

CARTERS 
Your **Building** Partner

TRADE LEADER.

OCTOBER 2019

Construction Report: The view to 2024

THIS ISSUE ■

**Tackling construction
and demolition waste**

How to price your jobs
for profit

What is the cost of
construction emissions?

Regional winners from Registered
Master Builders CARTERS 2019
Apprentice of the Year



READING TRADE LEADER

can contribute towards your LBP Skills Maintenance requirements.



With MyGIB® you can now order and track GIB® plasterboard from wherever, whenever.

- Easily order GIB® plasterboard, select the delivery service and preferred merchant to order from your mobile device.
- Track order delivery status on your mobile device.
- Get instant Site Check and Proof of Delivery reports, with photos attached.
- CSV files available for quick and easy order importing into existing company ordering systems.

GET STARTED TODAY.



In the frame

BY MIKE GUY, CARTERS CHIEF EXECUTIVE

In what has been yet another busy period for the building and construction industry and related trades, there has been a huge range of information made available to those with a vested interest in the future of the industry.

From proposed changes to building law, a revision of the Resource Management Act and a reset of KiwiBuild, through to a report on construction emissions, further news on the future of vocational education and a report on what is likely to happen with construction over the next five or six years.

One of the recurring themes is the challenge that the entire industry faces from a shortage of skills and talented workers to handle the volume of work we currently have, and the amount of work that's likely to continue to flow through in the foreseeable future. The recent changes to industry training announced by the Government, initially caused a few ripples of concern and, while the longer-term view of those changes still lacks some clarity, the decision to implement the first construction Centre of Excellence is a good one for the sector to develop best practice training. For more on this initiative, check out page 10.

Investing in the future of the industry is also one of the major reasons CARTERS has been the principal sponsor of the Registered Master Builders Apprentice of the Year competition for 15 consecutive years. The 2019 competition recently announced its nine regional winners from around the country who will now compete against one another at the national final at Auckland ASB Showgrounds in early November.

To see who took out the regional competitions, our Apprentice of the Year article starts on page 26.

As the All Blacks have kicked off their defence of the Rugby World Cup, we've taken a related theme with our health and safety article on pages 28 and 29.

Just like the men in black need to be match fit, builders need to be site fit to take on the daily physical demand of the construction trade. It's important for builders to warm up to avoid any injuries that could take you or your employees out of the business and on to the bench, which could be costly. Based on research in sporting fields, Physiotherapist Dr Duncan Reid has put together a quick and easy daily warm-up, that we've named 'Site Start' for builders to use onsite with the crew. It could be a great addition to your morning toolbox chat.

Finally, for the All Blacks, there are a few weeks of hard work ahead if they are to become the first team to win three consecutive Rugby World Cups. Hopefully they can keep up the momentum from their opening win over South Africa. CARTERS long awaited Japan trip takes off later this month, 120 customers will join us for the final rounds where we hope to see Kieran Read hold aloft the William Webb Ellis trophy for his first time as captain. We're looking forward to hosting our valued trade customers in Tokyo, Kyoto and Osaka and to be part of a historic three-peat.



MIKE GUY
CARTERS Chief Executive

CARTERS
Your Building Partner

TRADE LEADER.

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

MANAGING EDITOR

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

LAYOUT

Kaz - Design. Brand. Web.

PRINTER

Blue Star

ENQUIRIES

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

ISSN 2463-3550 (Print)
ISSN 2463-3569 (Online)

TLP Media Ltd reserves the right to accept or reject any editorial or advertising material. No part of CARTERS Trade Leader magazine may be published or reproduced without the express permission of the publisher. All rights reserved. Opinions expressed in CARTERS Trade Leader are not necessarily those of CARTERS or the publisher. No responsibility is accepted for the suggestions of the contributors or conclusions that may be drawn from them. Although the publisher has made every effort to ensure accuracy, the reader remains responsible for the correct selection of any tools, equipment, materials or systems followed, as well as the following of any laws or codes that may apply.

WHERE STYLE MEETS DURABILITY

Marley Stratus Design Series®

Designer uPVC spouting and downpipe systems available in five colours including Grey Friars® and Ironsand®, New Zealand's most popular roofing colours.

	Stormcloud®	Typhoon®	RP80® Downpipe
 Black	✓	✓	✓
 Ironsand®	✓	✓	✓
 Grey Friars®	✓	✓	✓
 Titanium		✓	✓
 Copper		✓	✓

Pictured: Marley Typhoon® with RP80® downpipe in Black



6. INDUSTRY NEWS



20. INSURANCE



24. ECONOMICS

6. INDUSTRY NEWS

Construction Pipeline report; Building law summary submissions; construction emissions report; RMA overhaul; CoVE establishment welcome; KiwiBuild reset; proposed urban development policy.

13. ENVIRONMENT TACKLING DEMOLITION AND CONSTRUCTION WASTE

The construction and demolition industry is one of the largest waste producers in the country. A proposed specification is being drafted in order to encourage and drive good environmental practice in this area and help ensure the best practices are effectively defined.

14. LBP CODEWORDS

As part of this month's Codewords content from the Ministry of Business, Innovation and Employment, we look at two topics – Design of buildings for health and safety, and how to manage elective learning for your building licence.

18. LEGAL PRIVACY LAWS

New privacy laws are expected to come into force in 2020, designed to promote and protect individual privacy. Andrew Skinner looks at what these changes may mean for you.

20. INSURANCE WHEN IS 'PRACTICAL COMPLETION'?

Knowing when you've achieved 'practical completion' on a construction project is of crucial importance to builders for a whole load of reasons, including that contract works insurance will typically end as soon as 'practical completion' is reached, even if your stated policy hasn't reached its end date.

22. BUSINESS PRICING FOR PROFIT

If you're not pricing your jobs correctly, you could be costing your business, even if you're billing more than you were this time last year. Understanding your true labour allowances is essential to getting this right, and ensuring the long-term success of your business.

24. ECONOMICS

LABOUR MARKET UNDER THE SPOTLIGHT

The relevance of what is going on in the labour market goes beyond finding and retaining staff, and the cost of doing so. The labour market is at the heart of interest rate cycles and it is time firms in the building industry took more notice of what is going on in the labour market.

26. APPRENTICE OF THE YEAR 2019

The regional winners have all been named in the Registered Master Builders CARTERS 2019 Apprentice of the Year, highlighting the talent of the building and construction industry's future leaders. Now they will all go head-to-head to determine the national winner.

28. HEALTH & SAFETY SITE START

The building and construction industry has a high rate of injury so, based on research done at Auckland University of Technology, Dr Duncan Reid (AUT's Professor of Physiotherapy), has developed a warm-up programme that CARTERS have called Site Start – a series of exercises designed to prepare you for your work day and prevent some of the most common injuries.

Report predicts construction growth



A NEW MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT (MBIE) REPORT SHOWS THAT CONSTRUCTION IS FORECAST TO KEEP INCREASING, PEAKING AT MORE THAN \$43 BILLION IN 2021.

The National Construction Pipeline Report 2019 was commissioned by MBIE and prepared by BRANZ and Pacifecon (NZ) Ltd and is the seventh

edition of the report, designed to provide awareness of the expected pipeline of building and construction to support sector planning, capital and skills investment, and coordination of construction procurement to enable better project scheduling.

According to figures in the report, residential building is expected to plateau from 2020 onwards, although

Auckland's residential construction growth was predicted to continue growing until the end of the forecast period in December 2024.

Non-residential construction activity has been forecast to peak at just over \$9 billion in 2021 before dropping away by around 20% by the end of the forecast period to a total of \$7.2 billion.

KEY SUMMARY POINTS:



\$43.5b

Total construction value is forecast to peak at \$43.5 billion in 2021.



\$26b

Residential building is forecast to level out from 2020, at over \$26 billion.



\$9b

Non-residential construction is forecast to peak at \$9 billion in 2021, before starting to decline.



A full copy of the report can be found on the MBIE website:

<https://www.mbie.govt.nz/building-and-energy/building/supporting-a-skilled-and-productive-workforce/national-construction-pipeline-report/>

Building law summary submissions published

SUMMARY OF SUBMISSIONS RELATING TO BUILDING LAW REFORMS HAS BEEN RELEASED BY THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT (MBIE).

In April this year, MBIE released the Building System Legislative Reform Programme paper for public discussion, which proposed ways of lifting the quality of building work and delivering fairer outcomes when things go wrong.

Recently, MBIE published a summary

of the 470 submissions received, highlighting the key themes that emerged and detailing feedback on each of the proposals.

MBIE consulted on proposals for five areas of the building regulatory system:

1. Building products and methods

2. Occupational regulation of Licensed Building Practitioners (LBPs); engineers; and plumbers, gasfitters and drainlayers (PGD)
3. Risk and liability
4. Building levy
5. Offences, penalties, and public notification.

"The need for legislative changes was strongly supported, and there was

>>> **Continued on page 11**



Construction emissions highlighted by report

A REPORT COMMISSIONED BY THE NEW ZEALAND GREEN BUILDING COUNCIL (NZGBC), WHICH SUGGESTS THAT CHANGES NEED TO BE MADE TO THE CONSTRUCTION INDUSTRY IN ORDER TO REDUCE THE COUNTRY'S CARBON FOOTPRINT, HAS BEEN QUESTIONED BY THE HEAD OF ONE OF THE GROUPS REPRESENTING NEW ZEALAND'S BUILDING AND CONSTRUCTION INDUSTRY.

The report, titled "Under Construction: Hidden emissions and untapped potential of buildings for New Zealand's 2050 zero carbon goal", was written by sustainability consultants thinkstep, and suggested that steel and concrete are responsible for more than 50% of the carbon emitted by the construction sector during the manufacture of a building and its materials.

However, Building Industry Federation (BIF) Chief Executive, Julien Leys, says the report is full of inaccuracies and chooses to ignore some key facts about what the industry is already doing to address the issue of carbon.

Overall, the report says, the construction and renovation of New Zealand buildings between now and 2050 could contribute about three million tonnes of climate change pollution. This figure did not include the amount of carbon emitted due to operations like heating and lighting during this time.

Andrew Eagles, head of the Green Building Council, said "The findings of this report clearly show that buildings and construction have to form a key part of New Zealand's efforts to tackle climate change pollution. We simply can't achieve our zero carbon goals without making progress on this hidden pollution.

"There is growing pressure, internationally and here in New Zealand, for construction to be cleaner and less polluting. And this report will surely only increase that pressure.

"WE NEED TO CONSTRUCT HEALTHY, EFFICIENT BUILDINGS, AND WARM, DRY HOMES, AND SLASH CARBON EMISSIONS TOO. AND THESE GO HAND IN HAND"

But Mr Leys says there are initiatives being implemented in order to improve global environmental practices, highlighting concrete production as one of the key points. He says the manufacture of cement, which accounts for around 7-15% of the concrete mix, is an energy intensive process, but that there are moves to reduce the amount of CO² produced during the process in areas such as kiln firing of limestone.

"Typically, coal is being used," he said. "In New Zealand, wood waste is substituting a significant proportion of fossil fuel. This bio-fuel maximises the recovery of energy from waste, reduces emissions and saves landfill space by using a product that would otherwise not have a purpose."

He also says there are global initiatives underway, including finding substitutes for cement itself, such as using waste from steel manufacture and waste from coal combustion to replace cement, which can result in

environmental benefits, improved concrete performance and long-term cost advantages.

New Zealand also has an abundant and stable supply of pumice, which can potentially substitute up to 25%

of cement in concrete production, he says. Currently, the concrete industry is completing trials and will be working to update building standards to enable its use, providing a significant step forward in helping reduce CO² emissions.

Mr Leys also said that the positive environmental impacts of concrete were ignored in the report, including its ability to absorb CO₂ from the atmosphere during its service life, and secondary life following recycling.

"The cement and concrete industry is taking a broader perspective with a host of improved environmental practices, including waste minimisation, recycling and the use of synthetic vehicle fuel," he said.

"Globally, the industry is developing new technologies, including bio-concrete and nanoparticles, all in an attempt to enhance production and performance."

Work faster with the Gecko Gauge



GECKO GAUGE

The Gecko Gauge is an innovative tool that helps increase installation efficiency for Linea™ Weatherboard. This easy to use tool gauges and supports the weatherboard for a one person install.

HEAD

holds the upper weatherboard

ADJUSTABLE HEAD

For 135, 150 and 180mm widths

TOE

Designed for 16mm Linea Weatherboard

LEVER

Secures the weatherboard in place

It also provides safety benefits on installs when one installer is present – specifically applicable when working on scaffolding.

Other benefits include:

- Quickly adjusts for all Linea Weatherboard sizes 135, 150 & 180mm
- Robust aluminium design for long term durability

Product code: 305941

Ask James Hardie™ | Call 0800 808 868 | jameshardie.co.nz



Comprehensive overhaul of the RMA

THE GOVERNMENT RECENTLY LAUNCHED A COMPREHENSIVE OVERHAUL OF THE RESOURCE MANAGEMENT ACT (RMA) TO CUT COMPLEXITY AND COSTS AND BETTER ENABLE URBAN DEVELOPMENT, WHILE ALSO IMPROVING PROTECTION OF THE ENVIRONMENT.

A two-stage process to improve the resource management system was announced recently by Environment Minister David Parker who said it was close to 30 years since it was passed as the country's main law managing built and natural environments, but was not working as well as intended.

He said a reform project initiated by the Environmental Defence Society with input from Infrastructure NZ, the Property Council and the Employers and Manufacturers Association (Northern) had highlighted the need for change and how to address it.

The Government is approaching the changes in two stages:

STAGE ONE:

AMENDING THE RMA

The Government is proposing several specific changes to the RMA through an amendment bill. The aim of the bill is to make the RMA less complex, give people more certainty on RMA issues, and increase opportunities for public participation.

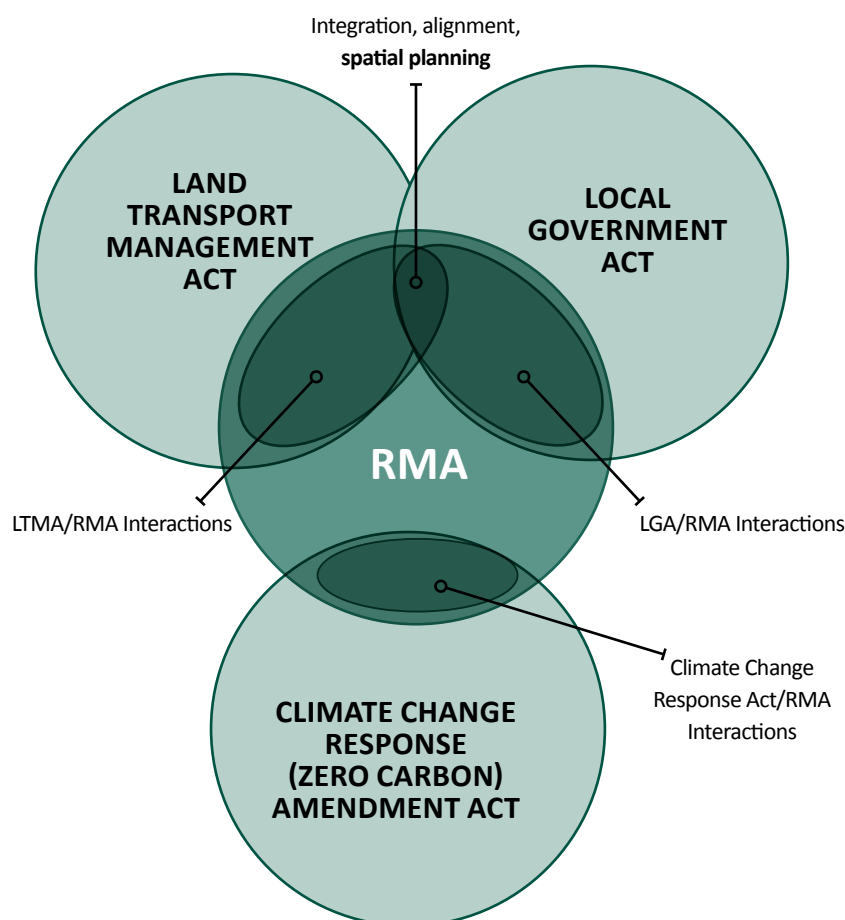
The bill will address issues with resource consenting, enforcement and Environment Court provisions within the RMA. It may also include some other policy proposals.

The bill is currently being drafted and we are working to introduce it to Parliament later this year. Public submissions will be called for when the bill is referred to a select committee.

STAGE TWO:

A COMPREHENSIVE REVIEW

The Government is undertaking a comprehensive review of the resource management system. This review will examine the broader and deeper changes needed to support



Venn diagram showing the scope of the review. The RMA is within scope of the review, including its interactions with the Local Government Act, the Land Transport Management Act, and the Climate Change Response (Zero Carbon) Amendment Act. This includes spatial planning which works at the intersection of the RMA, the LGA and the LTMA. Areas of others Acts which do not intersect with the RMA are out of scope.

the transition to a more productive, sustainable and inclusive economy.

The aim of the review is to improve environmental outcomes and enable better and timely urban development within environmental limits.

Also in scope is whether the crucial Part 2 – or its equivalent – should sit in the RMA or in a separate piece of law. Part 2 sets out the principles and purposes of the RMA and sets the objective of “sustainable management”.

SCOPE OF THE REVIEW

The Government proposes that the review should focus on the RMA,

including the ways it interacts with other key legislation such as the:

- Local Government Act 2002
- Land Transport Management Act 2003
- Climate Change Response Act, to be amended by the Zero Carbon Amendment Bill.

The scope includes spatial planning which has the potential to help us make better and more strategic decisions about resources and infrastructure over longer timeframes.

It is expected to produce a proposal for reform, including drafts of key legislative provisions, by mid-2020.

BCITO welcomes Centre of Excellence for construction

DESPITE A NUMBER OF INITIAL CONCERNS ABOUT THE RECENT VOCATIONAL EDUCATION REFORMS ANNOUNCED BY THE GOVERNMENT, THE BUILDING AND CONSTRUCTION INDUSTRY TRAINING ORGANISATION (BCITO) IS PLEASED TO SEE QUICK PROGRESS IN THE ESTABLISHMENT OF THE FIRST CONSTRUCTION CENTRE OF VOCATIONAL EXCELLENCE (COVE).

CoVEs are part of the Reforms of Vocational Education with the first CoVE announced recently for the Primary sector.

Under the decision from Minister of Education Chris Hipkins, the construction sector CoVE will bring together education and industry bodies to develop vocational education.

The original announcement of wide-ranging changes was made at the start of August, which included the formation of between four and seven Workforce Development Councils (WDCs) to replace the current industry training organisations.

BCITO Chief Executive, Warwick Quinn, initially expressed disappointment that the changes remove industry control for on-the-job learning in favour of the WDCs.

"The sector was very clear in its view that the status quo was performing well and should be maintained," he said.

However, he says establishing a construction CoVE is an important development.

"Construction consists of many small firms and the delivery of quality vocational training by small firms is a real challenge the sector faces. The construction industry employs over 250,000 people but 91 percent of the companies in the sector have 5 staff or less. This makes training, innovation, and research & development a casualty of how the construction industry is structured so the creation of a CoVE is a great step forward."

Quinn says because the sector finds it difficult to innovate and respond to changes in technology the concept of CoVEs means responses can be developed centrally and the knowledge shared. He says a great example is the Pre-fab, or off-site construction space.

"At the moment training in this area is shared between multiple ITOs and providers, and while we all do our bit, no one is charged with grabbing the issue and running with it. Having a CoVE focus on what is required, develop best practice vocational training and delivery, that is then available to everyone, is far preferable

than everyone having a crack at it and all doing it poorly. We are just too small a country to have so much duplication and not share our knowledge for the betterment of our industry".

He says there are also still a lot of questions on how CoVEs will interact with the other parts of the vocational education sector under the reforms such as the Workforce Development Councils, Regional Skills Bodies and training providers.

Quinn thinks there could be many CoVEs in each sector who will specialise.

"I don't think it is possible for a CoVE to be all things to all people so I can envisage a number of these to respond to particular needs. It will be about who is best placed to answer a unique issue and where that expertise resides".

Quinn says the BCITO is committed to ensuring the reforms of the vocational education system benefits employers and apprentices and will work with the Government to ensure that happens. Skills in the construction sector are in high demand with some 80,000 new workers required over the next 5 years of which about half need to be trade qualified.

KiwiBuild reset announced by Government

THE GOVERNMENT'S AIM OF 100,000 HOMES IN 10 YEARS HAS BEEN DROPPED AS PART OF THE KIWIBUILD RESET ANNOUNCED BY HOUSING MINISTER MEGAN WOODS RECENTLY.

"It was overly ambitious and led to contracts being signed in places where there was little first-time buyer demand," she said.

"Instead of the target, we will focus on building as many homes as we can, as fast as we can in the right places."

That progress will be shown on a monthly dashboard of housing statistics.

Current KiwiBuild homes in Te Kauwhata, Canterbury and Wanaka that haven't yet sold will now be available to the open market which, Ms Woods says, will allow the Government to re-use that capital to get more developments underway where there is clear demand.

The reset includes:

- New ways for people to become home owners, such as shared-

ownership schemes;

- Boosting supply by building more homes where evidence shows they are needed;
- Letting friends and family join their \$10,000 deposit assistance together;
- Reducing the deposit required for a government-based mortgage to 5%;
- Reducing the amount developers receive for triggering the government underwrite rather than selling to KiwiBuild buyers.

Councils urged to relax planning rules

SIX HIGH-GROWTH CENTRES THROUGHOUT THE COUNTRY HAVE COME UNDER FOCUS AS PART OF A PROPOSED NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT¹.

The Policy, which was announced recently by Urban Development Minister Phil Twyford and Environment Minister David Parker, would direct councils - particularly in Auckland, Hamilton, Tauranga, Wellington, Christchurch and Queenstown - to relax their planning rules in order to make room for growth, while also focusing on high-quality streets, neighbourhoods and communities.

"Our cities are failing. Restrictive planning is stopping our cities from growing, driving up the price of land, and is one of the big drivers of the housing crisis," Mr Twyford said.

"When overly restrictive planning creates an artificial scarcity of land, or floor space in the case of density limits, you simply drive up the price of housing and deny people housing options," he added.

He said that it is possible to create high and medium-density



communities with good urban design and open spaces and, with good planning and transport infrastructure, growth on the fringes of the city can avoid some of the problems that come with sprawl.

The National Policy Statement on Urban Development will sit alongside another recently-released policy on Highly Productive Land².

"National Policy Statements help local authorities make good decisions about making room for growth, while ensuring it doesn't come at the

expense of natural environments," David Parker said. "By providing clear direction to decision-makers, it will improve outcomes for communities through enabling more housing choices close to jobs and achieving quality urban environments."



1 <https://www.hud.govt.nz/urban-development/national-policy-statement-on-urban-development-capacity-nps-udc/>

2 <https://www.mpi.govt.nz/news-and-resources/consultations/proposed-national-policy-statement-for-highly-productive-land/>

Building law summary submissions published

>> Continued from page 6

a high level of support for many of the proposals," said Anna Butler, the GM of Building System Performance at MBIE. "We also received a lot of valuable feedback on how the proposals can be refined, and how they can go further in some areas to make sure we achieve what's needed."

According to the summary of submissions, there was strong support surrounding products definitions, modern methods of construction (MMC), requiring a guarantee or insurance product for residential new builds and significant alterations, enabling the levy to be used for broader stewardship purposes and restricting safety-critical engineering work.

There was strong disagreement, or a suggestion that assumption behind the proposals should be revisited in areas including establishing a new voluntary certification scheme for engineering, liability setting and reducing the building levy.

"We're now making sure we take on board all the key insights we've received as we prepare detailed advice on the proposals for the Minister of Building and Construction," Ms Butler said.

The Minister is expected to present a paper to Cabinet in the coming months to confirm the next steps for the reform programme, which will be announced following Cabinets' decision.

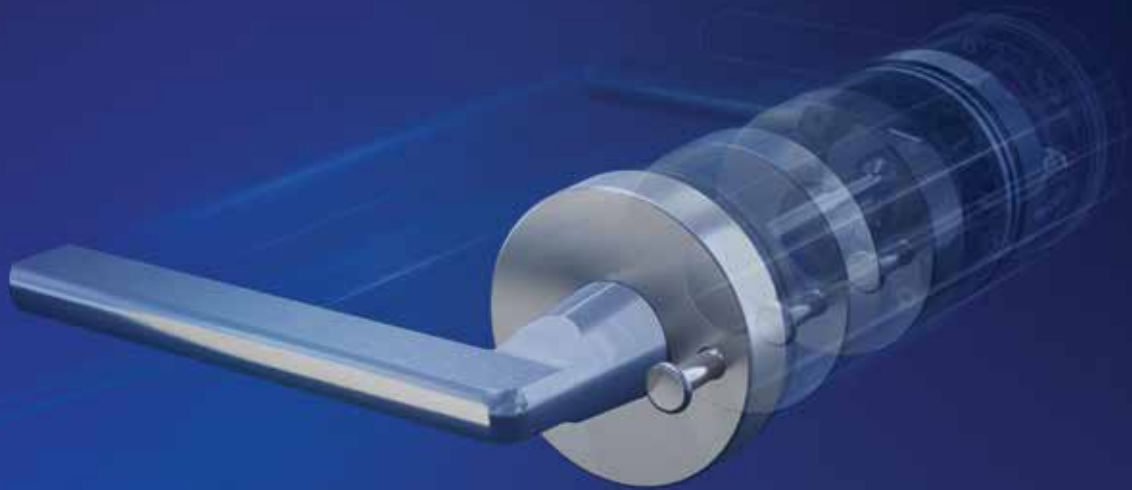
"Still ahead of us is a vast amount of work to develop the detailed legislative design. There will be opportunities to engage with us through this process, and again through the select committee process next year."

Legislative changes are likely to be rolled out over the next two to five years.

A full summary of submissions is available on the MBIE website.



<https://www.mbie.govt.nz/have-your-say/building-system-legislative-reform-programme-public-consultation/>



Built for speed.

For faster door hardware installation, new QuickFix™ technology can be installed in under 30 seconds*

* After installation of latch and strike.

Install in 4 easy steps:

1. Position furniture
2. Rotate bezel
3. Tighten screws
4. Fit rose cover



Scan the QR code to see how easy it is to install QuickFix™ door furniture or visit allegion.co.nz/quickfix

QuickFix™ is currently available on Schlage Medio and Form Series levers.



Tackling construction and demolition waste

■ BY KATE BOYLAN

INDIVIDUALS HAVE A ROLE TO PLAY IN MINIMISING THEIR PERSONAL WASTE AND TRANSITIONING TOWARDS A MORE CIRCULAR ECONOMY. THERE IS ALSO A BIG OPPORTUNITY FOR BETTER WASTE PRACTICES IN THE CONSTRUCTION AND DEMOLITION (C&D) INDUSTRY. BY WEIGHT, THE C&D INDUSTRY IS ONE OF THE LARGEST WASTE PRODUCERS IN THE COUNTRY. C&D WASTE IS CONSIDERED THE NON-HAZARDOUS MATERIAL GENERATED BY CONSTRUCTION OR DEMOLITION ACTIVITIES, INCLUDING SITE PREPARATION.

The demand for housing and associated infrastructure in New Zealand, and therefore the requirement for C&D work and generation of C&D waste, is projected to increase. In 2014, the Building Research Association of New Zealand (BRANZ) estimated that C&D waste may represent up to 50% of all waste generated in New Zealand. With C&D waste representing 20% of all waste sent to Class 1 landfills (general waste landfill – where our household waste and most business waste goes). And 80% of all waste going to Class 3 (managed fill or construction waste landfills, not suitable for general waste) and 4 landfills (cleanfill – only suitable for clean inert material such as soil or rock).¹

The 2016 Joint Waste Assessment for Tauranga City Council and Western Bay of Plenty District Council stated that C&D waste was the third largest contributor to the waste stream in the region, and that it was increasing in volume, with little being recovered or recycled.² The Wellington Region Waste Management and Minimisation Plan (2017-2023), stated that 11% of waste to Class 1 landfills was contributed by C&D activities, and highlighted the need for councils to reduce C&D waste to both cleanfills and landfills, as well as encourage C&D waste reduction, reuse, and

recycling within the industry.³

In 2018, Auckland Council released the region's Waste Management and Minimisation Plan (WMMP) in which it defined C&D waste as the largest single waste stream, at around 40% of total weight going to landfill, not including the greater quantities of rubble and concrete ending up in clean fill and managed fill sites.⁴ Auckland Council has recognised the need to address the volume of waste being generated, and created the Waste Minimisation Innovation Fund (WMIF) to support projects promoting all types of waste minimisation.

The New Zealand Ecolabelling Trust (NZET), which administers the government's Environmental Choice New Zealand (ECNZ) ecolabelling programme, recognised the need for independent, 3rd party verification to demonstrate best environmental practice from C&D waste service providers. The ECNZ verification could count towards the waste diversion credits in the NZ Green Building Council's Green Star tool.

With funding from Auckland Council's WMIF, NZET has completed an overview level life-cycle assessment and reviewed relevant information from other ECNZ specifications, publicly available information, industry guidelines, and feedback from the

market and service providers, to pull together the draft EC-59 C&D Waste Services specification. The draft EC-59 includes requirements for coordination and good communication between waste generators and waste recovery service providers, documented good practices for C&D waste management, and verifiable waste diversion.

ECNZ recently requested feedback on the proposed specification (EC-59 C&D Waste Services) in order to encourage and drive good environmental practice in C&D Waste Services and help ensure the best practices are effectively defined. We will continue to look further into this topic in a future issue of CARTERS Trade Leader once the final specification is published.



1. BRANZ, 2014, REBRI guides introduction - https://www.branz.co.nz/cms_display.php?st=1&sn=113

2. Eunomia research & consulting, 2016, Joint Waste Assessment for TCC and WBOP - https://www.tauranga.govt.nz/Portals/0/data/council/plans/reserve_management/files/joint_waste_assessment.pdf

3. Wellington Region, 2017, Wellington Region Waste Management and Minimisation Plan 2017-2023 (WMMP) - <https://wellington.govt.nz/~media/your-council/plans-policies-and-bylaws/plans-and-policies/a-to-z/wastemgmt/files/wasteplan.pdf?la=en>

4. Auckland Council, 2018, Waste Management and Minimisation Plan - <https://www.aucklandcouncil.govt.nz/plans-projects-policies-reports-bylaws/our-plans-strategies/topic-based-plans-strategies/environmental-plans-strategies/Pages/waste-management-minimisation-plan.aspx>

Kate Boylan is the NZGBC Future Thinker of the Year and a sustainability engineer at Tonkin + Taylor



Designing buildings for worker safety

Your building designs can affect the health and safety of workers constructing, maintaining and demolishing buildings.

This is recognised in the Health and Safety at Work Act (HSWA), which was introduced in 2015. It sets out the principles, duties and rights in relation to work health and safety. Although the HSWA focuses on the design of workplaces rather than domestic dwellings, it is important legislation to keep in mind when designing any type of building.

WHAT IS HEALTH AND SAFETY BY DESIGN?

Health and safety by design is the process of using design to manage health and safety risks throughout the life cycle of a structure, plant, substance or other product. In the context of designing a building, this means considering the health and safety risks throughout the construction, lifetime use, maintenance, and demolition and disposal of a building.

YOUR POWER TO INFLUENCE SAFETY

Designers are in a prime position to make buildings, and working on

buildings, healthy and safe from the start of the design process. Your decisions will influence the health and safety aspects of a building for its entire lifespan. Making changes at the concept and design phase to improve safety is not only more effective, it can also reduce construction and maintenance costs.

CONSIDER THE WHOLE LIFE CYCLE

For each phase of a building's life, there will be different hazards for people to consider. It helps to break down the different phases and ask yourself how your design will affect health and safety, and if there are any improvements you can reasonably make, for example:

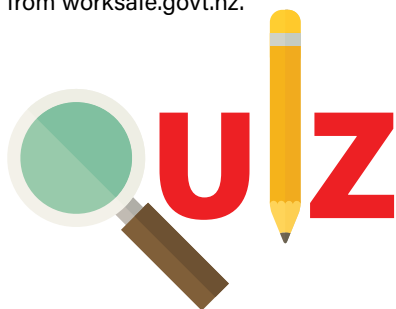
- Can builders construct your design safely? Work sites already contain a range of health and safety hazards, and site - or design-specific details can introduce new or unexpected hazards. Consider talking to the building contractor, if possible, about

how they plan to construct the building and any hazards they anticipate. You may spot things in your design you didn't see before, and have the opportunity to make improvements.

- Will the home be safe and healthy to live in? The Building Code has many features that improve the health and safety of buildings for occupants, such as insulation requirements and barriers on balconies. However the minimum standards of the Building Code are just that – minimum standards. Are there further improvements you could make?
- Can the building be safely maintained? For example, are there lightbulbs or other features that require a ladder to access, introducing the hazard of falling from height? Is there another way you could design features to reduce hazards?
- Will your choice of materials today affect the safety of workers demolishing the building in the future? For example, we have stopped using asbestos due to the unacceptable health risk to workers, especially when asbestos is cut, removed or destroyed.

WHERE TO FIND MORE GUIDANCE

WorkSafe has developed a 'Health and Safety by Design' good practice guideline. It includes information on how the HSWA applies to designers, as well as guidance on the principles and considerations of designing with health and safety in mind. The case studies provided mainly focus on infrastructure, however the key principles are transferable to any type of design and can add value to your practice. The guideline can be downloaded for free from [worksafe.govt.nz](https://www.worksafe.govt.nz).



1. WHY IS IT IMPORTANT FOR DESIGNERS TO CONSIDER HEALTH AND SAFETY?

- a. It is in the LBP rules.
- b. Their design decisions will impact the health and safety of other workers and building inhabitants.
- c. It isn't important – it is up to builders to keep themselves safe.

2. WHY MIGHT YOU BENEFIT FROM DISCUSSING THE DESIGN WITH A BUILDING CONTRACTOR?

- a. There is no benefit – they do not have design expertise.
- b. You can tell them how to build the design.
- c. You might get a new perspective on the design and come up with improvements.

3. IF YOU DESIGN TO THE BUILDING CODE, YOUR BUILDING WILL BE SAFE AND YOU DON'T NEED TO WORRY ABOUT HEALTH AND SAFETY. TRUE OR FALSE?

- a. True. If you design to the Building Code, the building will be safe.
- b. False. The Building Code is a good start, but it won't catch every hazard.



Check your answers here:
<https://www.building.govt.nz/about-building-performance/news-and-updates/codewords/codewords-issue-91/health-and-safety-by-design/quiz-answers-health-and-safety-by-design/>



Managing your LBP elective learning

Elective learning has been a part of the LBP skills maintenance programme since it was introduced. Learning and retaining skills and knowledge, however, has always been integral to building – even before the LBP scheme began. Some LBPs find the formal process of meeting criteria and submitting a skills maintenance record a daunting task at first, but it's generally a natural learning process that just needs to be recorded. In this article we offer tips for maximising the benefit to your professional development.

START EARLY

Your skills maintenance record is due every two years, however there is no reason why you can't start early! Giving yourself time to complete your elective skills maintenance allows you to pick which activities will best suit your needs. Some elective activities are one-off events, have limited numbers or are run infrequently, so keeping an eye out can be worthwhile.

>>Continued over page

CORE COMPETENCIES

A good elective activity is one that provides valuable and meaningful content to help you maintain your professional skills and knowledge. When choosing elective activities, consider how they will help you build on your core competencies as an LBP. These competencies include:



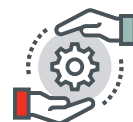
Regulatory knowledge – knowledge about the Building Act, the Building Code, and other related regulations.



Technical knowledge and skills – knowledge about relevant construction methods and practice; understanding of Acceptable Solutions and other compliance pathways.



Health and safety – applying safe working practices and managing of hazardous substances and environmental issues on site.



Continued practice – developing your skills relevant to your licence class or work.



Professional skills – knowledge of construction management, contract administration and good communication practices; understanding of relevant business training, quality assurance procedures and supervision of staff.

TYPES OF ACTIVITIES

The range of suitable elective learning activities is deliberately broad to give you the flexibility to choose what will be of most value to you. The most important thing is the value of the learning, not necessarily how it is achieved. Types of activities may be:

- presentations and tutorials
- reading a trade magazine (i.e. CARTERS Trade Leader bi-monthly

magazine) or other relevant publications can contribute 6 points per year to your elective learning requirements

- courses and other formal studies
- lecturing and teaching
- publishing professional articles or research
- performing a service to the industry
- learning about workplace safety
- mentoring

CHOOSING A TRAINING PROVIDER

An elective skills maintenance activity doesn't have to be run by an accredited training provider or polytechnic. Some providers may advertise that their offering will be worth a certain number of skills maintenance hours. This can be helpful as a guide, however the Ministry of Business, Innovation and Employment (MBIE) does not accredit courses as part of the LBP scheme, so it is not an endorsement or guaranteed learning outcome.

It is up to your judgement whether you think you achieved quality professional development, and how many hours were relevant to your LBP competencies. This will vary from person to person, as some LBPs will have more or less experience in certain areas. It may pay to shop around for elective activities that will deliver the best learning outcomes for you personally, before investing your valuable time and money.

RECORD AS YOU GO

Recording your elective skills maintenance as you complete it is easier in the long run than racing to collate it when it's due. You are also more likely to remember to add impromptu learning that might occur. Luckily there are tools to help you do this, such as the online portal on the LBP website.

If you log in to the LBP portal you can add your skills maintenance activities as you do them. The information is stored directly with MBIE, so it is all there when you are ready to renew your licence.

You may prefer to keep a record of your skills maintenance activities in your CARTERS diary, or elsewhere online. This could be on another website or in an app. If so, you can upload an exported PDF or JPEG copy of your completed skills maintenance record to the LBP portal when you wish to renew your licence. You can also scan a paper version of your skills maintenance record and upload it this way.

QUIZ

1. STARTING YOUR ELECTIVE SKILLS MAINTENANCE WELL BEFORE THE DUE DATE HAS WHICH BENEFITS?

- a. Reduces stress when it comes to renewal time.
- b. Lets you be more picky about which learning opportunities you invest in.
- c. Allows you to accumulate extra hours for future skills maintenance rounds.
- d. Both a. and b.

2. IF A COURSE IS ADVERTISED AS BEING WORTH SIX SKILLS MAINTENANCE HOURS, WHAT DOES THIS MEAN?

- a. It is a guideline from the course provider, that six hours of the course will be relevant to LBP competencies.
- b. MBIE has assessed the course and found it is worth six skills maintenance hours.
- c. You will learn six new things.
- d. The course will be six hours long.

3. FOR AN ACTIVITY TO BE A VALID FORM OF ELECTIVE SKILLS MAINTENANCE, IT MUST:

- a. Be led by a course provider.
- b. Be relevant to improving your competency as an LBP.
- c. Last longer than two hours.
- d. Involve reading.

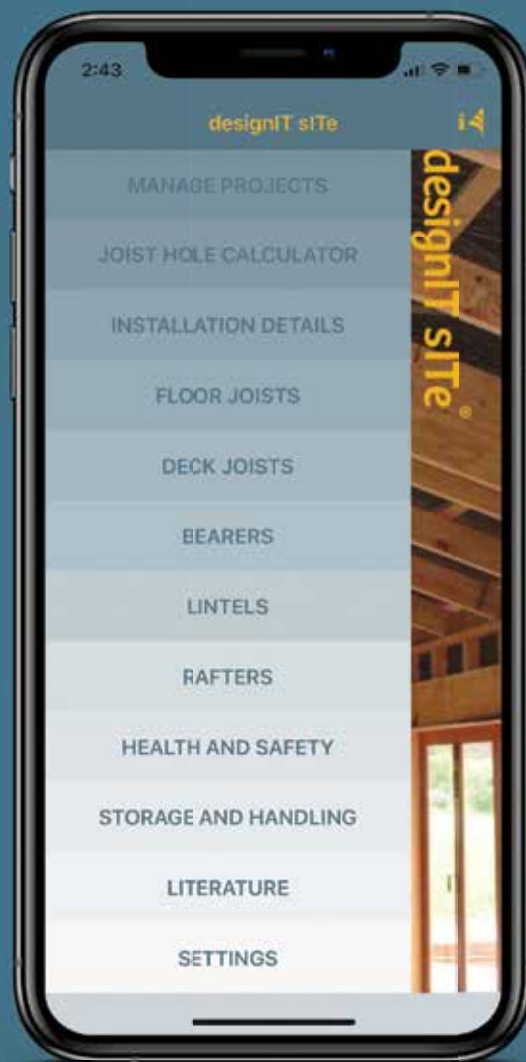


Check your answers here – <https://www.building.govt.nz/about-building-performance/news-and-updates/codewords/codewords-issue-91/organising-elective-skills-maintenance/quiz-answers-organising-elective-skills-maintenance/>

futurebuild[®]

**NEW VERSION
AVAILABLE NOW**

designIT[®]
HOUSES-SITE APP



**designIT for
houses App**

A handy tool for
tradesmen using
Futurebuild[®]
LVL products.



**DOWNLOAD
TODAY**

www.chhsoftware.co.nz

View the full
Futurebuild[®] LVL
range at:
www.futurebuild.co.nz
or call
0800 808 131



Privacy law changes

■ BY ANDREW SKINNER

NEW PRIVACY LAWS, WHICH WILL REPLACE THE CURRENT PRIVACY ACT, ARE EXPECTED TO COME INTO FORCE IN 2020. THE PURPOSE OF THE NEW LAW IS TO PROMOTE AND PROTECT INDIVIDUAL PRIVACY. THE NEW LAWS WILL MAINTAIN THE CURRENT INFORMATION PRINCIPLES BASED FRAMEWORK WHILE UPDATING THE LAW TO REFLECT THE NEEDS OF THE DIGITAL AGE.

Unfortunately, serious privacy breaches continue to occur on a relatively frequent basis and often make headlines damaging the reputation of the agency involved. Two recent examples reported in August highlight the risks of not appropriately protecting personal information:

- the Ministry for Culture and Heritage revealed that around 300 people had had their personal documents compromised following an error on a Ministry commissioned website
- a receptionist from a medical centre disclosed personal information about patients of the centre at a social gathering

KEY CHANGES

As currently drafted, the new law does not substantially change the information privacy principles regarding the collection, storage, disclosure and use of personal information. However, the new law significantly increases the powers of the Privacy Commissioner and the key changes are:

- the mandatory reporting of certain privacy breaches
- the power of the Privacy Commissioner to issue compliance notices
- the introduction of new criminal offences
- the power of the Privacy Commissioner to make binding decisions on information access requests
- the strengthening of the Privacy Commissioner's information gathering powers

MANDATORY REPORTING

Probably the most significant change under the new law is the introduction of a mandatory notification regime for certain privacy breaches. An agency must disclose a privacy breach to the Privacy Commissioner when it is reasonable to believe that the breach has caused serious harm to an affected individual or individuals or is likely to do so. In deciding whether a privacy breach is likely to cause serious harm an agency must consider certain factors, including any actions taken by the agency to reduce the risk of harm following the breach, whether the personal information is sensitive, the nature of the harm that may be caused, who has had access to the personal information

and whether the personal information is protected by a security measure. There will be certain exceptions to the mandatory notification provisions such as where notification may endanger the safety of any person or reveal a trade secret. It is an offence for an agency to fail to notify the Privacy Commissioner of a notifiable privacy breach and the agency may be liable on conviction to a fine not exceeding \$10,000.00.

WHAT SHOULD YOU DO TO PREPARE?

The law changes present an opportunity for businesses to review their processes for handling personal information to ensure that the correct processes are in place and the requirements understood. Whilst the maximum fine is relatively modest, the reputational damage from a privacy breach will be no doubt be of serious concern to companies.

Prior to the introduction of the new law, businesses in the building and construction industry need to review the personal information they collect, such as:

- personal details of customers (which may include the credit information of customers to the extent credit checks are carried out prior to commencing building work)
- employee information
- information relating to health and safety incidents

Having reviewed the personal information collected, the business then needs to confirm what happens to that information, who has access to it and how it is used. Other policies also need to be considered such as how to deal with requests to correct information. Many businesses now display a privacy policy or statement on their website which clearly explains how the business handles personal information. Once this review has been completed the business should provide training on the privacy rules to staff prior to the new law commencing to ensure that everyone understands the importance of protecting the personal information of individuals arising out of the activities of the business.

This article is intended to provide general guidance and does not constitute legal advice, which may vary depending on your circumstances.



Andrew Skinner is formerly General Counsel at CARTERS and is a Partner at Stewart Germann Law Office
Email: andrew@germann.co.nz



EASY TO INSTALL...

...WITH OUR NETWORK OF ACCREDITED INSTALLERS

The professional installation service provided by Eco Insulation has been honed over 20 years. Our national network of Accredited Installers use high quality **ecoinsulation®** glasswool insulation which comes with a 50 year warranty, so you can be confident in the quality of our workmanship and also the products we use.



To find out more contact your Carters account manager, enquire in store or call 0800 400 ECO.

Proudly recognised for meeting some of the highest environmental industry standards, including:



ecoinsulationglasswool.co.nz

ecoinsulation
glasswool



When is practical completion reached?

■ BY BEN RICKARD

KNOWING WHEN YOU'VE ACHIEVED "PRACTICAL COMPLETION" ON A CONSTRUCTION PROJECT IS OF CRUCIAL IMPORTANCE TO BUILDERS FOR A WHOLE LOAD OF REASONS. ONE OF THESE IS THAT CONTRACT WORKS INSURANCE WILL TYPICALLY END AS SOON AS "PRACTICAL COMPLETION" IS REACHED, EVEN IF THIS IS BEFORE THE STATED POLICY END DATE.

We have had a recent run of issues where builders haven't extended their contract works insurance because they have wrongly believed, or been told, that they have reached practical completion.

This leaves the project with no cover at the point when it is most vulnerable to loss.

Conversely, a project may have reached practical completion but not yet received a CCC and, in this case,

the contract works insurance will have expired before the homeowner may be able to get domestic house insurance.

DEFINITIONS

In building contracts

A building contract would usually define practical completion as being when all works are completed, except for any minor defects or omissions which do not prevent the home from being used for its intended purpose. In other words, if any unfinished items prevent the home from being lived in then practical completion has not been reached.

In insurance contracts

Most insurers specify different events that will cause the policy coverage to end, usually the earlier of:

1. The date on the policy
2. Occupation of the works (whether temporary, partial or full)
3. Practical completion (or at the time a practical completion certificate is issued)
4. In the case of a spec, when 95% of the project price has been spent

Some policies, while ending at practical completion, don't define what this is, leaving it open to interpretation. In these cases, insurers may accept the definition from the building contract that is being insured, but they may not.

Often, but not always, a "Certificate of Practical Completion" will be signed and dated by both parties to the contract, and this is commonly used as a line in the sand at which point the builder's contract is fulfilled,

BUILT IN
INSURANCE

Builtin Insurance are New Zealand's trade insurance experts. For more information and to request your own review visit builtininsurance.co.nz or contact Dave La Pere at dave.lapere@builtin.co.nz or 0800 BUILTIN.



their last payment is due and their defects liability period begins. For insurance and warranty purposes, it could also indicate when construction period cover ends and defects period cover begins.

COMPLETION OF THE WORK VS COMPLETION OF THE CONTRACT

Practical completion may be reasonably straightforward to identify and agree for full contract new builds. However, in some cases you may have a customer who is finishing off some of the work themselves, such as painting or landscaping, or even fitting the kitchen, which must be done before a CCC can be achieved. If the builder has arranged the contract works insurance, it will end when their contract is practically complete, even if there is more

work to be done to make the house habitable. However, the owners will be unlikely to get domestic house insurance until they have a CCC, or at least passed their final inspection. In cases like this it is preferable for the owner to arrange the contract works insurance as the “main contractor”, to ensure that the policy covers all the works.

SERVICES, A KITCHEN AND A BATHROOM

In general terms, a building may be considered habitable once it's closed in, has a working kitchen and bathroom and services are connected. This may be the minimum standard and certainly a builder's contract may not be completed at this point. Is the contract practically complete if there is still painting, doors to hang, electrical fit off, floor coverings to lay? Probably not.

If there are only minor snagging issues, perhaps a bit of skirting or tiling to finish off, some touch ups to do then it probably would be considered practically complete. From the perspective of contract works insurance, it is from this point the homeowner would need to arrange domestic house insurance. This can be challenging without a CCC, but most insurers will do it for a short period, subject to a CCC being issued within, say, 30 days. If cover can't be arranged, for example some insurers won't take it on if the home won't be occupied, it can create a gap between when the contract works cover ends and the homeowner can arrange domestic cover. This is a big issue.

INSURANCE COVER POST PRACTICAL COMPLETION

Completion cover: Recognising this, some contract works policies will include, or allow to be added, an extension of cover post practical completion for a set period of time (eg. 30 days). This is usually on the proviso that there is no other insurance in place. Other restrictions can also apply, such as a higher excess and that the property is not occupied. It gives the parties time to obtain a CCC and/or put in place house insurance.

Maintenance/Defects Liability

cover: Contract works insurance typically comes with an extension to cover the builder's maintenance or defects liability period, which starts from the point of practical completion. For residential construction this period is defined in law as 12 months, but the insurance extension may not automatically last this long, so you need to specify it (and check what your policy says). One insurer's wording defines it as:

The period starting when any part of the contract works is put into service, taken over, occupied or issued with a certificate of partial or practical completion, and finishing at the end of the:

- (a) Maintenance or Defects Liability Period referred to in the contract, or
- (b) period shown in the schedule, whichever is the earlier.

Cover during this period is limited to loss or damage that the builder is legally liable for, and that:

- (a) occurred during the construction period but was only discovered during the maintenance period; or
- (b) is caused by the builder while they are back doing maintenance/fixing defects during the maintenance period.

IN A NUTSHELL

You should be familiar with the definition of “practical completion” in both your build contract and insurance policy. Knowing when you've reached practical completion is important from an insurance perspective, because it affects when your policy ends and from when alternative cover must be arranged. But knowing what constitutes practical completion can be difficult, particularly for contracts outside of a standard full contract for a new build. Ideally, when practical completion has been achieved have a Certificate of Practical Completion signed by both parties to formalise this.

This article should not be relied upon as legal advice. The policy wordings from different insurers vary and you should seek your own advice as to the cover provided by yours.

How to price your jobs to make a profit

■ BY DANIEL FITZPATRICK

Chris sits nervously waiting for Alex his accountant to report if it was a successful year this time. Or whether, despite his best efforts, he is still looking for the elusive "extra profit."

He's really worked hard and was proud to have finally hit the one-million dollar mark for sales.

But deep down in his gut, he's just a little worried.

The bank account has been a bit tight lately.

Some of our clients have been shopping around. Comparing prices with other competitors. I've had to sharpen the pencil a few times.

There were also a few surprises on some jobs I suspect we lost money on.

But hey, we've been really busy... So, with all the extra work, it should make up for it – right?

Alex puts on his accounting voice; not a great sign. "I see you've billed a lot more this year. In fact, 32% more. That's good. But I see your margins have slipped."

Okay, so what does that mean?

"You've made another \$10,000 extra profit compared to last year, but that's it. I think you might be pricing too low on your work."

Bugger. Those extra guys I took on last year. And all those late nights and weekends. With nothing to show for it but a measly extra 10 grand!

Chris heads home angry, frustrated and discouraged.

I can't do another year like this. There has to be a better way.

IF ABOVE SOUNDS ALL TOO FAMILIAR, THE FIRST PLACE TO START IS WITH YOUR PRICING.

AS A TRADIE CONTRACTOR, THE LABOUR ALLOWANCE YOU INCLUDE WHEN PRICING JOBS (MADE UP OF THE NUMBER OF HOURS ALLOCATED TO THE JOB + THE ACTUAL COST PER HOUR) WILL BE ESSENTIAL IN DETERMINING HOW MUCH PROFIT YOU MAKE THIS YEAR.

And, also, the long term success of your business.

If these allowances are too low, no matter what else you do, you won't be able to make good profits. A sign of this is that cashflow will always be tight, most noticeably at peak times during the month, and also when work starts to slow up.

You'll find yourself sweating it out. Hoping there will be enough money in the bank to pay staff and suppliers. Ultimately, you'll find yourself frustrated that profits are disappointing year after year.

Alternatively, if your pricing is too high, you could be losing too many jobs to your competitors.

SO HOW DO YOU WORK OUT YOUR LABOUR ALLOWANCE ACCURATELY?

Some base their allowance relative to the experience and skill level of their team. Or what they think the market will pay.

Others go on gut feel and adjust pricing according to how much work they have.

Some even guess what their competitors' rates might be and base it on that.

These are factors you should be aware of, but this is not the right way to price and will get you into trouble. Use these calculations instead:

ACTUAL COST PER HOUR CALCULATION

To get this right, you need to start with your actual costs.

Let's take a look at Jamie who has been working for Chris, as an example.

Jamie is a good reliable hard worker and gets the jobs done quickly and efficiently. Jamie works on average 40 hours per week at an hourly rate of \$20 per hour, which is \$41,600 per year.

Chris believes Jamie costs \$20 per hour and some extras.

Here is a breakdown of actual costs for Jamie:

Jamie - Employee Costs			
Jamie			\$ 41,600.00
Hours paid for per year	2080		
	Per hour		\$ 20.00
Actual Costs			
Salary			\$ 41,600.00
Plus Kiwi Saver (+3%)			\$ 1,248.00
Overhead Costs (\$18 per hr x 2080 hours)			\$ 37,440.00
	Cost		\$ 80,288.00
Actual Hours Worked			
Hours paid for per year (52 wks x 40 hrs per wk)	2080		
Less Public Holidays (10 days x 8 hrs = 80 hrs)	-80		
Less Annual Holidays (20 days x 8 hrs = 160 hrs)	-160		
Less Sick days (5 days x 8 hrs = 40 hrs)	-40		
Less non billable hours (20% of time at work)	-416		
	Hours worked		1384
	Actual Cost per Hour		\$ 58.01

Overhead cost calculation: Costs that are not directly related to the jobs (ACC, administration staff, rent, office expenses, advertising, vehicle expenses, etc).

To calculate this accurately for your business, take all overhead expenses for the year divided by total hours spent on the jobs to get an hourly rate. This can range somewhere between \$15-\$25 per hour, depending on your fixed costs and the size of your company.

Non-Billable hours: Hours not directly related to the job itself (toolbox talks, training, health and safety documentation, onsite meetings, delays in start times,

dates where your team is less productive, weather stoppages, supply delays, etc)

Although Chris initially thought Jamie cost \$20.00 per hour + extras, to his surprise the actual costs are \$58.01 per hour.

NUMBER OF HOURS ALLOCATED TO THE JOB

Estimating accurately how long a job will take is also essential to making profit. Every hour worked over the estimated time eats into profit.

Unless hours worked are tracked against the estimated hours for each job, time blowouts are usually not seen (aka backcosting). This is often where tradies get tripped up.

As a business coach, many contractors I work with have significantly increased their profits by getting control of their hours worked on the job and quoting based on newfound understanding of how many hours a job actually takes (as opposed to how long you think it takes).

So, check times on every job compared against your time estimates to see how accurate you have been. Then use this history as a guide for quoting for new work.

PUTTING IT ALL TOGETHER: MARK-UP AND PROFIT

Now that Chris understands his labour allowance, he is in a better position to price the job. Here are the calculations:

- Actual cost per hour per employee x Number of hours allocated to the job = Labour allowance
- Labour allowance + materials costs = Total cost
- Total cost x Mark-up = Total Price to quote client**

So, start with actual costs and make sure you are pricing right – it will be the difference between being successful, or frustrated with nothing in the bank.

Once you allow for your labour allowance, check your mark-up. Is it enough? If it's too low, then it's time to starting increasing prices and making decent money.



If you need a hand with this, grab a free strategy session with me, and we will go through your situation to make sure you are pricing for profit.

Go here: <https://nextleveltradie.co.nz/nextstep/>



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

Putting the spotlight on the labour market

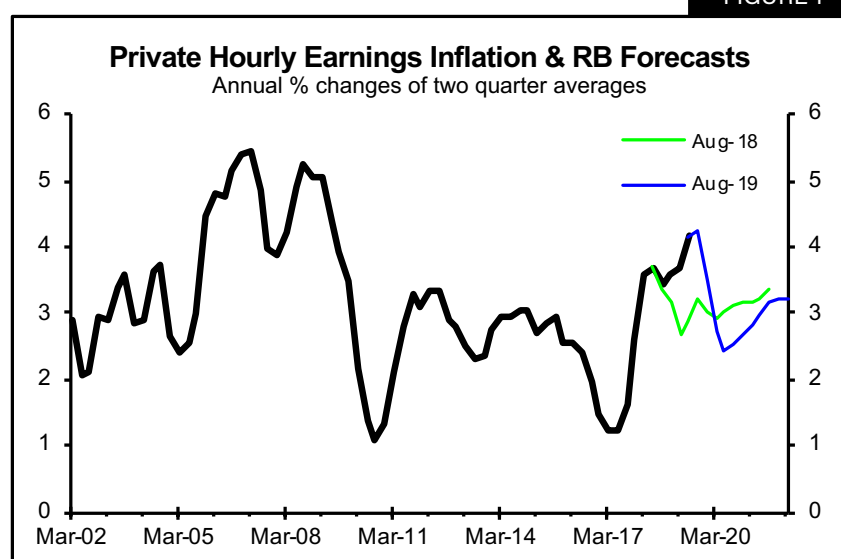
■ BY RODNEY DICKENS

THE RELEVANCE OF WHAT IS GOING ON IN THE LABOUR MARKET GOES WELL BEYOND HOW EASY (OR NOT) IT IS TO FIND AND RETAIN STAFF, AND THE COST OF STAFF. LABOUR COSTS ARE AT THE HEART OF CONSUMER PRICE INFLATION, WHICH IS ONE OF THE RESERVE BANK'S TARGETS, WHILE FULL EMPLOYMENT IS NOW ALSO A TARGET FOR THE RESERVE BANK. THIS PUTS THE LABOUR MARKET AT THE HEART OF INTEREST RATE CYCLES.

These insights aren't particularly interesting or enlightening; but add a political conspiracy theory and it is time firms in the building industry and more generally took more notice of what is going on in the labour market.

The best starting point for explaining the "political conspiracy theory" is the chart (Fig. 1). It shows what the Reserve Bank forecast as the private sector average hourly earnings inflation in August 2018 and most recently in August 2019.

In August 2018, the Reserve Bank

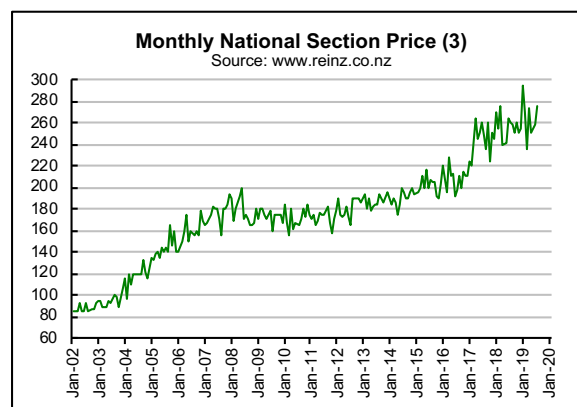
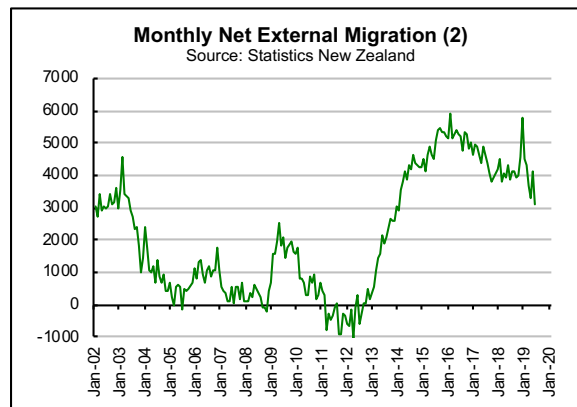
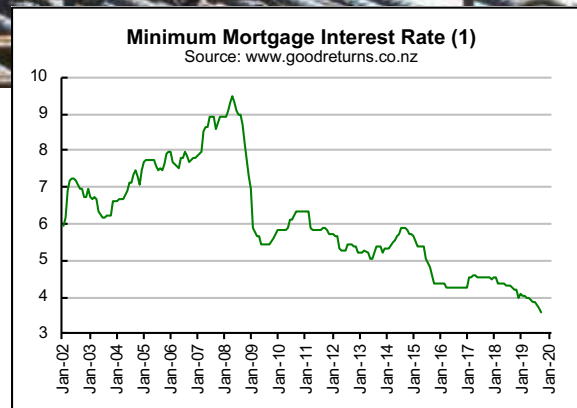
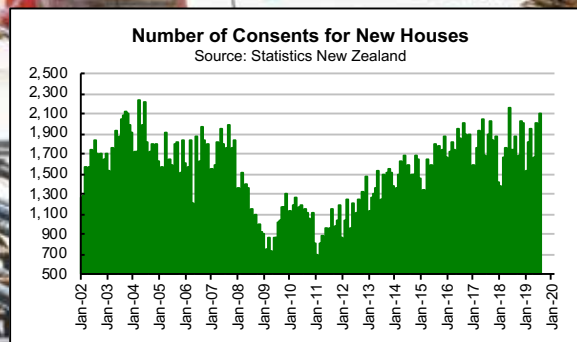
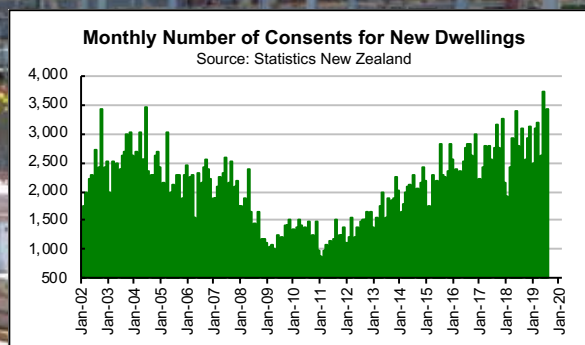


predicted an imminent fall in hourly earnings inflation (the green line in the chart). But, instead of falling, hourly earnings inflation has increased to the highest level since before the financial crisis. This should raise questions about the Reserve Bank's understanding of what is going on in the labour market including the range of government policies aimed at boosting wages.

Undeterred, in August 2019 the Reserve Bank predicted an even larger imminent fall in wage inflation

(the blue line in the chart). Having worked at the Reserve Bank some years ago and having since monitored the Reserve Bank's forecasting track record for many years, I can attest that it isn't unusual for the Reserve Bank to be out of touch with what is going on in the labour market.

Recently a few factors including global threats and some businesses reacting negatively to government policies have resulted in some firms cutting employment intentions. This



probably isn't the case so much in the building industry where activity levels generally remain high, although it may provide a little help to the numerous firms finding it hard to attract staff.

But what are you and your business associates seeing in the labour market? How likely do you think it is that upward pressure on labour costs will become much smaller over the next year? Not all firms or parts of the country are representative of the national situation. In some areas; some firms could expect lower labour costs. But, if you and your business associates think the Reserve Bank is again well off the mark, it is time to start thinking seriously about some of the implications.

The first implication is that you should ignore the Reserve Bank's interest rate forecasts. If wage inflation keeps increasing - or even remains elevated rather than tumbles - interest rates will end up higher than the Reserve Bank is predicting (subject to there not being a global crisis). This has implications for the level of building, but it also has important implications for borrowers. It could be a good time to take some advantage of the fall in longer term fixed mortgage rates to protect against the risk of higher interest rates in the future. Food for thought!

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

Regions impress in Apprentice of Year

The regional winners have all been named in the Registered Master Builders CARTERS 2019 Apprentice of the Year and will now go head-to-head to find the national winner in early November.



Registered Master Builders Chief Executive David Kelly says, for nearly 15 years the Apprentice of the Year competition has been showcasing and rewarding the country's best apprentices.

"Highlighting talent at the Apprentice of the Year competition is a fantastic way to show the growth opportunities within the building industry. These apprentices are our industry's future leaders."

BCITO Chief Executive, Warwick Quinn, says the organisation is proud to be involved with an event that showcases the talent of the building and construction industry's future leaders, at a time when they are needed the most.

"We need thousands more

apprentices each year, which means attracting new people is critical.

"Apprentice of the Year is a fantastic way to celebrate the talent that exists within the industry. All of this year's finalists are strong role models for those considering a career in the trades, and we look forward to seeing them put their skills to the test in the national competition."

Supporting the competition for 15 years, principal sponsor CARTERS Chief Executive Mike Guy says it's been fantastic to see the development of thousands of young talented apprentices throughout the years, and to see them go on to have successful careers within the building industry.

"Our longstanding partnership

with Apprentice of the Year reflects our commitment to supporting this growth and ensuring we are providing apprentices with the tools, mentoring and training they need to succeed.

Each regional winner receives a prize pack that includes \$2,000 to spend at CARTERS, a place at an Outward-Bound course (plus travel costs), attendance at the Registered Master Builders House of the Year National Awards Gala Dinner in November, and an apprentice membership with Registered Master Builders Association.



For more information, visit www.apprenticeoftheyear.co.nz.

AUCKLAND

Catalyst Construction Ltd's **Jason Helsby** (22) has been named the Auckland Registered Master Builders CARTERS 2019 Apprentice of the Year.

"Jason showed a lot of maturity and impressed the judges throughout the competition," the judges said. "Jason is a well-rounded and capable apprentice. It was easy to see his passion and enthusiasm and he really impressed us with his industry knowledge. All these attributes have made Jason a standout in this year's competition."

Second place went to Ken Rowe (Neil McKendrick Builders) while Cooper and Cooper apprentice Simon Burden placed third.



BAY OF PLENTY/CENTRAL PLATEAU

Mount Maunganui's **Cameron Diack** has been named the Bay of Plenty/Central Plateau Registered Master Builders CARTERS 2019 Apprentice of the Year. The 23-year-old is employed by Jones Builders.

"Cameron is a confident individual who demonstrated a high level of industry knowledge throughout the competition. He has great communication skills and is extremely motivated to be successful in the building industry," the judges said. CB Homes' Brodie Phillips finished second with Daniel Ranger (Calley Homes) was placed third.



WAIKATO

Hamilton's **Morgan Wills** has been named the Waikato Registered Master Builders CARTERS 2019 Apprentice of the Year. The 23-year-old is employed by Stewart Hanna Ltd. Morgan impressed the judges with his wide breadth of knowledge.

"Morgan is an outstanding and very mature young man. His project submission and interview were of the highest standard, which displayed his wide breadth of knowledge. Grant Stewart Building Ltd apprentice James Ingham was second with Jono Sullivan (Sullivan Builders) in third.



CENTRAL NORTH ISLAND

Todd Sutton from Marton has been named the Central North Island Registered Master Builders CARTERS 2019

Apprentice of the Year. The 23-year-old is employed by Richard's Construction.

"Todd stood out with his strong communication skills throughout the competition, in particular during the interview and his project presentation. He presented himself confidently and was well-prepared. He was able to articulate and demonstrate his knowledge through all facets of the competition," the judges said.

James Dowman from Watson Building was second with New Zealand Army apprentice Corey Evans-Bond third

**HAWKES BAY/EAST COAST**

Jesse Compton (29) has been named the Hawke's Bay/ East Coast Registered Master Builders CARTERS 2019 Apprentice of the Year. Jesse is from Hastings and is employed by Hislop Construction.

"Jesse is a well-rounded builder who was able to confidently demonstrate his wide range of skills. He impressed us in all aspects of the competition – from the project submission, through to the site visit. Jesse has a very high standard of workmanship and a thorough understanding of the building requirements. His ability to work through and solve problems means he will go far in the building industry, and have a great career," the judges commented.

Cole Newport from Richard Cole Builders was second, just ahead of Travis Janssen (Baldwin & Co Building) in third.

**UPPER SOUTH ISLAND**

Jay Pope has been named the Upper South Island Registered Master Builders CARTERS 2019 Apprentice of the Year. The 29-year-old from Nelson is employed by Mudgway Construction.

"Jay demonstrated throughout the competition that he is a strong leader and enjoys solving problems. He is an outstanding all-round builder, who has high attention to detail. Jay clearly spent a lot of time on his project submission, he interviewed very well, and was very helpful on site," said the judges.

Second place went to Ken Anderson Building Ltd apprentice Abraham Rood, just ahead of Daniel Small from Scott's Construction Marlborough.

**LOWER NORTH ISLAND**

Matthew Palmer Construction's **Liam Crivello** has been named the Lower North Island Registered Master Builders

CARTERS 2019 Apprentice of the Year. The 21-year-old is from Lower Hutt.

The judges were impressed with Liam's calm demeanour throughout the competition: "Liam has a great understanding of the entire building process. His submission and site visit were great examples of his knowledge and skillset. Liam is ambitious and can explain himself clearly.

Second place and third place were awarded to Leland Raimona from Hanna Construction and Thomas Mainwaring (JD Barber Construction) respectively.

**CENTRAL SOUTH ISLAND**

Mark Smith has been named the Central South Island Registered Master Builders CARTERS 2019

Apprentice of the Year. The 29-year-old from Christchurch is employed by Premium Homes.

"Mark showed that he was a serious contender, scoring high marks across all four judging categories. Throughout the competition, he showed a strong attention to detail with an in-depth understanding of building materials, industry requirements and legislation," the judges said.

Simon Construction Ltd's Liam Brewer was second with female apprentice, Tamsyn Settle (Leighs Construction), in third place.

**SOUTHERN**

Dunedin

28-year-old

Ryan Duffy has been named the Southern Registered Master Builders CARTERS 2019 Apprentice of the Year.

Employed by W Hamilton Building Ltd, Ryan impressed the judges with his strong drive and passion for the building industry.

"Ryan's passion and drive for the industry was evident from the start to finish of the competition. Ryan is a strong team player and has a clear understanding in terms of products and legislation, as well as architectural construction.

James Chapman from Christie Brothers Building was second with Jacob Esveld (SouthernWide Building) third.



CARTERS

Your
Building Partner

BCITO
buildingpeople

ARE YOU >>>>>>>>> SITE FIT?

BY DR DUNCAN REID - PROFESSOR OF PHYSIOTHERAPY, AUT

As our boys in black are getting ready to take on the world, they'll be getting warmed up! CARTERS want to make sure you're warming up for your own daily match and taking to the building site each morning fighting fit, to avoid any unnecessary injuries that could land you on the bench!

The building and construction industry has a high rate of injury. In 2017 ACC accepted 231,100 work related injuries. The building industry made up 16% of these total claims. These were mostly males aged 15- 34 years. The most common injuries were low back pain, shoulder and knee injuries. The total cost of rehabilitation for this was \$38 million dollars with an average cost of \$2,200 per claim*.

The NZ Health and Safety legislation requires workplaces to be safe. While we are all aware of the high risk environments in the building and construction industry (cranes, high buildings scaffolding, heavy machinery and lifting, noise etc.) that have to be constantly managed, it is sometimes easy to forget that the health of the individuals on site actually needs attention too.

In an elite sports environment injuries are common and can be career ending for builders, many of you being off site for weeks at a time is not an option either. It is therefore seen as crucial that injury prevention programmes are put in place to reduce these injuries.

The warm-up process that athletes undertake before a game/event has been shown to be the most effective way to keep in good health with studies showing reduction in injury rates between 32% and 72%. The reductions have always been achieved with a regular and structured programme where the principals are the same for all sports.

Warm up programmes are made up of a combination of aerobic exercises

(such as running on the spot or around the field), a range of relevant stretching exercises and some strengthening to key muscles that are used in the activity or sport. These warm-ups usually take about 15 – 20 mins.

In the commercial/business world it may not be possible or practical to spend this much time on a warm-up, but there is a solution. Based on done research at Auckland University of Technology, we have developed a warm-up called **Fast Start** that lasts five minutes, can be done without any equipment and in a confined space.

We have modified this to suit the building industry, and CARTERS are calling it **Site Start**. This is a series of 5-6 simple exercises that will get the body ready for your work day and will help to prevent the most common injuries in the building industry.

These exercises should be done at the start of the day once you have reached the building site. They do not need a lot of space. Some exercises as noted should also be done during the day at regular intervals.

Heading into summer there's no better time to kick this off on site. Why not get the whole crew match fit and make Site Start part of part of your daily health & safety routine.

The smart choice is to be SITE FIT for the job.



SITE START

AEROBIC EXERCISE



Start with running on the spot. Start slowly and then begin to lift the knees until they go past hip height.

STRETCHES

Do two stretches per body part: hamstrings, thigh muscles, lower back*, shoulders, calf muscles.



Shoulder stretch



Calf stretch



Hamstring stretch



Extension in standing 10x Extension in lying 10x

*Lower back pain is the most common injury and is usually related to the amount of bending you do in the day. You should do the standing stretch above regularly during the day, 10 repetitions and at night do the lying version at home.

STRENGTH EXERCISES



Squats 10x



Push up 10x or prone hold
(20-30 secs, building to 60 secs)



Lunge 10x



DECORATION & PAINT

Time saver!

IMMEDIATELY OVER PAINTABLE DECORATOR'S FILLER

Bostik Instantly Paintable A980 is a high quality filler specifically developed to be painted over immediately after application. For sealing and filling internal seams, holes and cracks.

- Paintable with water based and oil based paints
- No paint discolouration with minimal risk of crazy cracking
- Good adhesion without primer, even on slightly damp substrates
- Easy to clean and apply, almost odourless, non-corrosive on metals



bostik.co.nz **ph. 0508 222 272**

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



Bostik
smart adhesives

OUT AND ABOUT WITH CARTERS

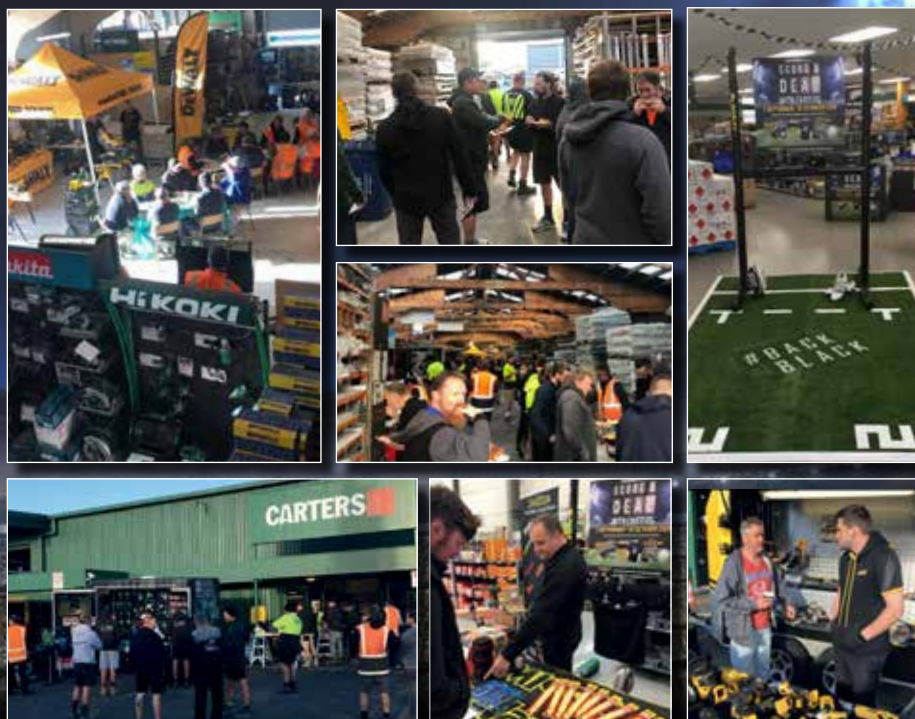
On-site, in-store and in the community - here are some snippets of what CARTERS have been up to!

KICKING OFF THE CUP at CARTERS branches across the country!

CARTERS have been getting behind the boys in black with a series of trade events alongside a huge range of awesome deals and giveaways, from 1 September through to 12 October.

Cheers to everyone who joined us, we hope you had as much fun as we did! Check out some snaps from the events and if we didn't see you this time, hopefully we'll catch you at the next one!

It's not too late to score yourself a deal, head over to www.carters.co.nz/siteoffers for all the offers!



CARTERS Mangawhai help raise the alarm!

The Mangawhai Volunteer Fire Station has been undergoing a rebuild and CARTERS Mangawhai we're there to help them raise the new siren pole back into its rightful place.

Jono, our hiab driver, helped **Ncole Construction** lift the 12m pole and thread it into place through a steel cage before lowering it 2m into the footing, then continued to hold it in place until the concrete was poured.

The fire station is now almost complete and CARTERS Mangawhai were happy they could be a part of this little milestone. **Nice job Jono and the team!**



REGISTERED MASTER BUILDERS CARTERS APPRENTICE OF THE YEAR 2019

The regional winners have all been announced (see page 26 for details on the winners), those apprentices will now go on to the National Practical Challenge and judging before the National Awards night where the 2019 Apprentice of the Year will be named. The winner will drive away in a shiny new Nissan STX Nivara and with many other great prizes.

Come along and support their efforts on November 8th at ASB Showgrounds.

NATIONAL PRACTICAL & AWARDS EVENING

Friday 8th of November



WORK SMARTER NOT HARDER WITH MY CONCRETE

Manage concrete orders and track delivery in real time from your mobile, allowing you to free up time and get on with it!

- View past, current and future jobs
- Display important details for each job
- Receive notifications when trucks are dispatched
- Monitor truck location and delivery progress in real time
- Display site weather information to determine optimal pouring conditions
- Share jobs with sub contractors, placers etc

