

TRADE LEADER

APRIL - MAY 2020 ISSUE ■



Mental health in the construction industry



Smart living trends and innovations



Handling timber weatherboards



Get your building contracts details right



■ Controlling respirable silica dust



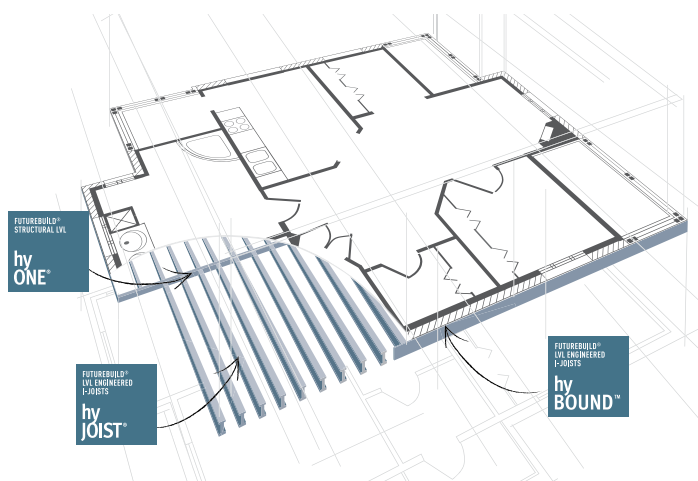
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In the frame

BY MIKE GUY, CARTERS CHIEF EXECUTIVE

As this issue of CARTERS Trade Leader goes to print, the world is trying to assess the global threat posed by COVID-19.

Countries are closing their borders, major events have been postponed or cancelled and financial markets are jumpy; all of which leads to a feeling of uncertainty and insecurity.

As your building supplies partner, the health and safety of you, your team and our own people is always top of mind. We have been monitoring the situation closely to ensure we are taking all necessary precautions and identifying any risks or interruptions as early as possible.

In terms of the ongoing supply of products to your sites, at this time we have not experienced any disruption due to the outbreak. However, as things continue to evolve and remain fluid, if we do receive any notification from our supply chain about upcoming disruptions that might impact your business, we will communicate this with you accordingly. Also if it's necessary, we will be looking to provide alternative products where possible to minimise the effect on your projects and will ensure you are made aware of any product substitutions ahead of time.

We mentioned last month, that CARTERS have released our new Trade Portal for trade account holders, so in the instance you have concerns around coming into store, you can now place orders and manage your accounts online. If you would like to get set up with a Trade Portal login, talk to your Account Manager or local branch today.

With the uncertainty in the world, we have decided to delay our Advantage experience to Russia until 2021. We will be re-opening registrations for this sold out trip at a later stage.

In other industry news in this issue, we look at steps being taken to address mental health throughout the building and construction industry, which has now become even more important. Mental health is a topic that has – in the past – often been avoided, but is now more widely recognised as an issue that needs awareness, conversation and action. Site Safe NZ and a fairly new initiative, Mates in Construction, have

both addressed the issue, and we have valuable information from both groups. We also delve into the Construction Sector Transformation Plan, announced recently by the Government. The action plan is a joint initiative between industry and the Government and is expected to put in place a number of the key points from April's Construction Sector Accord. For more information, see the article on page 7.

CARTERS are proud to support the Registered Master Builders Apprentice of the Year competition as it gears up for another year. Entries for the 2020 competition are open now and will close on the 29th April. This competition highlights the upcoming talent in our building industry and is a great opportunity for these young professionals to kick-start their careers. We know a lot of our builders have a great team behind them, so if you think you've got an apprentice that has what it takes, now is the time to get them involved.

As we navigate through the months ahead, it is important to stay informed and take care of yourselves and those around you by taking all advice that the government is providing. With the winter months coming up, now more than ever is a great time to evaluate onsite health and safety procedures around illness and hygiene at work and put processes in place around working in winter weather. If you have any questions around supply of products to your business we will be keeping you up to date with changes at www.carters.co.nz/business-updates, or you can call Vince Locke on 09 272 7348 for more details.



MIKE GUY
CARTERS Chief Executive

CARTERS
Your Building Partner

TRADE LEADER.

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MANAGING EDITOR

Scott Wilson
P: 021 725061
E: scott.wilson@tlpmedia.co.nz

LAYOUT

Kaz - Design. Brand. Web.

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ENQUIRIES

TLP Media Ltd, PO Box 21081
Hamilton 3256
E: tlpmedia@tlpmedia.co.nz

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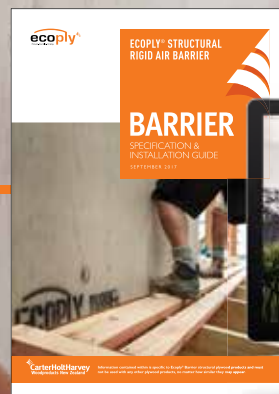
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FIXING TRADES BUSINESS MISTAKES

If you feel you're not getting ahead in your business, and your hard work isn't being reflected money-wise, chances are there are some things which you can do to maximise your efforts.

Daniel Fitzpatrick looks at the 11 biggest mistakes he finds tradies are making.



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ECONOMICS

COVID-19 CLOUDS ECONOMIC OUTLOOK

The outlook for residential building this year is clouded by coronavirus. If it spreads widely in New Zealand, it will have a negative impact on building until it abates. On the other hand, it may have little direct impact and it could result in a moderate, temporary fall in interest rates.

Construction workforce, apprenticeships hit record highs

Working with industry and committing to rebuild New Zealand's infrastructure has produced a record high number of Kiwis working in the construction industry and learning trades, says Minister for Building and Construction Jenny Salesa.

New figures released recently from the Ministry of Business, Innovation and Employment and the Tertiary Education Commission show the building and construction industry workforce is growing and it's becoming more diverse.

"Since the Coalition Government came to power, there are an extra 11,000 Kiwis working in the construction sector helping to build the houses, schools, hospitals, roads and rail New Zealand needs."

She said that in the past two years:

- about a thousand more Māori New Zealanders have joined the construction industry;
- over 2,700 women;
- 2,800 more Asian New Zealanders;
- and almost 600 more Pacific people on the tools, than there was just two years ago."

"We've achieved this record construction workforce by working with industry through the Construction Sector Accord, delivering the Construction Skills Action plan, and pulling every lever to encourage more Kiwis into the trades."

"Our Government has made trades training fees-free for the first two years and over 3,900 Kiwis have taken up the opportunity to learn a construction trade without fees already. Many people don't know that you can get two years fees-free to study a trade now. What better way to learn and earn without taking on debt than learning a trade?"

"We've also raised the status of the trades through the Prime Minister's Vocational Excellence Awards where we supported schools to award 345 high school students \$2,000 each to

**UNDER THIS GOVERNMENT
THERE ARE:**

30% more
Māori apprentices

40% more
Asian apprentices

47% more
Pacific apprentices

56% more
female apprentices

recognise their passion for the trades at prize givings last year."

"By making training more attractive with fees-free and prioritising apprenticeships through our new Procurement Rules, our Government is already seeing a big rise in the number of apprentices. The number of construction apprenticeships in industry training is up 20 percent since 2017, with an additional 4,700 apprentices being trained in the construction trades at any one time."

Apprentice of the Year entries open

ENTRIES FOR THE 2020 EDITION OF THE REGISTERED MASTER BUILDERS APPRENTICE OF THE YEAR, IN PARTNERSHIP WITH CARTERS, OPEN ON APRIL 1ST.

The competition is the leading apprentice competition for the building and construction sector and recognises excellence among carpentry apprentices and raises awareness of career opportunities in the building and construction industry.

Apprentices are the sector's future leaders and the competition is designed to test project management, business and presentation skills as well as practical skills.

To follow the competition, check out the Winners page after each regional event and follow Registered Master Builders on Facebook and Instagram.

NEED A LITTLE MOTIVATION TO ENTER?

ALL COMPLETED ENTRIES will get a CARTERS \$100 Gift Pack.

This awesome pack consists of:

- 1x CARTERS Retro Tee
- 1x CARTERS Cap
- 1x CARTERS Lunchbox+Knife and Fork Set
- 1x CARTERS AOY Cooler Bag

What are you waiting for? Enter today! Entries remain open until 29th April.



To enter the competition, go to
www.apprenticeoftheyear.co.nz

Government and construction industry to build big, lift productivity with Transformation Plan

Delivering the workforce and productivity gains required to build the houses, schools, roads, rail and hospitals New Zealand needs will become easier with the Government-industry *Construction Sector Transformation Plan* launched recently, Minister for Building and Construction Jenny Salesa says.

"The action plan delivers on the Government's Construction Sector Accord promise in April to develop a tangible plan that ensures industry has the right skills, the right people, and the right internal coordination to lift its productivity and take advantage of the quarter of a trillion dollars of public and private construction work expected over the next five years," Jenny Salesa says.

The *Construction Sector Transformation Plan* will see Government and industry:

- create a long-term workforce plan;
- strengthen industry's voice in training: to shape the Reform of Vocational Education (RoVE), and through the new Workforce Development Councils;
- drive cooperation through

information sharing and education programmes to improve culture and performance;

- promote simpler, shorter contracts that don't overburden subcontractors in their dealings with bigger companies;
- develop a mental health strategy and expanding Mates in Construction to support better mental health in the trades;
- run diversity campaigns to encourage women and young people into construction.

"This plan is a blueprint for sorting out the construction sector's long-term challenges around risk, overly complex contracts, skills development and much more. It's a very significant step in the right direction."

"We'll be working together with all the players to smooth out the boom and bust of the building cycle; address chronic skills shortages; reform New Zealand's building consenting system; make procurement fairer; and improve mental health in the sector."

"We've done things like publish a list of all the Government's big jobs coming up over the next 10 years to signal clearly to industry that there is a bright future for them and their workers."

"We know that the hands-off approach of the last government had been ineffective in meeting the needs of the building and construction sector for far too long. Labour productivity growth has been dire – averaging just 0.6 percent between 2011 and 2017, and that's meant building in New Zealand has cost more than it should. By having a smarter, more coordinated construction industry we can grow construction activity and put downward pressure on the price of building things like houses."

"This plan gears up the construction businesses to take advantage of the oncoming tide of construction activity

■ Continued over page

■ Continued from previous page

expected in the next few years, especially given the Government is constructing so many state homes and rebuilding our schools and hospitals."

"Based on the *National Construction Pipeline Report 2019*, national construction activity over the next five years is forecast to total \$214.9 billion. This figure is set to rise following the Government's announcement in December of an extra \$12 billion in investment to tackle New Zealand's infrastructure deficit over the next five years."

"This plan will give building and construction businesses the confidence to train and hire more workers to meet the oncoming tide of construction work. No wonder our construction workforce and apprentice numbers have hit record highs."

"The Construction Sector Accord got the industry and Government in the same room, and we developed this transformation plan together to tackle the industry's longstanding challenges."

"This plan with industry is just the latest proof that this Government is addressing the long-term challenges that have held New Zealand back. We're tackling these challenges now so that we can build the homes, schools, hospitals, roads and rail New Zealand needs for the future."

"This is the Government's first Industry Transformation Plan being created to tackle New Zealand's long-term challenges and lift the productivity of our vital sectors. We promised it: now we're delivering it," says Jenny Salesa.

MORE INFORMATION:

THE CONSTRUCTION SECTOR TRANSFORMATION PLAN:

- The Transformation Plan is a three-year plan delivering action and change across six major areas: leadership; business performance; people development; health; safety and wellbeing (including mental health); regulatory environment; procurement and risk



The Plan is available here: <https://www.constructionaccord.nz/transformation-plan/>

THE CONSTRUCTION SECTOR ACCORD

- The Construction Sector Accord sets out to increase productivity, raise capability, increase resilience and restore confidence, pride and reputation, in the sector.
- Launched in April 2019, the Accord committed Government and industry to delivering:
 - o the Construction Skills Action Plan [delivered]
 - o the Government's new Construction Procurement Guidelines [delivered]
 - o an Infrastructure Commission [delivered]
 - o the Building System Legislative Reform Programme [Bill in first half of 2020]
 - o the Construction Sector Transformation Plan [delivered March this year]



More on the Accord at: www.constructionaccord.nz

MATES In Construction

advancing mental health issues in the industry

AT A TIME WHEN THE GOVERNMENT HAS PRIORITISED AND UNDERLINED ITS COMMITMENT TO NATIONWIDE WELLBEING BY CREATING THE WELLBEING BUDGET, CONSTRUCTION ACCORD AND BROADER OUTCOMES PROCUREMENT GUIDELINES, A NEW INITIATIVE IS ALREADY MAKING A BIG IMPACT IN ADVANCING MENTAL HEALTH AND SOCIAL WELFARE WHERE IT MATTERS IN NEW ZEALAND'S BUILDING AND CONSTRUCTION SECTORS.

MATES in Construction commenced delivery into the New Zealand construction industry in November 2019, with a single-minded purpose: to promote the prevention and control of mental illness for people engaged in the construction industry, by raising awareness of depression and suicide prevention in the workplace, and ensuring the help offered is practical, professional and appropriate.



VICTORIA McARTHUR
NZ BOARD OF DIRECTORS

Established at the invitation of the construction industry, and funded by it, MATES In Construction - or MATES for short - has charitable status and is governed by a NZ Board of Directors, says CEO Victoria McArthur. Formerly General Manager of The Keystone Trust, Victoria is hugely passionate about making a difference in this area.

"The rate of suicide in our sector is unacceptably high," says Victoria. "We work in the worst sector in New Zealand. The 2019 BRANZ report Suicide in the NZ Construction Industry Workforce says that in the year to June 2019 685 people died by suicide in New Zealand, of which 6.9% (47) of these were attributed to the construction industry; the highest proportion of suicides across all industries in NZ. We have to do something about it."

This is the fundamental starting point for MATES.



At its core, the MATES programme builds and strengthens communities in the workplace and across the industry, says Victoria. “We’re helping people, sites and companies to be supportive and provide an environment that encourages positive wellbeing.

“We’re focused on raising awareness, building capacity, providing help and research. On site, it’s all about noticing a change in your mate, and then asking, ‘are you ok?’ We are working to equip people on site to recognise the signs that can lead to suicide, and to ensure that people are on site who can help usefully. And we need more companies to sign up.”

Now staffed with four Field Officers and Case Manager Gloria Vetekina, MATES has achieved much in New Zealand in a short time. In four short months, 1932 workers have been inducted, 29 sites are now delivering MATES programmes – including Commercial Bay, Pacifica, Westfield Newmarket, 10 Madden Street, the Sylvia Park expansion and the Auckland City Mission redevelopment –

and 30 people have been trained as Connectors on site.

MATES is also working alongside a rapidly growing number of organisations to deliver the programme, including Kāinga Ora, as a horde of companies rush to get involved.

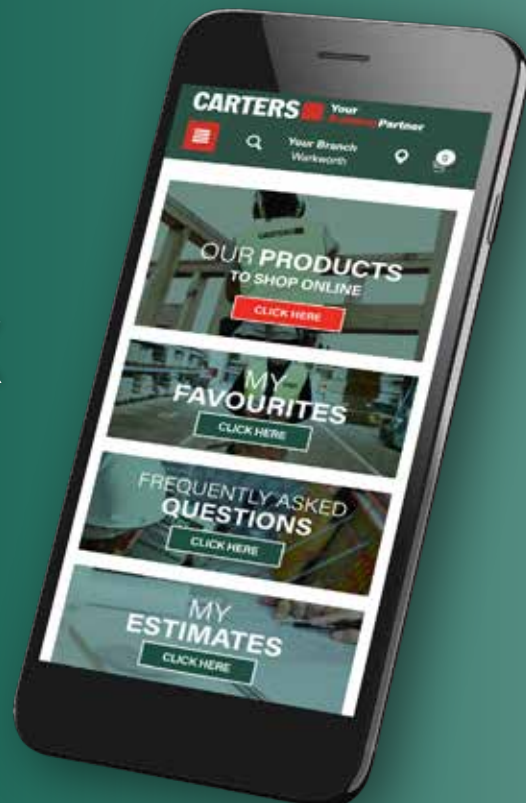
Ultimately, says Victoria, this is because recognition is growing that suicide is everyone’s business. “Suicide affects pretty nearly everyone in the country in one way or another. We therefore need to work together to reduce our significant suicide numbers – so it is very encouraging to see that our industry is really getting behind this programme.

“There has been so much positive reaction to the help that we are bringing to site, but there is still a long way to go. We are always looking for funding, and we need many more organisations to partner with us so we can deliver our programme more widely and spread our message that everyone can do something about this: Be a mate to help a mate.”

A GREAT NEW TOOL FOR YOUR TOOLBOX

CARTERS new Trade Portal experience is now available. View products, make orders, check your accounts and more online, at any time.

Due to the high demand of today's construction industry, we knew our building partners were looking for solutions to make the business of building easier. The new range of features will allow you to stay on top of your jobs and accounts without losing time onsite.



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Controlling respirable silica dust in construction and manufacturing environments

The issue of crystalline silica dust and the associated health risk to workers has been talked about for some time now, and previously published guidelines were no longer adequate to address modern dust levels and complexities present on many New Zealand construction sites.

WorkSafe has now updated these guidelines, in particular clarifying the level of control methods and dust extraction specifications expected for workers working with Respirable Crystalline Silica (RCS) dust.

Silica is a natural substance found in concrete, bricks, rocks, stone (including artificial or engineered stone found in composite kitchen benchtops), sand and clay. RCS dust

is created when materials containing silica are cut, ground, drilled, sanded, polished or otherwise disturbed. Silicosis is a progressive and deadly disease that causes fibrosis of the lungs from the inhalation of RCS dust.

The guidelines, '*Silica Dust in the Workplace*', and '*Controlling Dust with on-tool extraction*' were published in November last year and provide very clear topics that need to be

addressed by persons conducting a business or undertaking (PCBU's) in construction environments where dust is created by tools drilling, grinding, cutting, sanding etc., and also reinforces terminology that many tradespeople may still not be familiar with:

DUST EXTRACTION UNIT

When working with a known hazardous dust, tradespeople are expected to select a certified dust extractor (vacuum cleaner) that has been tested and approved at the design/manufacturing stage to perform to a certain certified level. Entry level vacuums, where the actual level of dust collection, filtration, and leakage cannot be verified, are therefore discouraged. This is especially the case when the often-cited concept of installing a



'HEPA' filter into a non-certified vacuum is incorrectly thought of as an adequate solution. HEPA is a vague and inaccurate terminology in the field of dust extractors and could mean that as much as 15% of fine dust particles pass through the filter straight back into the atmosphere, as well as much more dust leaking through inadequate seals and containment areas in these non-certified machines.

The required level depends on the hazardous nature of the dust being created, as identified by the building material's manufacturer.

The International identification system of **Low (L), Medium (M), or Hazardous/High (H)** is used to identify both the risk presented by the dust, and the solution provided by the dust extractor, and is defined by Australian/New Zealand Safety Standards.

SELECTING/USING TOOLS THAT PROVIDE LOCAL EXHAUST VENTILATION (LEV)

What the industry would commonly think of as a 'dust port' can be a

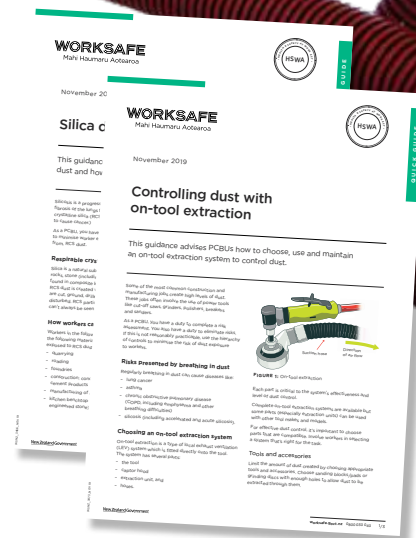
standard feature of the tool, an optional accessory, or an aftermarket adaptor – a properly designed way of channelling the dust produced by each tool.

INTERCONNECTING HOSE SYSTEMS

International best practice already dictates that tools that produce the dust, and the dust extractors that collect the dust, can be professionally and efficiently interconnected with proper hoses and fittings, even when the brands of tool/extractor differ. These new guidelines encourage this best practice to become more prevalent on NZ construction sites.

MAINTENANCE AND TRAINING

Correct maintenance and operator training form important aspects of the PCBU's responsibility to eliminate or reduce the level of construction site dust. Operator training, regular maintenance and testing, as well as safe storage and transportation, are all elements that PCBU's need to ensure they have in place to ensure the chosen control measures are being used correctly and effectively.



Nilfisk can provide a fully compliant portable worksite dust extraction solution, as well as additional support in the form of customised vacuum hose and power tool integration, while a range of dust filtration and disposal methods are available to ensure safe, clean handling of construction site dust from the moment the dust is created, through to its final disposal.

Fully automatic filter cleaning, in the form of Nilfisk's INFINICLEAN system, electronic air flow monitoring, audible alarms, and innovative tool storage systems allow PCBU's to embrace best practice when it comes to ensuring cleaner air quality and improved safety for workers.

For working with respirable silica dust, WorkSafe guidelines stipulate the use of a Certified H Class Dust Extractor/Vacuum Cleaner solution. An H Class Certified Vacuum is designed and certified to contain greater than 99.995% of the dust it collects, and is the only performance level accepted by WorkSafe to safely capture the minute particle size of the RCS dust.



For more information go to: <https://worksafe.govt.nz/topic-and-industry/dust/controlling-dust-with-on-tool-extraction/>

or <https://worksafe.govt.nz/topic-and-industry/dust/silica-dust-in-the-workplace/>



Are you ready for smart conversations?

■ BY TAIT OLIVER - NOEL LEEMING IN-HOME CONSULTANT MANAGER

WE'RE EXCITED TO BE ABLE TO SHARE WITH YOU THE LATEST HOME TECH TRENDS AND INNOVATIONS. AS A BUILDER AND LICENSED BUILDING PRACTITIONER IT'S IMPORTANT TO STAY UP-TO-DATE WITH TECHNICAL ADVANCES IN THIS FAST-MOVING INDUSTRY. WE AIM TO GIVE YOU RELEVANT TIPS THAT WILL HELP YOUR BUSINESS. OUR FIRST TOPIC IS ONE THAT WILL ONLY GET MORE AND MORE POPULAR WITH YOUR CLIENTS - SMART LIVING.

Let's explore world-wide trends; did you know that the home in 2023 will have over 21 smart devices on average compared to just one device in 2018?[^] The expected growth in connected smart living devices will continue to skyrocket and it's going to be part and parcel of new home builds, commercial projects and renovations. Some of the popular additions we are seeing are smart home systems and hubs, security devices like cameras and video doorbell systems, deco mesh to boost wifi capability and multi-room audio/video solutions along with interior and exterior smart lighting solutions. What are some key considerations for you and your clients when it comes to setting up smart technology in their new home? Firstly discuss, before the build, the expectation of how your

clients intend to use the home from a smart perspective and what will work for their budget. Then in consultation with your electrical partner, you can make time and structural allowances for their smart living requirements. The internet connection requirements such as bandwidth are key to scope and see if it impacts your build at the preline stage. There are post build solutions too. Over half of our visits are to give recommendations on maximising a home wifi network. We often suggest upgrading the router or using a mesh network (multiple access points throughout the home). This can allow for consistent wifi strength throughout the home at all levels using only one network. Your clients may have priorities when it comes to their vision of how they'll

live in their home. The most common queries revolve around whole of home solutions from keyless entry to wireless entertainment options – smart hubs can connect the entire system and saves having multiple apps to control individual devices. Voice assistants and smartphones enable ease when it comes to controlling security, audio and video right through to lighting – the options are vast and smart eco-systems that enable devices to talk to each other versus stand-alone devices are all part of the conversation.

Partners such as Noel Leeming can guide you and your customer through the process of selecting smart living options. Noel Leeming offer a free in-home consultation service (available in Auckland, Tauranga, Wellington and Christchurch) to make a no-obligation, customised recommendation.

These can free up your time and add value for your customer. To find out more phone Tait on 027 919 8477.



[^]Stuff article - How smart home technology could change your life over the next five years. Oct 2019

ACC levies explained; what you get for your money

■ BY WARREN DEVOY

ACC... probably out of all the invoices we receive, the ACC invoice may be one of those we least like paying.

Perhaps one of the reasons for this is that we do not perceive that we get a lot of value (or a lot of 'product') by paying it. Many of us probably only pay it because we have to. And what did we purchase when we paid that ACC invoice? Well, in a nutshell we purchased insurance. Specifically, two insurance products:

1. **Medical cover** (pays your medical bills if injured);
2. **Income protection** (replaces a portion of your income if injured and you are off work).

They are called ACC levies precisely because they are compulsory; if they were not compulsory they would be called premiums, because that is what they would be – insurance premiums. It goes without saying that there is no cleverness in the ACC name; it does (some might argue that it doesn't) what it says on the tin: *Accident Compensation Corporation. Medical Insurance and Income Protection for Accidents...* and you have to buy it. And therein lies the rub for many – no one likes compulsory things, especially if we perceive very low value in it.

If you are injured (and they agree it is an injury) ACC will indeed pay for your medical care, and they will also replace a portion of your income if you are off work from your injury for more than a week. And if you are very, very, seriously injured, they will keep replacing a portion of your income until you are 65, on top of paying the medical bills on the injury.



It's a strange thought but, if you're lucky and live a charmed life, your spend on ACC will forever be a waste of money i.e., you will never really be in great need of ACC's services, because you never get seriously injured. On the other hand, it could turn out to be extremely worthwhile spend should you get seriously injured (ACC receives on average 164,000 claims per month).

How does ACC decide when to send you an invoice? After you file a tax return, the Inland Revenue sends your earning details to ACC, and this triggers an invoice.

How does ACC decide how much to invoice you? The size of your invoice is based on two things:

- a. How likely you are to be injured (i.e. how dangerous is your occupation), and;
- b. How much ACC has to pay you to replace your lost income if you are off work from the injury.

ACC charges you a certain amount per \$100 of your earnings based on how likely you are to get injured, so an IT consultant for instance will pay much less than a builder, even if they earn exactly the same amount of money, because the builder is much more likely to get injured. And going into part b. above, a builder who earns \$40,000pa will pay much less than a builder who earns \$80,000pa,

because ACC would have to pay the lower-earning builder much less than they would the high-earning builder should he or she be off work from an injury.

Some good news for those who are self-employed – ACC has an Income Protection product designed specifically for you and only available to self-employed people. It is a far superior product to ACC's standard Income Protection product, for instance it is an *Agreed Value* product, i.e. you tell ACC how much you want them to pay you when you are injured, not the other way around. Another big difference; on the standard product you need to prove a loss before you get any money – on this optional product you do **NOT** have to prove a loss! This optional product also allows you to take exact control of the size of your ACC invoice (AND the timing of the invoice too). Almost everybody who has this optional ACC product for self-employed explained to them takes it. If you are self-employed, you should have this product explained to you by a business professional. ACC is not a choice, so you may as well have the better product that has been designed for you.

Warren Devoy is an Advisor for Risk Insurance



Are you making these 11 mistakes in your trades business?

■ BY DANIEL FITZPATRICK

Working longer and longer hours and downright frustrated at the lack of profits? Is work coming in but it's just not consistent? One month you're scrambling to get the work done and, the next, you're sweating out where the next job is coming from?

Or maybe you're getting the work, but you're wondering where the heck the money is? There never seems to be enough cash in the bank when you need it.

If you feel you're not getting ahead and your hard work isn't being reflected money-wise, chances are you're making one or more of these mistakes which even the smartest business owners do sometimes.

As a business coach working exclusively with trades, here are the 11 biggest mistakes I find tradies are making (not necessarily in this order):

! #1 - BEING UNAWARE OF MARGINS AND LOSING MONEY ON TOO MANY JOBS

Often I see tradies working really hard, but they're just not as profitable as they should be. Really frustrating because they are missing out on the real money. The problem is margins; they just aren't getting the margins

right consistently on every job. This is even more of an issue when growing – you can end up doing more jobs for less money.

? **Solution:** Always price based on margin. Then keep track of costs and hours during the job or, at least, backcost to check what margin you made. This will help when pricing future jobs, and show you how to be more efficient.

! #2 - WORKING TOO MANY HOURS AT THE EXPENSE OF HEALTH AND FAMILY

Business is a marathon, not a sprint. When business owners are working 50+ hours per week, they start making mistakes. They are reacting, instead of controlling their business. If this continues long term, they spend most of their time putting out fires or, even worse, their health suffers or family falls apart.

? **Solution:** Look at what you are doing in your week. Then

decide what is important; make your family and your health a priority, and choose what work can be delegated or got rid of. Set some rules for yourself on what you will say "no" to.

! #3 - NOT KNOWING THE NUMBERS

Many tradies don't know their numbers, so they have no idea how they are actually doing. They are busy, but are they making profits every single month? They just don't know. This is dangerous. If things go wrong, it's often too late to correct.

? **Solution:** Have good accounting software you use to record monthly Profit & Loss figures. Then measure everything that is important to you, including sales, gross margins, earnings per worker, etc. Checking on these numbers regularly gives you early warning signs of any problems, and you will have plenty of time to adjust to get back on track.

! #4 - NO STRUCTURE OR DIRECTION IN THE BUSINESS

Lack of planning and systems is a huge problem and can happen in any size business, but especially if a business grows quickly. Important information including customers, jobs, and work standards are all stuck in the owner's head. This becomes

frustrating for everyone; standards start to slip; jobs become slower and inefficient, and the owner works longer and longer hours just to keep things moving.

? **Solution:** Put into place good planning, procedures, checklists, and reports in all key areas, from the jobs themselves to work schedules to office systems. If this is done right, it will save everyone a whole lot of time and frustration, and the business can still operate without the owner for significant amounts of time.

! #5 - RELYING ON A SMALL NUMBER OF LARGE CUSTOMERS

For some, the easy option is to rely on one or a few large customers for work. This is dangerous because, before long, they will start calling the shots - when you work, how much you make, etc. Also, if they have less work for you, or go broke, it will have a major impact on your business, sometimes irreparably. If your biggest client went broke (or stopped giving you work), would you survive?

? **Solution:** Don't put all your eggs in one basket. Make sure you have a good spread of customers in different sectors. Make this a priority because if you want to have a long-term profitable business, this is essential.

! #6 - GIVING TOO MUCH CREDIT FOR TOO LONG

Credit can be dangerous and is one of the biggest downfalls for trades. Many have gone broke because their biggest clients didn't pay them. Or, at the very least, have been stressed out with strangled cashflow at the end of the month looking for enough to pay staff, suppliers and the bank while waiting for overdue accounts to come in. How much have you lost in money and time through late payers and bad debts?

? **Solution:** Have strict credit terms, take deposits at the beginning of jobs, progress payments, and be prepared to stop work if the account is not paid on time. Only when you are paid can you say the money is yours.

! #7 - NOT BILLING EVERYTHING OUT ON TIME OR AT ALL

Often, especially on complex jobs, bills are sent out weeks or months later. Some details are forgotten, so not everything is billed, or worse the job is not billed out at all.

? **Solution:** Get your team to record all details of jobs including extras (materials and labour) on the job. Then make sure you invoice promptly on completion.

! #8 - NOT DEALING WITH LEADS AND QUOTES EFFECTIVELY

A number of tradies get plenty of good leads but don't follow them up early enough before they go cold. Or because they don't qualify their enquiry by asking good questions, they waste a lot of time quoting jobs they were never going to get.

? **Solution:** Firstly make sure you have time available every week in your calendar to follow up leads and quotes. You have spent money and effort getting them; don't blow it because of lack of time. Ask the right questions before quoting, which frees up time by identifying the best jobs which are worth pursuing and by weeding out the tyre kickers. Always go through the quote with the customer - it will instantly increase your conversion rate.

! #9 - NANNYING THE TEAM

Some business owners either don't supervise staff enough (not giving clear guidelines) or micro-manage them (staying too involved). And, when the team is not responsible for their own work and makes too many mistakes, the owner spends a lot of time running around sorting out the fallout.

? **Solution:** Have good systems and guidelines to ensure your staff know exactly what you expect of them and are accountable for their work.

! #10 - SPENDING TOO MUCH TIME ON THE TOOLS INSTEAD OF GROWING THE BUSINESS

Too much time on the tools leaves no

time to find more work or make the team more efficient. It is important to schedule time each week for marketing/selling, and putting systems in place. Otherwise, you will restrict growth and profits.

? **Solution:** Spend at least one day per week on marketing and sales activities, and plan each day in advance.

! #11 - RELYING ON A SMALL NUMBER OF LEAD SOURCES

This is a deceptive but deadly mistake. You might have plenty of work in the short term but, if you rely on one source e.g. word of mouth, you'll be stuck in a feast-or-famine work cycle. This makes it very hard to make money because what is made during the good times is then lost again when it gets quiet.

? **Solution:** Have a good marketing plan and market consistently using a number of strategies both online and offline to get good enquiries flowing in every single week.

If you see yourself making some of these mistakes, the good news is it's easy to fix, if you put the right strategies in place. Many tradies I have worked with have been able to turn their businesses around by putting these things in order.

So start now by working on the one mistake that is causing you the biggest headaches, then the next and the next. It won't be long before you start getting the business you want.



Want more insights? Get my free guide "Next Level Your Profit".

Go to: nextleveltradie.co.nz/guide



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



PAUL LYNCH OF FLOORRIGHT INSTALLATIONS

A guide to helping your mates

Got a mate who's looking down, isn't themselves, maybe gone a bit quiet? Want to help but aren't sure how?

A new pocket guide about how to have conversations about mental health has great advice on looking after friends and colleagues.

And it's easy to lend an ear, listen, and have a conversation with someone, says Paul Lynch, a guy who knows what it's like to do it tough.

The Christchurch carpet and vinyl installer lost his brother Brett to suicide in 2013. It took him a while to shake off resulting anger and darkness that he felt, but he did, and he wrote the book *Suicide; Aftermath & Beyond* about it. He has made it his mission to help people in the trades talk about things that are getting them down, and he says the new guide is a top tool to do this.

Paul says people don't have to be a

counsellor or a therapist to help, they just have to take time to listen.

"In my experience in about 99 times out of a hundred, all that's required is a conversation. It's that simple act of letting people talk or share something they might be going through.

"Just listen, let them speak, and validate what they're saying. It doesn't have to be a crisis intervention." (*Though there are emergency numbers provided in the pocket guide if the situation requires higher intervention.*)

"I know myself, once you've unburdened yourself of something that's been troubling you, a lot of the pressure goes away with the words."



THE POCKET GUIDE HAS IDEAS FOR DEALING WITH PEOPLE WHO MAY BE HAVING A ROUGH TIME.

The free pocket guide has been created by Dr Kate Bryson of Axon Consulting, one of the key researchers who worked on Site Safe's study into suicide in the construction sector last year, in consultation with industry people. Site Safe is pleased to be able to offer the guide in conjunction with Construction Health and Safety NZ (CHASNZ), the Mental Health Foundation and Mates in Construction.

THE KEY MESSAGES IN IT ARE:

- **Be Approachable** – don't judge and don't try to have all the answers;
- **Be Empathetic** – try and put yourself in their shoes...or boots;



THE TEAM FROM SWITCHED ON GROUP WITH THE KALMAR MENTAL HEALTH AND WELLBEING AWARD LAST YEAR. FROM LEFT, CAMILLE HUGHES, SUE HUGHES, SHELLEY HUGHES AND KRISTAL MCGILL.



DAVE BURT OF TEAM CABLING

- **Be willing to listen** – give them your full attention and let them know it is confidential between you and them.

Auckland electrical contractor Dave Burt uses a question to break the ice with people that is one of the suggested phrases in the guide: "What's happening in your world?"

It's an open-ended question he came up with after dealing with depression himself. (It's detailed in his book *Lengthening the Shadows*. It can be a dark topic but the book is a moving, funny account about a guy who carried on too long struggling by himself.)

One of the three winners of the Kalmar Mental Health and Wellbeing Award last year, along with Paul Lynch and the team from The Switched On Group, Dave put money from his book towards the pocket guide and he says it is full of good advice.

Kristal McGill from The Switched On Group also says the pocket guide is a top resource and they will use it as the firm rolls out its own initiatives this year.

Currently it is focusing on how alcohol can affect people at work and home and how to reach out to services if they, or someone close, may be struggling with addiction issues.

The company is also about to run work groups with managers and supervisors to help them spot people who are distressed – including how

to keep an eye on themselves – and is giving them the resources to help support their people.

"This will build on training provided during 2019 and will take all people leaders through our best-practice approach, our resources and our support for both the manager and individuals involved," Kristal says."

Paul Lynch says one of the issues people worry about in dealing with mental health is that they don't feel they're qualified to help.

"The truth is you don't need to know anything about it, you just need to be a decent enough person to allow somebody to speak and to get whatever's on their mind, off their mind."

He says that's where the pocket guide helps.

"I've always said, it's not like we don't care or want to check up on our mates; it's just we often don't know how to. We need to change that."

Dave Burt agrees. And he says helping someone is actually pretty easy.

"You may not be aware; but every one of us possesses a very powerful gift. You may not know that you have

this gift, but trust me on this, you do – it is the power to give and provide hope.

"Having experienced depression, I can tell you hope is something I will never take for granted again. For those dealing with a mental health issue, hope is all powerful.

"Think of someone in your life who means a lot to you; be it a family member, colleague or maybe a mate," Dave Burt says.

"Take the time to connect and ask them what is going on in their world. You might just be surprised by what you hear, and what a difference you can make in someone else's life."



The guide is free for download or ordering at <https://www.sitesafe.org.nz/guides-resources/tools-for-wellbeing/mental-health-pocket-guide>



Weatherline Façade Test



In February 2019 MBIE released a document entitled “Building Performance Guide: Fire Performance of External Wall Cladding Systems”.

This document includes a simplified risk assessment approach to classify a building’s level of complexity and fire risk as either Low, Medium or High. The parameters that influence the risk include:

- Building height.
- Vulnerability of risk group.
- Provision of an automatic fire sprinkler system.

Buildings that fit into the High Risk classification have four available fire testing protocols. The Project Fire Engineer can accept an external wall cladding system tested to any one of these four protocols as well as a cladding system that falls within strict prescriptive parameters.

In GIB® News Issue 2 2019 we described the successful testing by cladding manufacturers in accordance with the NFPA 285 protocol P3 method. More recently we have tested 13mm GIB Weatherline® as a cladding substrate in accordance with the more severe

protocol P2. In protocol P2 the external wall cladding system, which includes the substrate, must meet the performance criteria given in BR 135 following testing in accordance with BS 8414.

The 9 metre tall BS 8414 test panel consisted of 90 x 45mm timber framing fixed to a steel support frame. This timber frame received a 10mm GIB® Standard plasterboard lining to the internal face, Pink® Batts® cavity insulation and 13mm GIB Weatherline® Rigid Air Barrier to the external face. Solitex Extasana Adhero® self-adhesive membrane was applied to the face of the 13mm GIB Weatherline® before an external cladding system consisting of Paneltec Induracore G2 was installed.

This successful test returned a great outcome and established that the cladding system described above met all the performance criteria given in BR 135, thereby satisfying MBIE protocol P2.



Timber weatherboards; treat them right

Timber weatherboards are still in common use in New Zealand and are, in most cases, are made from finger-jointed pine.

If treated correctly during transportation, stored properly on-site, pre-prepared correctly and installed to manufacturers' guidelines, they can provide weathertightness, style and longevity.

DELIVERY

During packing and delivery, packs of timber weatherboards need to be strapped correctly so as not to damage the boards, and then secured to suitable bearers.

Once delivered to site, unload them carefully by hand unless suitable mechanical lifting gear (i.e. truck-mounted crane or forklift) is available. Even during mechanical unloading, it's important to take care to avoid damaging any of the product. If damage is noted during inspection, it's important to notify your merchant as soon as possible.

Unfortunately, packets of weather boards are sometimes tipped from the truck upon delivery to site. This is not an acceptable unloading method and will only lead to further unnecessary damage.

When it comes to timing of deliveries, try and organise to get them to site 'just-in-time' to prevent them sitting

around and potentially suffering further damage or exposure to weather before installation.

STORAGE

Ideally, boards need to be stored indoors and out of contact with the ground on a flat surface where there is good ventilation. They should be placed on bearers at least 150mm off the ground

Because timber weatherboards are kiln-dried, they are susceptible to absorption of moisture, even if pre-primed. Being exposed to unnecessary weather can also see the primer break down as well as tannins from the timber bleeding through the primer.

If weatherboards need to be stored outside, place a groundsheet down and store boards off the ground on bearers with a weatherproof cover covering the pack.

INSTALLATION

After cutting weatherboards to length, all cut ends and end grain needs to be sealed immediately, ideally with an oil-based timber primer prior to being installed.

When being fixed in position, nails need to be punched, with the

resulting hole filled immediately to prevent any water getting in

PAINTING AND FINISHING

The correct guidance to painting weatherboards can be found in AS/ NZS 2311:2009 Guide to the painting of buildings, and it also pays to check the dimensions of the board before painting. If they are larger than the correct dimensions, it has probably absorbed moisture and needs to dry out before being painted.

The equilibrium moisture content (EMC) needs to be below 16%, and should be checked using a moisture meter.

When priming, you can save painting time and get a really good initial moisture protection by using a dual coat system. Alternatively, one full coat of primer needs to be applied before finishing with two top coats of a high quality low-gloss acrylic.

Try to avoid dark colours if possible, as that can absorb heat and, potentially, cause defects in the boards.

MAINTENANCE

If applied correctly and maintained correctly with an annual wash – especially under eaves and overhanging areas – the finish on a timber weatherboard exterior should last at least a decade and provide effective, weathertight cladding.

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For more information and to register go to
WWW.CARTERS.CONZ/CONZTRUCT

ROUND 1

Auckland Sth/East Mon 4 May

Auckland M

Tauranga

POSTPONED
New dates to be advised

Grounds Park & Event Centre

Thurs 7 May

Rodney Green Centennial
Events Centre

ROUND 2

Wellington

POSTPONED
New dates to be advised

Energy Trust Arena

Thurs 18 June

TSB Stadium

ROUND 3

Auckland Nth/West

Tues 28 July

Eventfinda Stadium

Wed 29 July

ASB Northland Sports House

Thurs 30 July

Claudlands Event Centre

Whangarei

Hamilton

ROUND 4

Christchurch

Mon 24 Aug

Air Force Museum

Dunedin

Tues 25 Aug

Edgar Centre

Invercargill

Wed 26 Aug

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ILT Stadium

Queenstown

Thurs 27 Aug

Queenstown Events Centre

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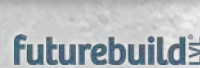
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JP



Due to the global health issues we are currently facing, we will be keeping you in the loop with any changes to event schedules on our website - please check in at www.carters.co.nz/conzconstruct for up-to-date event dates and details in case of any adjustments.

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ITI Timspec

Getting the details right in your building contract

■ BY ANDREW SKINNER

IT IS BECOMING INCREASINGLY IMPORTANT TO MAKE SURE YOU SELECT AND ACCURATELY COMPLETE THE RIGHT BUILDING CONTRACT FOR YOUR PROJECT. IF A DISPUTE ON THE JOB ARISES, YOUR BUILDING CONTRACT IS THE PRIMARY DOCUMENT TO REFER TO IN ORDER TO UNDERSTAND THE OBLIGATIONS OF THE PARTIES. IT IS, THEREFORE, ESSENTIAL THAT YOU TAKE THE TIME TO DOCUMENT AND COMPLETE THE BUILDING CONTRACT ACCURATELY AS THIS WILL HELP YOUR POSITION SHOULD ANY PROBLEMS ARISE WITH THE PROJECT.

As is well known, since January 1st 2015, it has been mandatory to enter into a written contract with homeowners for all residential building work costing \$30,000 or more (including GST). The Building Act (Act) requires the building contract to be finalised before work starts and the Act requires the contract to contain certain prescribed matters. If the building contract does not address all of the matters prescribed by the Act then the Act deems that certain prescribed clauses will apply. These prescribed clauses are weighed in favour of the homeowner and can be different from the corresponding provisions in some of the standard form building contracts. For example, under the prescribed clauses the builder is obliged to obtain all the building consents.

The mandatory requirements have emphasised the importance of written contracts for residential building work but there are many different options of template building contracts available. The most well-known standard form

building contracts are the contracts prepared by the two major building trade associations, being the Master Builders Association and the Certified Builders Association. Alongside those two forms of contracts there are also the standardform building contracts prepared by the New Zealand Institute of Architects, Standards New Zealand and others. The various standardform contracts typically have a schedule designed to populate the commercial aspects of the building contract, together with a set of general terms applicable to the project. Whatever form of contract is used, it is very important to read and understand the general terms so as to make sure that they are appropriate for your particular project. Do not assume that the general terms between the various standard form documents are the same, as there are differences (for example, the Standards New Zealand contract provides that if the builder is responsible for obtaining the code compliance certificate, the builder is not able to make the final claim for practical completion until the code

compliance certificate is obtained).

Particular care also needs to be taken when drafting any special conditions for your project. Sometimes these special conditions are written by the builder and the owner without obtaining legal advice into the specific wording. These special conditions will be just as important as the general terms, so care must be taken prior to including them within the building contract.

Spending the time at the outset to use the right form of building contract and ensuring that it is populated with the correct commercial terms is very important. If you are presented with a form of contract you are not familiar with, then it is recommended to seek legal advice to identify the differences between contracts.

In the event of a dispute on a project, the building contract will be the starting point for understanding the obligations of the parties so it is very important that you fully understand the terms of your building contract for each project.

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



Andrew is a Partner at
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andrew.skinner@martellimckegg.co.nz

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The market's response to expensive new housing

■ BY RODNEY DICKENS

The outlook for residential building this year is clouded by coronavirus. If it spreads widely in New Zealand, it will have a negative impact on building until it abates. On the other hand, it may have little direct impact and it could result in a moderate, temporary fall in interest rates that would be a transitory positive for residential building.

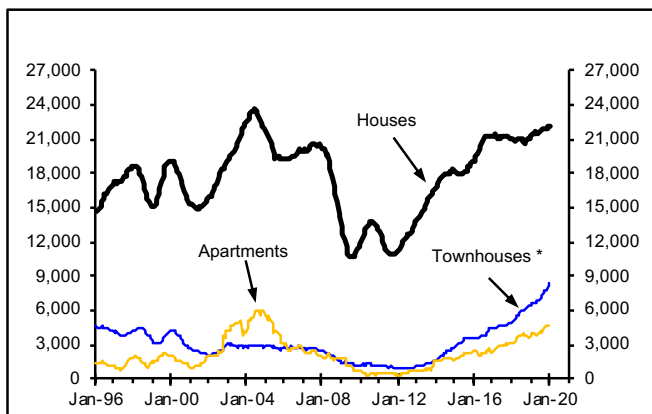
In light of the uncertainty over the impact coronavirus will have, this month the focus is on a structural change in the building market that is likely to continue irrespective of the impact of the virus. It is the market's response to new housing having become unaffordable to many would-be new home owners over the last decade, mainly because of huge increases in section prices.

The government has responded to this with KiwiBuild and Housing NZ building more social and "market housing". KiwiBuild has struggled to make as much progress as the government hoped because it wasn't supported by policies that fixed the underlying affordability problem. There has been little upside in consents for social houses since 2018 but there has been some progress with building "market housing".

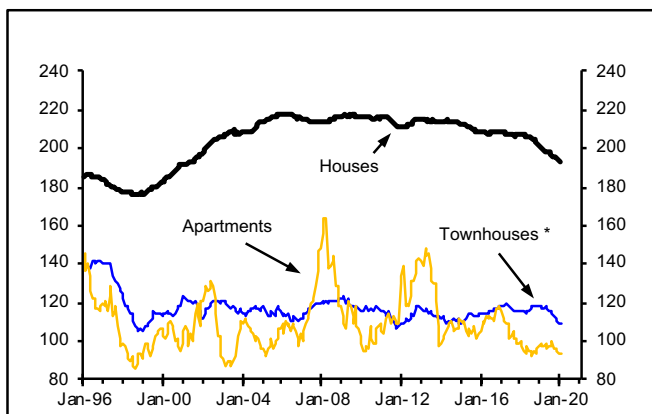
The market response to the affordability challenge has been much more effective although, to some extent, it has been encouraged by the threat KiwiBuild would steal some customers. Part of that response has been building smaller, more efficient houses on smaller sections. Nationally the average size per new standalone house has fallen from a peak of almost 220sqm in 2005 to 194sqm in 2019 - an 11% fall (see the black line in the first chart).

More significant has been the switch from standalone new houses (for which the annual number of consents hasn't increased much since 2016) to smaller other new dwellings and especially townhouses/units/flats for which there has been a 91% increase since 2016 (blue line, second chart).

There has also been a large increase in consents for apartments, aided by KiwiBuild and, until recently, because



■ CHART 1.



■ CHART 2.

of buying by foreign investors. However, in the last year there were 80% more townhouses than apartments consented. The growing market share of townhouses makes sense because the average cost per sqm for a townhouse nationally in the last year was \$2,300 versus \$3,388 for apartments; with townhouses not much more than standalone houses at \$2,216/sqm.

With the average townhouse size at around 110sqm versus 190sqm for a house, and building costs per square metre not much higher, there is a major cost saving in building a townhouse over a house although at the cost of it being quite a bit smaller. Townhouses generally also use less land, adding to the cost saving.

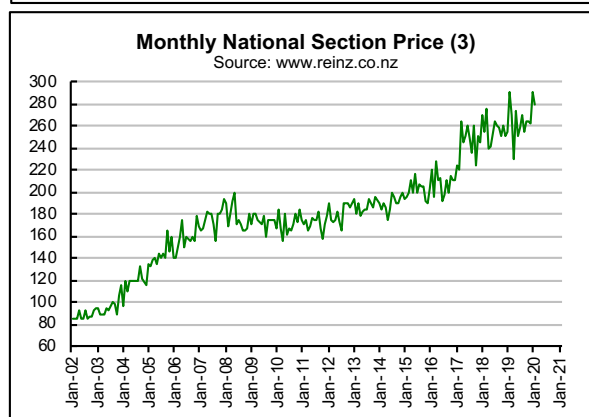
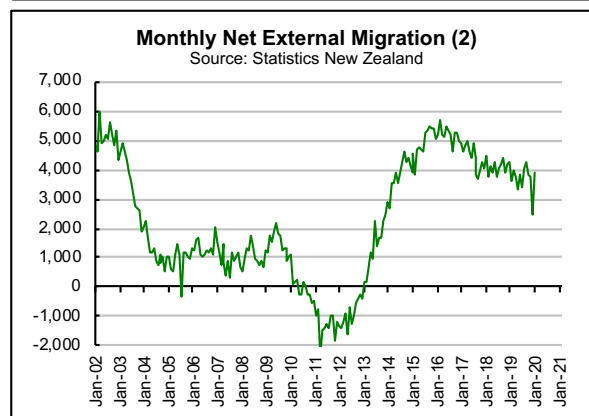
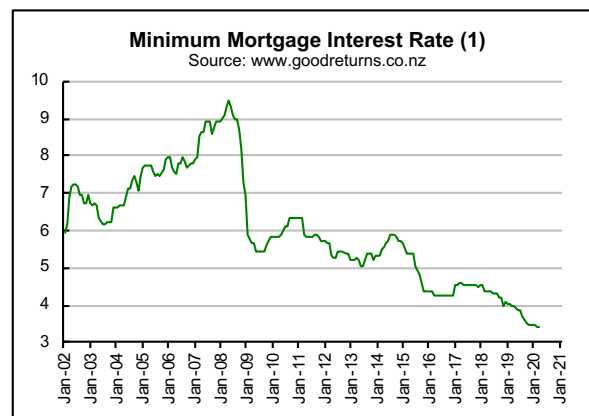
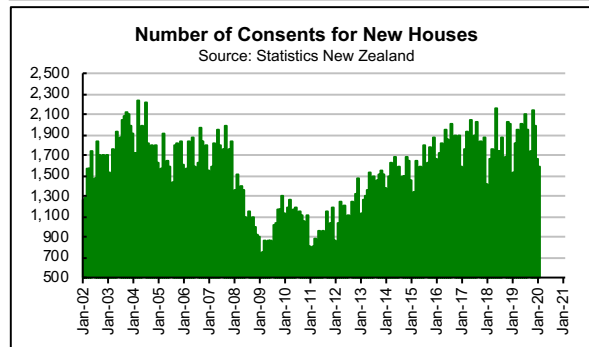
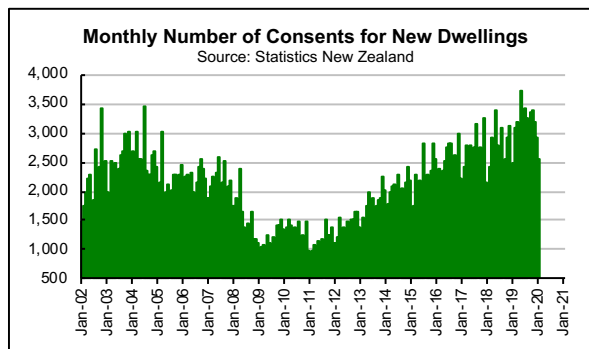
If something isn't done to get down high section prices in a number of major urban centres, it may not be too long before there are as many townhouses and apartments built as standalone houses; with some important implications for builders.

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)



Rodney Dickens is the Managing Director of economic and property research specialists, Strategic Risk Analysis Limited – www.sra.co.nz Rodney can be reached on rodney@sra.co.nz or 027 288 2209



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THE COMPETITION PROCESS.



You've decided to enter - have you made sure you meet the following criteria?

- ☒ I am 18 - 30 years old
- ☒ I have completed 2 years minimum of my apprenticeship
- ☒ This is my 1st or 2nd time entering
- ☒ I am still an apprentice at the time entries close on 29 April 2020

KEY DATES



Entries open:
1 April 2020
Entries close:
29 April 2020

For more information on the entry process & competition details go to:

WWW.APPRENTICEOFTHEYEAR.CO.NZ

REGIONALS



Regional Practical Challenge (20 June)

Top 10 Regional finalists will go on to:



Interview



Site Visit



Regional Awards
(Aug/Sep)

The Winner from each Region will go on to:
NATIONALS (13-14 Nov)



Interview



National Practical



National Awards



UPCOMING EVENTS 2020



SURTEES BOAT ROAD SHOW - THANKS FOR JOINING US!

Cheers to those of you who joined us at trade events and fishing competitions around the North Island over the last two months. We hope you snapped up a few of the awesome deals we had on offer and liked the look of the 540 Workmate Hardtop Boat. We will be drawing the boat prize in early April - keep an eye out for the Winner!

Check out some pictures from branch events and comps below:



NILFISK ATTIX SAFETY DUST EXTRACTOR RANGE

Advanced vacuum and filtration technology designed to achieve full compliance with New Zealand's workplace Health & Safety guidelines for extracting hazardous dust.

■ AVAILABLE AT CARTERS



ATTIX 44-2L IC
42L L-Class



ATTIX 33-2M IC
30L M-Class



ATTIX 44-2M IC
42L M-Class



ATTIX 33-2H IC
30L H-Class



ATTIX 44-2H IC
42L H-Class

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100% RECYCLABLE WITH ZERO LANDFILL WASTE



Build a warm, dry and sustainable home with READY Super slab, now including QPOD™ as an eco-friendly alternative to traditional polystyrene pods within the raft foundation system.

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- Eliminate site waste
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READY Super Slab is CodeMark Certified which streamlines the building consent process at Council, significantly reducing delays to your project.

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