- You pay if it's less than three calendar days in a row.
- Your employee pays if it's three or more days in a row.
- You can't make your employee see a doctor of your choice — it's their right to choose, whether you are paying or not.

ROLLING OVER SICK LEAVE

If employees have any sick leave left at the end of the year, it's carried over to the following year. Legally they can collect at least 20 days' untaken sick leave. Note: An employee's sick leave year officially starts once they've been working for you for six months.



DON'T USE NORMAL SICK LEAVE RULES IF IT'S A WORKPLACE INJURY

For example:

After six months' employment, your worker gets five days' sick leave.

Over the next 12 months, they don't use any.

In the following 12-month period, they have 10 days' sick leave.

If one year an employee doesn't qualify for sick leave, they can draw on untaken sick leave from past years.

You don't have to pay employees for unused sick days when their employment ends, unless it is in their employment agreement.

For further information, visit the below weblinks:

- **Sick leave** — Employment New Zealand - <https://www.employment.govt.nz/leave-and-holidays/sick-leave/>
- **Sick leave** — Employment Agreement Builder - <https://eab.business.govt.nz/employmentagreementbuilder/startscreen/>
- **Leave and holidays policy** — Workplace Policy Builder - <https://wpb.business.govt.nz/workplacepolicybuilder/leaveHolidays/leave4AWhyWeHaveThisPolicy>
- **Sick leave** — Workplace Policy Builder - <https://wpb.business.govt.nz/workplacepolicybuilder/leaveHolidays/leave4DSickLeave>
- **Employer and staff learning modules** — Employment New Zealand - <https://employment.elearning.ac.nz>
- **Sick leave - Medical certificate** — Employment Agreement Builder - <https://eab.business.govt.nz/employmentagreementbuilder/leave/sickLeaveMedicalCertificate>

PUT SICK LEAVE DETAILS IN YOUR EMPLOYMENT AGREEMENTS AND WORKPLACE POLICIES

INDUSTRY EVENTS COMING UP

HOUSE OF THE YEAR

The Registered Master Builders House of the Year competition is a long-standing event on the calendar, recognising excellence in our industry. CARTERS are once again sponsoring the New Home \$1 million – \$2 million and the Multi Unit Award (Apartments/ Duplexes/ Terrace Housing) award category, where the National winners will be announced at a gala dinner in November.

AWARD EVENT DATES	REGION
Friday 6 th July	MANAWATU/ WANGANUI
Friday 13 th July	MARLBOROUGH/ NELSON/ WEST COAST
Friday 13 th July TBC	MID AND SOUTH CANTERBURY
Friday 13 th July	WAIKATO
Saturday 21 st July TBC	EAST COAST
Saturday 21 st July	SOUTHERN EVENT
Friday 27 th July	BOP CENTRAL PLATEAU
Friday 27 th July	CANTERBURY
Saturday 28 th July	WELLINGTON/ WAIRARAPA
Friday 3 rd August	TARANAKI
Saturday 4 th August	AUCKLAND & NORTHERN
Saturday 24 th November	AUCKLAND



APPRENTICE OF THE YEAR



CARTERS are proud to sponsor our industry's future and support the Registered Master Builders Apprentice of the Year competition again in 2018. Entries open in April for the competition with some great prizes up for grabs this year. The National winner will receive a CARTERS Business Tools Grant (to the value of \$5,000) as part of their prize package and the use of a brand new Ford Ranger ute for the year, courtesy of CARTERS.



AWARDS EVENT DATE	REGION
Thursday, 23 rd August	NORTHERN / AUCKLAND
Friday 10 th August TBC	WAIKATO
Friday 31 st August	BOP CENTRAL PLATEAU
Friday 24 th August	HAWKES BAY/EAST COAST
Friday 31 st August	CENTRAL NORTH ISLAND
Friday 7 th September TBC	LOWER NORTH ISLAND
Friday 24 th August	UPPER SOUTH ISLAND
Thursday 23 rd August	CENTRAL SOUTH ISLAND
Friday 24 th August	SOUTHERN REGION

CONZTRACT MINI

CONZTRACT 2018
MINI

EVENT DATE	REGION	VENUE
Wednesday 18 th April	TAUPO	GREAT LAKE CENTRE
Thursday 19 th April	ROTORUA	ENERGY EVENTS CENTRE
Wednesday 16 th May	KAITAIA	R.S.A KAITAIA
Thursday 17 th May	KERIKERI	TURNER CENTRE
Wednesday 15 th August	NELSON	ANNESBROOK CHURCH
Thursday 16 th August	BLENHEIM	MARLBOROUGH CONVENTION CENTRE
Tuesday 11 th September	GISBORNE	WAR MEMORIAL THEATRE
Thursday 25 th October	TIMARU	CAROLINE BAY HALL

Touring within the provincial areas of New Zealand, CONZTRACT Mini brings together leading suppliers to showcase their latest products and innovations for the building and construction trades. This is a mini version of its big brother CONZTRACT, but makes it easy for those in regional towns to get along and see what's new. CARTERS invite you to join us at these events.

LEGEND 'WISE WORDS'

AN EFFECTIVE LEADER needs to compromise.

A COMMITMENT TO INDUSTRY TRAINING MEANS a commitment, not just to hire cheap labour but to growing someone else's future.

BEST BUSINESS DECISION taking on apprentices.

LIFE-LONG LEARNING means never stop learning or turn down opportunities. Don't think you know it all and be adaptable.

AT THE END OF A TOUGH WEEK I go fishing.

IN 5 YEARS I hope to be doing exactly what I'm doing now.

Trust in your team gets the job done

MY BOSS: RUSSELL CLARK
LEGEND GENERAL MANAGER: LICENSED RENOVATIONS
AUCKLAND CARPENTRY



Russell Clark (Russ) has been in the trade since he was 15. For almost as long as he's been in the industry, he's also been an employer.

At age 25, Russ was qualified and employing his first apprentice. Since then he's employed and trained many apprentices, supporting them with the same opportunities he's been offered in the construction industry.

"I've always been a great advocate for training," Russ says, "Having a company is not about hiring cheap labour; it's about committing to somebody else's future.

"Many young people are really excited to be trained and to gain experience in the industry. There is so much room for progression in the industry that everyone has a chance to prove themselves."

True to his beliefs, Russ recently took on a deaf apprentice. "He is no different to anyone else on the team. In fact, he follows instructions well and is a true asset to the company," says Russ.

Russ owns Licensed Renovations in Auckland, and the business is involved in a wide range of residential renovations ranging from \$50,000 to close to \$1m.

"There isn't much I haven't seen in my 35+ years in the building industry," Russ says. "If any of my apprentices don't know something, I need to be able to send them to

the right job so that they have the chance to learn what they need and to sign those units off. It's a hands-on industry, and people learn by doing and practising.

"My first boss, Peter Jones, formerly of Argon Construction, was a legend who gave me the foundation on which I've built my career. When I'm working with young apprentices, I think back to the knowledge that Peter passed on to me. You never stop learning or turn down opportunities, or think you know it all. Everyone is different, and you are learning from everyone all the time.

"Peter gave me an opportunity, and now I'm passing that same opportunity on to the next generation. My apprentices have good people beside them, so they know that they have highly trained people to support them. When one of my apprentices qualifies, I know they can go to any workplace in the country and match anyone else, in fact, a number of my BCITO apprentices have already progressed to run their own businesses successfully.

"For me, my employees are my business – they do the work, without them I wouldn't have a business. I put my trust in my team, trusting that they will get the job done and they always deliver.

"Outside of work I hold social events for the team, offer bonuses, and often share connections so they can build their own businesses or help them out in their personal lives with loans and financing. We have each other's backs and support each other."

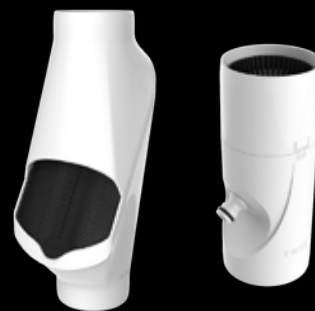
■ For more stories about legendary bosses like Russell Clark visit mybosslegend.nz

The New Era of Rainwater Harvesting

EVERY DROP COUNTS

With rising water usage costs, growing pressure on infrastructure, and environmental concerns, it is becoming increasingly important to eco-conscious homeowners to utilise the free rainwater that falls on their roof. Marley's latest arrivals, Curve™ and Twist®, answer this demand.

Both Curve and Twist are easily installed when fitting new downpipes, or can also be easily added to existing systems. You can also install both onto the same downpipe to maximise clean water capture.



Curve™

Twist®

MARLEY CURVE™

The new Marley Curve is a leaf diverter that combines sleek, sophisticated design with innovative filtering technology for cleaner water. The unique screen design draws rainwater in while preventing leaf matter and other debris from entering the homeowner's water tank or stormwater system.

The Marley Curve significantly curbs the amount of solid matter that can flow into the tank. This reduces the subsequent build-up of sediment which affects the quality of potable water. It can also reduce the strain on in-line water filters and pumps and thus the cost of maintaining them.

MARLEY TWIST®

New Marley Twist lets homeowners capture rainwater for use in and around the home. The built-in quick connector allows direct connection to a collection tank by just attaching any standard garden hose. Then simply 'twist' the on pipe control to the 'on' position to activate.

In rural settings, Twist can also be used to divert water to drinking troughs for animals close to the house, or out buildings. The built-in, easy-clean, removable leaf filter keeps large debris out of the collection tank.

Available in six colours



Grey Friars



Ironsand



Black



White



Copper
(Metallic)



Titanium
(Metallic)



15 YEAR GUARANTEE



U.V RESISTANT



WILL NOT RUST



100% RECYCLABLE



MADE IN NZ



SAFE FOR DRINKING



LOW MAINTENANCE

NEW ZEALAND CERTIFIED BUILDERS WORKSHOPS

New Zealand
Certified
Builders
Association



PRICING FOR PROFIT

Ensuring profit on a project starts well before the building contract is accepted. Whether it's fixed price or charge up work, careful consideration to a wide range of costs must be considered. Without quantity surveying training, most practitioners learn this skill through trial and error. Even in these buoyant times recovering from something missed at pricing stage may take years and that's if recovery is an option.

Understanding how to price accurately and track construction costs according to budget, is critical to a practitioner's survival in the current environment of demanding clients.

Through their Building Trade Professionals education programme, Certified Builders Association is stepping up industry education for members and invited guests, during the months of March & April they will be undertaking 11 Workshops throughout New Zealand delivered by a professional quantity surveyor from Red Quantity Surveying group.

Covering a range of pricing, charging and back costing disciplines, from the basics of what to include in preliminary and general costs, through to applying margins; and why applying gross margin will put more dollars in the builder's pocket than the traditional way of applying margin as a mark-up.

"It amazes me how many builders under estimate, then run into trouble when the contract becomes challenged and the builder has to open up the books. The builders poor scheduling of costs usually ends up costing them in the pocket" says Jason McClintock Operations Manager of NZCB.

To deliver the message of best practice with Pricing for Profit, NZCB have teamed up with the Associations Strategic Partners CARTERS, talk with your CARTERS representative to secure your seat. **Event dates and venues are in the table below.**

CITY	DATE	TIME	VENUE
CHRISTCHURCH	Thursday 1 March	5pm nibbles 5:30pm start	Hinton's Vineyard & Restaurant, Function Centre
WELLINGTON	Wednesday 7 March	5pm nibbles 5:30pm start	Dowse Art Centre, 45 Laings Rd, Lower Hutt
NELSON	Thursday 8 March	5pm nibbles 5:30pm start	Club Waimea, 345 Queen St, Richmond, Nelson
INVERCARGILL	Thursday 15 March	5pm nibbles 5:30pm start	Ascot Park Hotel, Corner Tay Street & Racecourse Road, Invercargill
HAMILTON	Tuesday 20 March	5pm nibbles 5:30pm start	Wintec City Campus, A Block Tristram St, Hamilton
TAURANGA	Wednesday 21 March	5pm nibbles 5:30pm start	Hotel Armitage, 9 Willow St, Tauranga
DUNEDIN	Wednesday 28 March	5pm nibbles 5:30pm start	Edgar Centre, 116 Portsmouth Dr, Andersons Bay, Dunedin
AKL SOUTH	Tuesday 3 April	5pm nibbles 5:30pm start	Papakura RSA, 40 Elliot St, Papakura
AKL CENTRAL	Wednesday 4 April	5pm nibbles 5:30pm start	Remuera Club, 27-33 Ohinerau St, Remuera, Auckland
AKL NORTH	Thursday 5 April	5pm nibbles 5:30pm start	Northshore Golf Club, 51 Appleby Rd, Albany, Auckland
WHANGAREI	Thursday 26 April	5pm nibbles 5:30pm start	North Tec, 51 Raumanga Valley Rd, Whangarei ILC Theatre D340

NEW

AND
REVOLUTIONARY

Paslode
Impulse

JoltFast®

TIMBER CLADDING SYSTEM

New Small Round Head Collated Nails
& Timber Cladding System

CORDLESS
EASIER AND QUICKER
THAN TRADITIONAL
CLADDING NAILING SYSTEMS

DESIGNED EXCLUSIVELY
FOR PASLODE FRAMING TOOLS

- 3 nail lengths 65, 75 & 90mm
- Cladding Guide (with 1 year warranty)
- BRANZ Appraised nail

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THAN FRAMING NAILS

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