CARTERS
Your Building Partner

SEPTEMBER 2018

TRADE LEADER.

Construction Pipeline report predicts growth

THIS ISSUE

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Surviving a cost blowout

The low-down on safety gear

Are business surveys accurate?

New LPB Handbook released

skills MAINTENANCE

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In the **frame**

BY MIKE GUY, CARTERS CHIEF EXECUTIVE

Welcome to Spring 2018 and the promise of better building weather ahead and looking further ahead, we've done a deep dive into this year's Construction Pipeline report. The big take-out is that the report suggests that construction in New Zealand is going to be in a strong place for the next few years with a steady rise in work expected to keep the industry busy until 2023.

The traditional cycle of building is 'boom-bust' and it's a positive that the steady track of growth is going to smooth out the highs and lows the industry has been known for in the past. These types of reassurances will help in retaining and training apprentices and encourage building to be seen as an attractive long-term career option.

There's always a need to optimise processes when it comes to maintaining steady growth and building milestones are sometimes out of our hands. All stakeholders need to be on board whether it's getting consents issued on time, inspections scheduled and completed to getting a compliance sign off at the end of the project. It's important, that where possible, we make the business of building easier. Check out more on this report on page 10.

And speaking of making the business of building easier, CARTERS have been busy executing and hosting the NZIOB (New Zealand Institute of Building) Building Legends workshop series (Auckland and Christchurch). These workshops, facilitated by the very experienced project manager, Warren Hollings (Warren project managed both Auckland Hospital and Sky City builds) enables today's project managers and QS cadets and professionals to benefit from the vast experience that Warren has. These sessions are highly interactive and attendees have been very engaged. So far, five workshops have been held and the feedback has been very positive. We've learned that 'yesterday's challenges are today's challenges' and the methodology to solve these never gets obsolete. CARTERS are strong advocates for on-going professional development and workshops like these provide a networking forum and a chance to share experiences and learnings to benefit all involved.

We'd like to remind you about our Advantage loyalty programme, please talk to your account manager or CARTERS branch team if you're not a member and find out what you need to do to qualify. We're keen to have you on-board. We've also just announced our big trip for 2019. We'll be taking off to Cambodia and Saigon, two fabulous destinations that will be as unique as they are exciting. Pre-registrations open soon!

As always, thanks for reading Trade Leader and choosing CARTERS as your building partner. The team at CARTERS appreciates your business. Have a great month!

MIKE GUY
CARTERS Chief Executive

CARTERS Your Building Partner

TRADE LEADER.

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CHECK OUT OUR **SEPTEMBER TRADE OFFERS.** INSIDE THIS ISSUE

CARTERS + BREMICK PARTNERSHIP

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ABOUT BREMICK

Established in 1965 and operating in New Zealand for 25 years, Bremick is the Largest Manufacturer and Wholesaler of Fasteners in New Zealand and Australia.

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PRODUCTS & PACKAGING

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Bolts Trade offer
Anchors Mechanical & Chemical

Bremick packaging is built and designed on 3 core principles...
Informative – Modern – Vibrant

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Micro-credentials recognised, LBPs disciplined, bi-annual consultations announced, CodeMark certificates suspended

10. INDUSTRY

CONSTRUCTION PIPELINE REPORT

The 2018 version of the Construction Pipeline Report has been released. The forecast is strong, but what does the industry think of the outcomes?

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CONCRETE FOUNDATION WALL REINFORCING

This article looks at NZS 3604:2011 requirements for reinforcing foundation walls in timber-framed buildings.

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NEW LBP HANDBOOK

The LBP handbook is a valuable tool for LBPs as an easy-to-understand update on the wider building and construction system.

22. ECONOMICS

ARE BUSINESS SURVEYS AN ACCURATE MEASURE?

Business surveys can be highly political, and may often be used as a protest against policy decisions.

25. BUSINESS

SURVIVING COST BLOWOUTS

Building projects can go pear-shaped and, in some cases can become laden with problems that result in cost overruns.

27. INSURANCE

CAN YOU INSURE AGAINST GOING BUST?

How can construction companies and contractors manage their risk better? One way is to insure this risk.

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THE IMPORTANCE OF PRICING

Disputes over money are a familiar scene in the construction industry. In this article we explore some of the pitfalls around pricing/costing that you could avoid.

30. HEALTH & SAFETY

THE LOW-DOWN ON SAFETY GEAR

If you're an employer, it's up to you to ensure your workers have the right personal protective equipment (PPE) for the job, and to provide it for them if they don't.

BCITO thrilled with NZQA's recognition of micro-credentials

THE BUILDING AND CONSTRUCTION INDUSTRY TRAINING ORGANISATION (BCITO) WAS PLEASED TO BE INVOLVED WITH THE GOVERNMENT'S RECENT ANNOUNCEMENT TO RECOGNISE MICRO-CREDENTIALS WITHIN NEW ZEALAND'S REGULATED EDUCATION AND TRAINING SYSTEM.

Government ministers recently visited Well Hung Joinery in Ngauranga, Wellington, where three trainees are currently trialling BCITO's Managed Traineeships in kitchen installations.

Micro-credentials, or Managed Traineeships as the BCITO refers to them, offer specialised recognition that reflects the increased segmentation of work in the industry.

BCITO Chief Executive Warwick Quinn says it has been trialling the concept and is delighted the Government has decided to formally run with it. Its Managed Traineeship programme aims to equip learners with specific construction skills that more accurately reflect the changing nature of the construction industry and business practices.

"The qualifications currently available do not fully reflect how the construction industry and many other sectors operate. As technology changes and as the sector becomes more specialised, some firms no longer require, or indeed are able to offer, the scope of work a full apprenticeship requires. This affects their willingness and ability to train," says Warwick.

"Micro-credentials are a great step forward. We believe it will make training more attractive and relevant for the industry and will attract new talent at a time when we need at least 25,000 qualified people in the next five years to meet demand.

"Managed Traineeships also provide a taste of learning and success to people who otherwise may not attempt a four-year qualification. Individuals can complete a number of micro-credentials which over time, may lead to a full qualification."

Dan O'Hagan at Well Hung Joinery says the programme is a great idea and is excited to be a part of the trial.

"IT'S IMPORTANT FOR THE INDUSTRY TO HAVE SMALLER AND MORE SPECIFIC QUALIFICATIONS. NOT ALL APPRENTICES WANT TO SPEND FOUR YEARS IN AN APPRENTICESHIP, SO THIS A GREAT WAY TO GET THE SKILLS AND QUALIFICATIONS YOU WANT AND NEED.

"I THINK IT WILL ENCOURAGE MORE PEOPLE INTO THE INDUSTRY, AND MORE EMPLOYERS TO TAKE ON APPRENTICES AS IT REFLECTS THE TYPE OF ENVIRONMENT WE ARE WORKING IN."

BCITO will now work closely with industry professionals and develop additional Managed Traineeships in those trades that require them.

Caught in the Act: LBPs disciplined for poor practices

THE BUILDING PRACTITIONERS BOARD (THE BOARD) RECENTLY HANDED DOWN SIGNIFICANT SANCTIONS AGAINST FOUR CARPENTRY LICENSED BUILDING PRACTITIONERS (LBPS).

THE FIRST, WHO WAS THE LBP SUPERVISING BUILDING WORK, WAS FOUND TO HAVE:

- carried out building work in a negligent or incompetent manner
- failed to comply with a building consent.

As the supervisor it was found the LBP failed to:

- ensure that trusses were installed correctly (both in a proper manner and in accordance with the building consent)
- appropriately supervise defect remediation.

In this circumstance the effect of the deficient truss installation was sufficiently serious to warrant disciplinary action given this LBP's lack of care in providing supervision.

As a result, his licence was suspended for six months and he was ordered to pay $3,000 in costs towards the inquiry. The Board ordered the decision to be published.

As a result, his licence was suspended for six months and he was ordered to pay $3,000 in costs towards the inquiry.

The second LBP was supervising the building work of an unlicensed person, and the building work had a number of defects.

IT WAS FOUND HE:

- carried out building work in a negligent or incompetent manner
- failed to provide a record of work on the completion of restricted building work
- acted in such a way as to bring the LBP scheme into disrepute.

As the supervisor, the licence holder should have had enough contact with tradespeople to ensure that the work was carried out competently and compliantly. In this situation, there was no evidence that any of the required supervisory activities were performed.

As the supervising LBP, it was found he also failed to provide a record of work when the restricted building work was completed.

The Board was disappointed to see the LBP effectively allow his licence to be used by others to carry out restricted building work, without him actually supervising them, which the Board considered had brought the regime into disrepute.

The LBP's licence was cancelled and he cannot reapply for 12 months and he was also ordered to pay $3,000 in costs.

A THIRD LBP WAS FOUND TO HAVE:

- carried out building work in a negligent or incompetent manner
- carried out work that does not comply with a building consent
- failed to provide a record of work.

After undertaking building work in an addition to a residential dwelling under a building consent, it was found the work failed a number of building consent authority (BCA) inspections.

Although the LBP did not pour the concrete foundations himself, the work was done under his supervision and the Board considered he was was responsible for negligent building work that related to the difference in height in the foundations, and the plaster board installation.

Submissions provided on behalf of the LBP stated he was hired on a labour-only basis, and that the Complainant was in charge of "site issues" under the contract, and therefore responsible for subcontractor management. The Board highlighted that an LBP is not absolved of their responsibilities when entering a labour-only contract. The Board considered some mitigating factors in this case, including work the was done to fix issues, the losses incurred, and the unusual contractual arrangements where the Complainant retained some level of responsibility. He was ordered to pay a fine of $2,500 and $2,500 towards the cost of the Board's inquiry.

THE FOURTH DECISION HANDED DOWN BY THE BOARD RELATED TO AN LBP WHO:

- carried out building work in a negligent or incompetent manner
- carried out work that does not comply with a building consent
- failed to provide a record of work
- brought the LBP scheme into disrepute.

He was found accountable for building work with significant defects, carrying out the work without amending the plans before continuing with the alteration, and failing to issue a record of work for restricted building work. He also failed to abide by a High Court order, and removed material from the building site that had been paid for by the Complainant.

The Board found the LBP responsible for the poor installation of a rigid air barrier, failing to install piles and continuing building work without installing them. The foundations, which had been designed by an engineer, were altered when three structural piles were removed and a product substitution was made for the rigid air barrier. These changes were not made in consultation with the BCA, and the correct amendment or variation process was not followed.

The Board censured the LBP and ordered he pay $2,000 towards the cost of the Board's inquiry and a $4000 fine.

Bi-annual consultations announced

MBIE will now consult on a regular six-monthly cycle to ensure Acceptable Solutions and Verification Methods are up to date.

In the past, public consultations on changes to Acceptable Solutions and Verification Methods have been on an irregular basis with no defined timeframe year to year. These documents are necessary for the building and construction sector and that process did not provide the certainty, clarity or consistency the industry requires.

The new bi-annual consultation process will allow the sector, including owners, builders, building consent authorities, architects and designers, to keep up to date more easily because they will know when consultations will be issued.

There will be two consultation periods each year, the first being held in February/March and the second in August/September. These consultation periods have been chosen so as not to coincide with holiday periods. Publication dates are then programmed for 30 June and 30 November.

The intent of setting regular consultation times is to assist MBIE to be more responsive to industry concerns and reduce the number and scale for any changes required to maintain the system. This is expected to make the content more manageable for the sector and easier to plan for. It will also provide the flexibility to enable timely incremental changes to be made regularly while also allowing more complex changes to be rolled over into the next update cycle if required.

MBIE WELCOMES FEEDBACK ON THIS CHANGE IN PROCESS:
Email: info@mbie.govt.nz attn: Building System Performance
Post: Building Performance and Engineering, Ministry of Business, Innovation & Employment, PO Box 1473, Wellington 6140

ACP CodeMark certificates suspended

FOLLOWING A NUMBER OF HIGH PROFILE FIRES INVOLVING COMBUSTIBLE, POLYETHYLENE CORE ALUMINIUM COMPOSITE PANELS (ACPS) USED AS EXTERNAL CLADDING, THE USE OF THE ACP HAS BEEN THE SUBJECT OF A NUMBER OF AVENUES OF INQUIRY, BOTH IN NEW ZEALAND AND INTERNATIONALLY.

New Zealand's performance-based Building Code provides multiple lines of fire defence. A multi-storey building constructed in New Zealand would have active fire protection, passive fire protection, and an all-out evacuation plan.

Changes have been made to the NZ Building Code Acceptable Solutions for Protection from Fire to restrict the use of combustible cladding on buildings above three storeys.

MBIE commissioned an audit and peer review of CodeMark certificates attached to ACP products. The audit was not intended to identify specific safety concerns with ACP cladding. It did identify that there was insufficient documentation to support evidence of compliance with the fire performance clauses of the New Zealand Building Code for which the below CodeMark certificates make claim.

Under Section 271 of the Building Act 2004, MBIE has suspended the following CodeMark certificates:

- CMA-CM40035 – Alucobond Cladding Systems
- CMA-CM40075-I01-R01 – Apolic FR ACM Panel Cladding
- CMA-CM40100 – Larson FR
- CMA-CM40094 – Symonite (Alubond) Cladding Systems
- CMA-CM40111-I02-R03 – Symonite Cladding Systems (Reynobond FR)
- CMA-CM40193-I01-R01 – Vitrabond FR Cladding System

Manufacturers now have the opportunity to rectify issues identified with their CodeMark certificates. If these issues are not rectified, MBIE may revoke the CodeMark certificates.

This process has not unearthed evidence that these products are dangerous.

Building Consent Authorities (BCAs) can no longer rely upon these CodeMark certificates as evidence that the products comply with the requirements of the Building Code while they are in a state of suspension.

BCAs will be required to consider product use on a case-by-case basis when assessing a building consent, including those for which a building consent application has been received but not yet issued.

Building owners with fire safety concerns about cladding should contact their local council, and tenants should contact their landlord.

Any questions regarding the use of these CodeMark certificates can be sent to products@mbie.govt.nz

James Hardie

CLASSIC TONGUE AND GROOVE LOOK WITH

HardieGroove

Location

55 Princes St, Onehunga, Auckland

Featured products

HardieGroove™ Lining
HardieGroove™ Soffit Lining
HardiePanel™ Compressed Sheet

Project details

Project Type: Commercial

Architectural Designer: Burning Red Design

What makes a place a home? The team from Burning Red Design say it is about creating spaces that are welcoming and make you feel as if you can be yourself.

This concept of "a home away from home" underpins the look and feel of The Good Home chain of gastro pubs popping up in neighbourhoods across the country.

At The Good Home in Onehunga, the Burning Red Design team has transformed the category-one heritage listed Carnegie Free Library building into a stylish gastro pub. Taking an inside-out approach, they have created a space that's not just stunning, but apt, combining old and modern materials that look good and work hard in this high impact environment.

James Hardie HardieGroove Lining is used throughout the pub on the walls, doors, ceilings, and soffits, providing a charming design feature with its tongue and groove look, as well as superior durability. Made of tough James Hardie fibre cement, it is resistant to damage from moisture, rot, and fire, and will retain its good looks for years to come. HardiePanel Compressed Sheets was also specified as structural flooring in wet and dry areas throughout, resulting in a very dense sheet that provides a very tough surface.

HardieGroove Lining is traditionally used in residential homes and applied in this context, it achieves a familiar comfort that makes customers want to come in, put their feet up, and stay awhile. It also provides a perfect backdrop for the props and furniture used in the pub - more commonly seen in a home than in a pub or restaurant.

In restaurant design, the meal is just part of the experience. It's also about building brand affinity for the restaurant by using materials creatively and cohesively to execute the brand design. Burning Red Design has specified HardieGroove Lining in several of the chain's other pubs. "It suits traditional and contemporary designs, which aligns with The Good Home design concept, and can be used in a range of settings both internally and externally, so provides the design versatility we need," she says.

The Good Home Onehunga owner, Tony Woodcock, says feedback has been positive, with customers having a particularly affinity for the bathroom. "It's been a labour of love, with the whole process taking about 18 months, so we are pleased the locals approve." Woodcock was also very happy with the James Hardie service, saying it was a seamless process and the products were very easy to install.

HardieGroove Lining comes with a half-groove lengthways along the edge of the sheet to provide concealed joints, providing an additional design benefit. There is no need for butt joints when covering large areas up to 3m such as ceilings, soffits, and walls so it provides seamless and clean vertical lines.

HardieGroove is now available in 3000 x 1200 mm sheets, making it even easier to install.

Construction report predicts growth period for building sector

The sixth edition of the National Construction Pipeline Report was released recently and indicates that the construction industry should expect a period of growth until at least the end of 2023.

The 2018 report, which was commissioned by the Ministry of Business, Innovation & Employment (MBIE), is based on building and construction forecasting by BRANZ, and Pacifecon NZ Ltd (Pacifecon) data, and provides a projection of national building and construction activity for the next six years, through to December 31st, 2023. It includes national and regional breakdowns of actual and forecast residential building, non-residential building and infrastructure activity.

The regional areas represented in the reports are:

- Auckland;
- Waikato/Bay of Plenty;
- Wellington;
- Canterbury; and,
- Rest of New Zealand (all other regions not stated).

The report is designed to provide awareness to the industry of the expected volume of upcoming building and construction work, which then allows for:

- Improved planning by all participants in the sector;
- Scheduling of investment in skills and capital to meet the future needs of the sector;
- Coordination between construction clients (particularly procurers in central and local government) that can lead to better scheduling of construction projection;
- Smoothing the boom-bust cycles that have negative impacts on productivity, innovation, employment, skills level and quality in the construction sector.

For the first time since the Construction Pipeline reports were first published in 2013, the modelling forecasts strong long-term growth and does not predict a construction peak during the forecast cycle. Instead, the 2018 forecast is for consistent building and construction activity in the next few years with stronger growth expected towards the end of the six-year period outlined by the report.

DAVID KELLY

Registered Master Builders Chief Executive, David Kelly said the report makes for fascinating reading and, although last year's report indicated that building and construction annually would peak in 2020, the latest forecast extends the upward trajectory of work to the point where it is not clear when construction, particularly residential work, will peak.

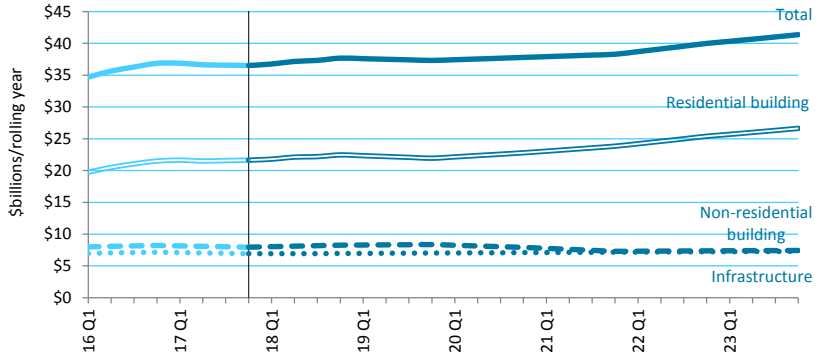
"What we are building in Auckland also appears to be changing, with multiunit dwellings seemingly the preferred building type. This has been on the cards for some time," he says. "It highlights that building companies in that region will need to reflect carefully on whether their capabilities and offerings match where the market is heading.

THE REPORT INDICATES:

- Total construction is expected to grow steadily to a forecast high of $41.4b in 2023;
- Residential building value is expected to hold steady in the next few years before increasing to a forecast high at $26.6b in 2023;
- Dwelling consents are expected to increase year-on-year to a forecast high at 43,100 in 2023;
- Non-residential building value is expected to peak at $8.4b in 2019;
- Infrastructure is forecast to remain relatively unchanged, increasing marginally to $7.3b in 2023.

Figure 3-2 All construction nationally, by activity

Source: BRANZ



"The pipeline illustrates the continuing strong forward workload for the industry – which is pleasing for the sector and due to the significant impact of building on the economy is good for the wider economy of NZ," says New Zealand Certified Builders Chief Executive, Grant Florence. "This forecast builds on the current healthy work in progress and order books that NZCB members are experiencing across the country at present."

Mr Florence's comments are reflected by his Master Builders counterpart.

"The forecasts overall are consistent with what we are hearing from some Master Builders in the regions who have work on their books well into next year if not beyond," Mr Kelly says. "Indeed, according to the National Construction Pipeline Report 2018, over the next five years, consents will reach levels that we have never seen before, even surpassing record consent activity reached in the 1970s. This may reflect the injection of building from KiwiBuild."

Building and Construction Minister, Jenny Salesa says that New Zealand's traditional construction boom-bust cycles have undermined

GRANT FLORENCE

the certainty and confidence needed to grow skills and sustain a robust workforce over time.

"Gains made in peak periods dissipate and the effort to gear up again has taken energy that could have been more usefully applied to supporting innovation and efficiencies."

The report says the forecast indicates to the construction sector that it can have confidence in the expected demand for future building and construction work and can therefore invest effectively to scale up production (via technological development, skills and training, new efficiencies) to produce at high volumes in the future, rather than relying on 'quick-fix'

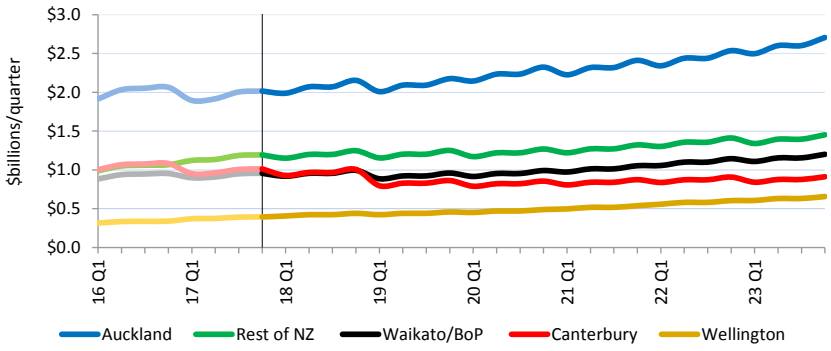
methods of increasing capacity (bringing in skills from overseas, utilising spare capacity, borrowing resources from construction-related industries) to meet a short-term construction boom. The six-year forecast for the regions are positive. Auckland, Waikato/Bay of Plenty and Wellington are expected to experience considerable growth of more than 20% in total construction values between 2018–2023.

RESIDENTIAL BUILDINGS/DWELLINGS

Residential building value is forecast to drive the construction market over the next few years. Four of the five regions considered in the report are forecast to grow by more than 20% from 2018–2020. Canterbury was the only region to show a decline, with a slow reduction in residential building value expected throughout the same period.

The construction sector is expected to respond to the strong demand for dwellings with national consent volumes expected to reach record highs every year from 2020. Auckland is also forecast to hit record highs from 2019.

Figure 3-11 Value of residential buildings, by region



Multi-unit dwellings are forecast to increase considerably – growth rates in multi-unit dwellings are higher than detached dwellings for all regions (except the Rest of New Zealand group), with particularly strong growth in multi-unit dwellings in Auckland and Wellington. Multi-unit growth in Auckland is occurring across a range of multi-unit housing types (ie apartments, townhouses, retirement units).

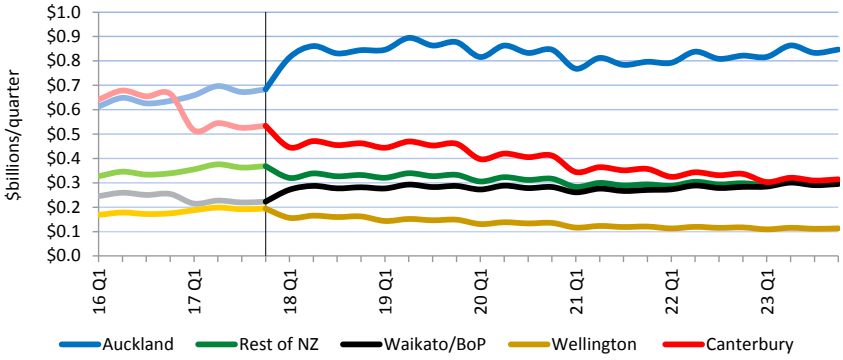
Wellington is forecast to experience strong growth in residential building value and detached and multi-unit dwelling consents.

NON-RESIDENTIAL BUILDINGS

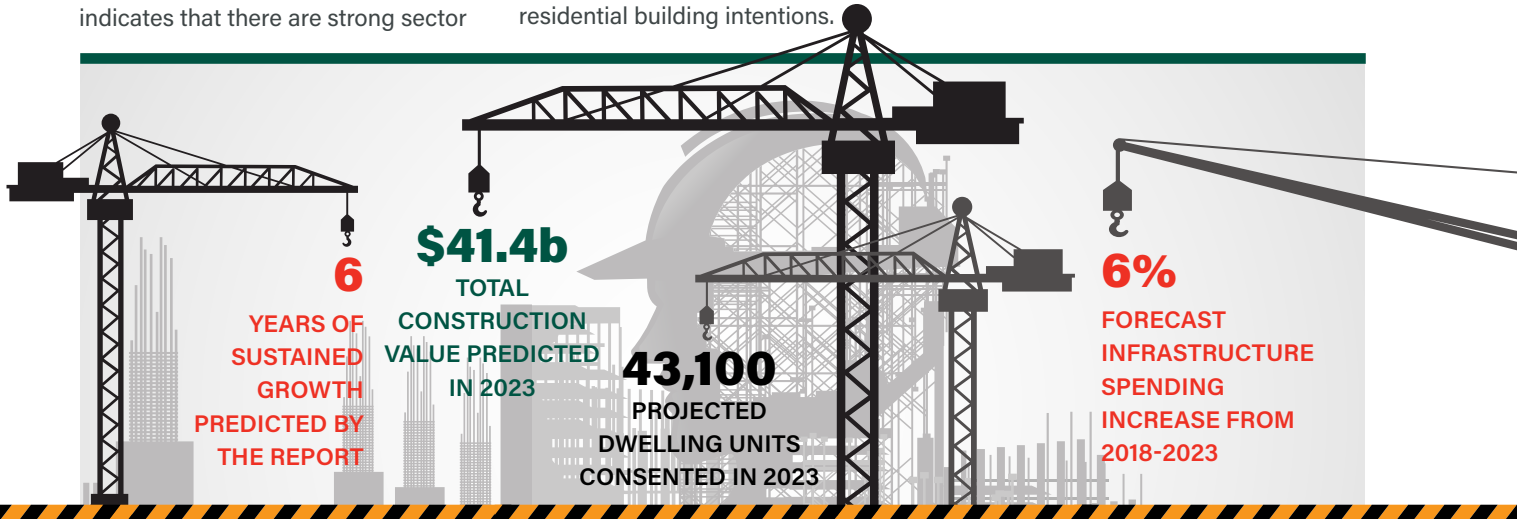
The non-residential building activity forecast over the next few years is positive, with the national non-residential building value forecast to peak in 2019. Wellington and the Rest of New Zealand group are forecast to peak in 2018, Auckland and New Zealand are expected to peak in 2019. Non-residential building activity in Auckland and the Waikato/Bay of Plenty is forecast to remain strong throughout the forecast period.

The research data from Pacifecon indicates that there are strong sector intentions to initiate a high value of non-residential building work over the short-to-medium term.

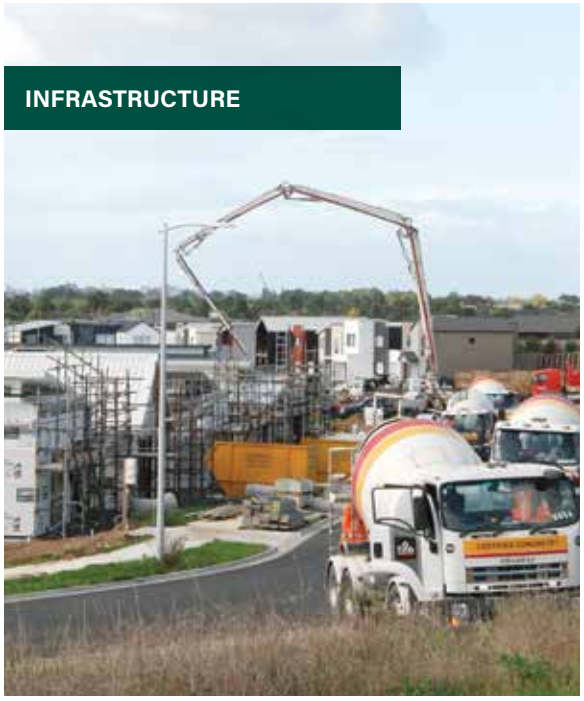
Figure 3-12 Value of non-residential building, by region



The report says the sector is communicating there are plenty of known non-residential building intentions.



INFRASTRUCTURE

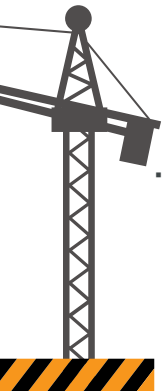


Infrastructure spending is forecast to maintain current levels, increasing marginally by 6% from 2018 to 2023.

Pacifecon's research data indicates that there are strong intention by the sector to initiate a high value of infrastructure construction over the six year forecast. The communication from the sector indicates there is plenty of known intention for infrastructure construction.

The 2018 report notes five key findings

- Sustained growth is forecast for building and construction nationally. For the first time since the report was initiated in 2013 a peak in total construction value is not expected within the forecast period. Instead a more moderate sustained growth is forecast for the next six years.
- National dwelling consents expected to exceed historic highs with 43,000 in 2023. Over the next six years the number of dwelling units consented is forecast to increase by 39% to a forecast high of 43,000 dwelling units in 2023.
- Multi-unit dwellings overtook detached house consents in Auckland in 2017. In 2017 51% of dwellings consented in Auckland were multi-unit dwellings, the 2017 report did not expect more than 50% multi-unit consents to occur until 2022.
- Non-residential building growth expected for Auckland, Waikato and Bay of Plenty. Non-residential building growth is expected in 2018 for Auckland and the Waikato/Bay of Plenty regions, with high activity levels expected to remain in these regions to 2023.
- Wellington experienced the strongest total construction growth in 2017. Other regions of New Zealand sustained or declined, but Wellington experienced strong construction value growth in 2017 (11%), formed by a combination of residential and non-residential building growth.



kiwibuild

The BRANZ residential building and dwelling forecasting used in the report did not differentiate between KiwiBuild and non-KiwiBuild dwelling construction. The dwelling unit forecasts are based on Statistics New Zealand's December 2017 household formation data, which provides estimates of the number of new dwellings required, derived from population estimates, to meet both expected population growth and to remedy already existing housing shortages.

KiwiBuild is expected to provide greater certainty of the forward pipeline of construction work and allow the sector greater ability to manage constraints and scale up to provide year-on-year increases in dwelling numbers into the future.

"Greater confidence and certainty within the construction sector will provide a more stable foundation as we embark on the decade-long KiwiBuild project to deliver an additional 100,000 modest starter homes into the market," Jenny Salesa said.

Both Mr Kelly and Mr Florence agree that the forecast, if accurate, will highlight significant pressure on the industry to meet the expected goals.

"The construction pipeline and the emerging KiwiBuild initiative – will continue to provide the industry with plenty of challenges surrounding the shortage of skilled trades people, delivery of projects on time and also coping with the ever increasing level of compliance," Mr Florence says.

Mr Kelly says it's important to temper these forecasts with the stress that these demands will put on the "system", with many councils around New Zealand struggling to process approvals for building work.

"Up and down the country there are challenges around getting building consents, inspections and code compliance certificates done in a timely manner. The report rightly reflects the slowdown in Christchurch and the oversupply that has occurred there," he says. "I am, however, also hearing that it is tough to build in Auckland and Queenstown. This has reached a point where some building companies are now winding down their operations in these areas. "While we are seeing some useful reforms designed to allow building companies to draw on talent overseas and to bolster apprenticeship numbers in New Zealand, the lack of skills is still an issue especially at that middle management level.

"We are still yet to see what the implications are from the Royal Commission of Inquiry into Banks in Australia, which own most of the retail banks in New Zealand. If finance becomes an issue for the buyers and developer this will constrain the sectors ability to respond to demand," Mr Kelly says. "That is not to say I disagree with the figures, but sometimes there is more to the numbers than meets the eye."

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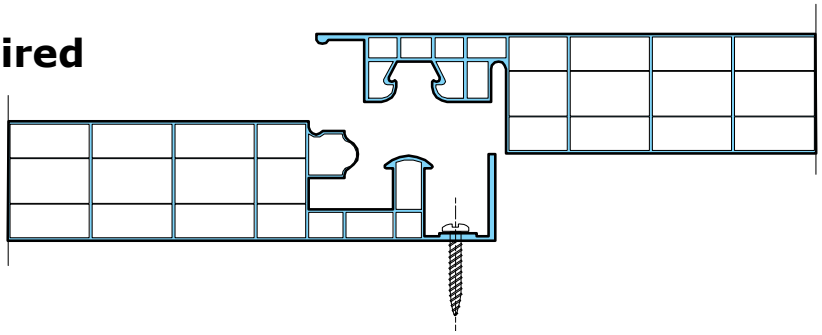


SHEET INFORMATION

Clear, Opal, Grey	2.0, 2.5, 3.0, 3.5, 4.0, 4.5, 5.0, 5.5
Width	250mm
Light Transmission	Clear - 80%, Opal - 50%, Grey - 40%

To request a colour sample freephone 0800 267 354

Concrete foundation wall reinforcing

BY ALIDE ELKINK

REINFORCING FOR CONCRETE FOUNDATION WALLS

NZS 3604:2011 Timber-framed buildings describes reinforcing for in-situ concrete and concrete masonry foundation walls with a piled foundation system supporting lightweight timber-framed construction (refer to paragraph 6.11.7 and Figures 6.13, 6.14 and 6.15 of the Standard).

Reinforcing generally consists of 12mm diameter deformed (D12) bars. The use of deformed bars, which have an irregular surface, creates a good bond between the reinforcing and the concrete. They are installed both horizontally and vertically at certain spacings depending on:

- the height of the wall
- whether the wall is in-situ concrete or concrete masonry
- whether the wall is to support one or two-storey construction
- whether the wall is cantilevered or not.

The details for reinforcing in-situ concrete and concrete masonry foundation walls are summarised in Table 1 and shown in Figures 1 and 2.

REINFORCING FOR FOUNDATION WALLS COMBINED WITH CONCRETE SLAB-ON-GROUND FLOORS

NZS 3604 contains examples of reinforcing for foundation walls combined with concrete slab-on-ground floors supporting light-weight construction (refer Figures 7.13(B), 7.14(B) and 7.14(C)).

The Standard also contains examples of the reinforcing if the combined foundation/concrete slab-on-ground floor also supports masonry veneer cladding (refer Figures 7.15(B), 7.16(B) and 7.16(C)).

The details for reinforcing combined footing/concrete floor slabs are summarised in Table 2 and shown in Figures 3 and 4.

Note that B1/AS1 Amendment 11 removed the untied slab/footing details in Figures 7.13(A), 7.14(A), 7.15(A) and 7.16(A) of the Acceptable Solution.

All concrete slab-on-ground floors must now be reinforced and the slab reinforcing tied into the foundation wall reinforcing.

TABLE 1: REINFORCING FOR FOUNDATION WALLS

Type of foundation wall		Reinforcing		
		Footing	Horizontal	Vertical
In-situ concrete	One-storey (not cantilevered)	1/D12*	D12 @ 600mm centres	D12 @ 450mm centres for walls > 1m high
	Two-storey (not cantilevered)	2/D12	D12 @ 500mm centres	D12 @ 450mm centres for walls > 1m high
	Cantilevered (one- or two-storey)	D12 @ 400 centres both ways (see Fig. 4)	D12 @ 400mm centres	D12 @ 400mm centres max
Concrete masonry	One-storey (not cantilevered)	1/D12*	D12 @ 800mm centres	D12 @ mid height for walls > 1m high and D12 @ top
	Two-storey (not cantilevered)	2/D12	D12 @ 800mm centres	D12 @ mid height for walls > 1m high and D12 @ top
	Cantilevered	D12 @ 400 centres both ways (see Fig. 4)	D12 @ 400mm centres	D12 in bond beams @ 800mm centres maximum and D12 @ top

* 2/D12 where foundation wall supports masonry veneer

TABLE 2: REINFORCING FOR COMBINED FOUNDATION/CONCRETE FLOOR SLAB

Foundation edge detail	Reinforcing			
	Footing (base of foundation wall)	Horizontal (top of foundation wall)	Vertical	Lap (slab mesh and footing reinforcing)
In-situ concrete (one or two storeys)	2 D12	1 D12 (top)	R10 @ 600mm centres	300mm
In-situ concrete (one or two storeys supporting masonry veneer)	2 D12 (placed horizontally)	1 D12 (top)	R10 @ 600mm centres	400mm
Concrete masonry (one or two storeys supporting lightweight cladding)	2 D12 (placed horizontally or vertically)	1 D12 (top)	R10 @ 600mm centres (hooked around horizontal reinforcing in footing in alternating directions – see Fig 4)	300mm
Concrete masonry (one or two storeys supporting masonry veneer)	2 D12 (placed horizontally)	1 D12 (top)	R10 @ 600mm centres (hooked around horizontal reinforcing in footing in alternating directions – see Figure 4)	400mm

LAPS AND CHANGES IN DIRECTION

Where horizontal reinforcing bars change direction, and in other situations where they must be lapped, the overlaps must be a minimum of 500mm. At corners, the laps must be at least 500mm in each direction as shown in NZS 3604: Figure 6.15(a).

Lapped reinforcing should be tied with 1.6mm black annealed steel wire, which is soft and easily bent, at each end of the lap and at regular spacings in between.

LINKING HORIZONTAL REINFORCING BARS

Where pairs of horizontal reinforcing bars are required in the footings of combined foundation wall/concrete slab-on-ground floors, they must be linked by stirrups. The stirrups are formed from the R10 reinforcing bars installed at 400mm centres and tied with steel wire ties at the junctions of the reinforcing and the stirrups (see Figure 4).

The bends in the reinforcing that form a hook or create a right angle must be at least five times the diameter of the bar, eg the minimum bend diameter for 12mm diameter deformed reinforcing is 60mm.

OTHER REINFORCING REQUIREMENTS

Other reinforcing requirements for foundation walls and footings include:

- stepped footings – these must have additional reinforcing in accordance with NZS 3604: Figure 6.12 (see Figure 5).
- where concrete or concrete masonry is against ground, reinforcing must have a minimum concrete cover of 75mm.
- openings in foundation walls larger than 300mm in any direction must have one D12 trimming bar on each side of the opening. These bars must extend at least 600mm past each corner of the opening. Where a lintel is less than 650mm deep, the jamb trimming bars must be bent over 60mm from the top of the concrete.

FIGURE 1

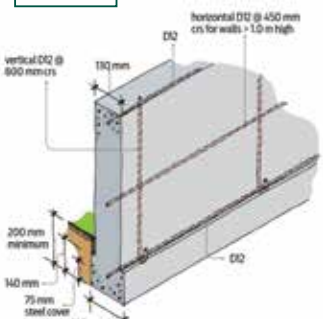


FIGURE 2

IMAGES SUPPLIED BY BRANZ BUILD MAGAZINE.

You can check your quiz answers on the MBIE website:
https://www.building.govt.nz/about-building-performance/news-and-updates/codewords/codewords-issue-85/concrete-foundation-wall-reinforcing/quiz-answers/

FIGURE 3

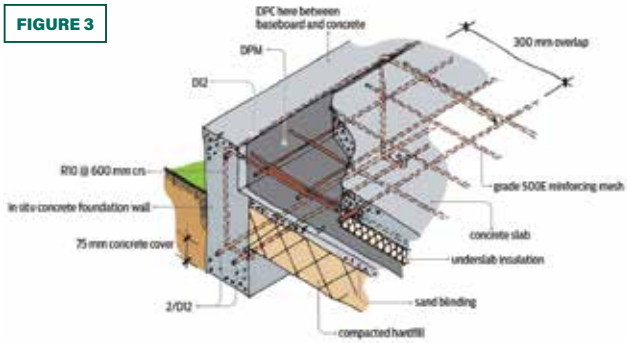


FIGURE 4

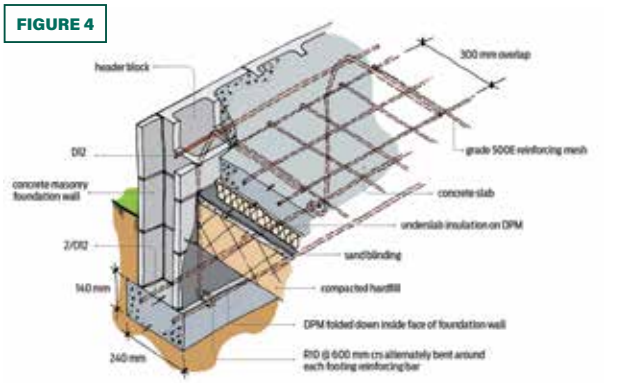
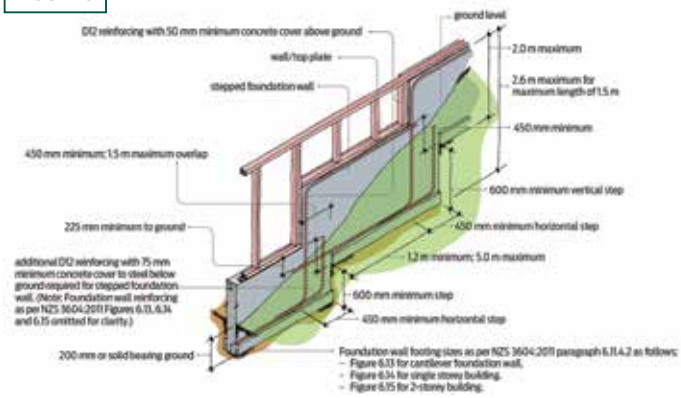


FIGURE 5



1. The reinforcing for concrete and concrete masonry foundation walls is generally

a. 8mm in diameter
b. 10mm in diameter
c. 12mm in diameter
d. 16mm in diameter.

2. Deformed bars are used because they:

a. slip more easily through the concrete
b. form a good bond with the concrete.

3. Laps to horizontal reinforcing must be at least:

a. 300mm
b. 500mm
c. 700mm
d. 1000mm.

4. The minimum bend diameter of 10mm reinforcing is:

1. 50mm
2. 55mm
3. 60mm
4. 65mm.

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Updated LBP handbook released

BY FARHANA KHAN, INVESTIGATOR, OCCUPATIONAL LICENSING

MBIE RECENTLY REFRESHED THE LBP HANDBOOK, PREVIOUSLY KNOWN AS 'UNDERSTANDING THE REGULATORY ENVIRONMENT'. THE HANDBOOK IS PRIMARILY A RESOURCE FOR BUILDING PRACTITIONERS DURING THE LBP APPLICATION PROCESS, TO HELP THEM UNDERSTAND THE REGULATORY ENVIRONMENT LBPS OPERATE IN. HOWEVER, IT IS A VALUABLE TOOL FOR ALL LBPS AS AN EASY-TO-UNDERSTAND UPDATE ON THE WIDER BUILDING AND CONSTRUCTION SYSTEM.

What the handbook covers

PART ONE sets out general information about the LBP scheme. This section outlines the definitions of restricted building work and supervision. It also provides information about the minimum standard of licensing, LBP licence classes, skills maintenance and working within your competence.

PART TWO looks at the roles and responsibilities of LBPs, home owners, registered and non-registered trades, and building consent authorities. This is worth checking out if you engage with clients and other practitioners.

PART THREE outlines the contractual relationship between contractors and clients. It includes information about obligations, eg a contractor must provide a residential client with a written contract and other documentation for if the project will cost $30,000 or more (including GST), or if a client requests one.

PART FOUR sets out rights and responsibilities under the Health and Safety at Work Act 2015.

PART FIVE outlines the building regulatory framework including relevant information under the Building Act 2004, the NZ Building Code and relevant building standards.

PART SIX describes the building and resource consent process, including applying for a building consent, variation of a building consent, inspections, obtaining a code compliance certificate and the penalties for building without a consent where one was required. This section will be useful if you regularly advise clients about the consent process.

How the handbook can help you

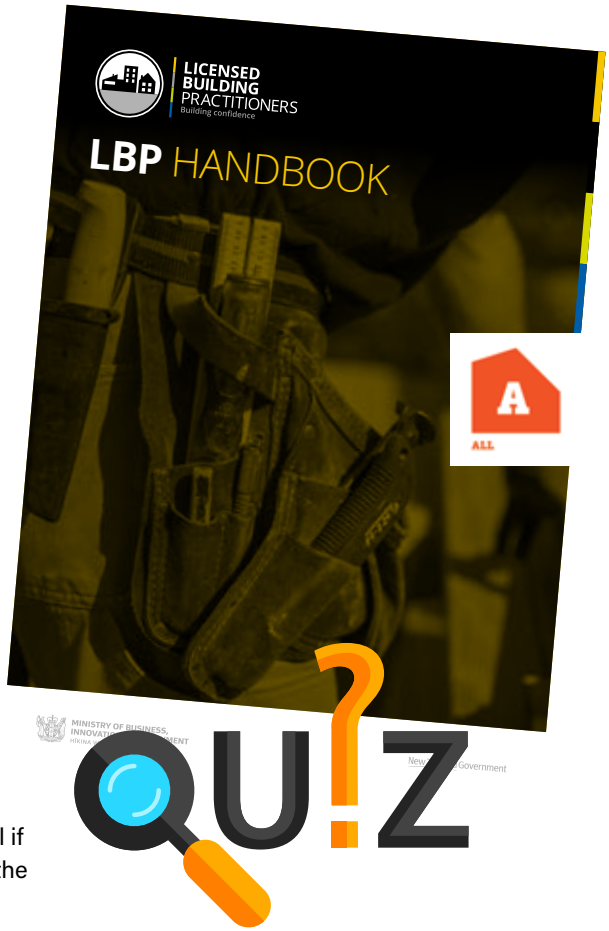
The handbook can provide anyone with a great summary of the building system and how their role fits in.

It includes self-assessment questions that summarise content and allow you to test your knowledge. Rules do change over time and it is your responsibility to keep up to date with those changes. The handbook can help you meet your responsibilities.

How you can access the handbook and other important information

You can find and download the handbook on the LBP website[1].

The handbook is a great tool for understanding your obligations, and you can also keep up to date by subscribing to LBP Updates on the LBP website. You can get the latest versions of technical documents and guidance and subscribe to the Codewords e-newsletter on the Building Performance website (www.building.govt.nz).



1. **Who will benefit from reading this handbook?**
   a. Licensed building practitioners
   b. New LBP applicants
   c. Homeowners
   d. All of the above
2. **This handbook will tell you how to comply with the Health and Safety at Work Act 2015?**
   a. True, it will give you a step by step guide to on-site compliance
   b. False, it will only give you information about your roles and responsibilities
3. **You would only need to read this handbook when you are applying for an LBP licence?**
   a. True, once you get your licence, the learning stops!
   b. False, it will be useful anytime you need a refresher
4. **Can you find information in this handbook about building consent authorities' responsibilities during the construction process?**
   a. Yes
   b. No

You can check your answers on the MBIE website[2].

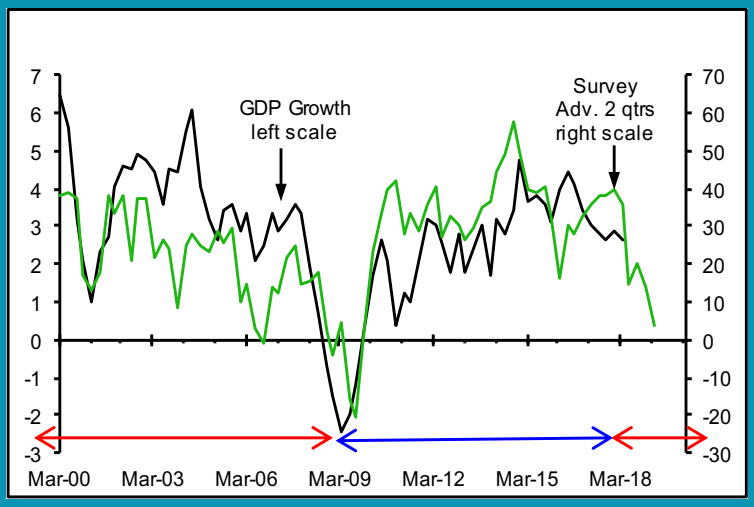
[1] https://www.lbp.govt.nz/assets/documents/LBP-handbook.pdf

[2] https://www.building.govt.nz/about-building-performance/news-and-updates/codewords/codewords-issue-85/the-lbp-handbook/quiz-answers/

Are surveys an accurate business barometer?

The media has focused on the tumble in some business confidence surveys following the election, with some suggesting a "battle" is emerging between the government and business sector. A recent article from the New Zealand Herald is a good example[1].

On the eve of the September 2017 election, a net 38% of businesses surveyed by ANZ were positive about the activity outlook for the business. This survey tumbled after the election and fell further in recent months. Only a net 4% of businesses were positive in July 2018 (green line in the chart).



The main implication isn't that economic growth is about to slow dramatically as signalled by the ANZ survey (see the chart), but rather that the ANZ survey is highly political. As shown in the chart, this survey was generally too pessimistic as an indicator of near-term economic growth prospects during most of the period of the Helen Clark-led Labour government (left-hand red arrowed line in the chart). It was generally too optimistic during most of the period the Key/English-led National government (blue arrowed line in the chart).

An interesting exception during the period of the Key/English National government was in 2015 when Governor Bollard said he was looking for evidence the large fall in dairy farm incomes would have a significant negative impact on economic growth. A number of the respondents to the ANZ survey helped provide the "evidence" the governor was looking for to justify OCR cuts by ticking the negative box in the ANZ survey. But rather than deteriorate in 2016, economic growth improved (black line in the chart).

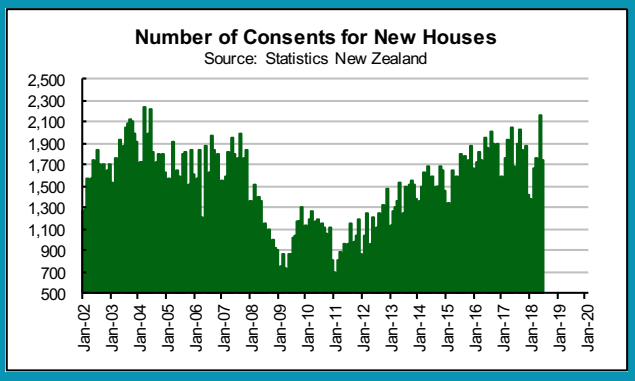
In response to some business-unfriendly policies - particularly labour market policies - a number of respondents of the ANZ survey have again taken to ticking the negative box as a political protest. The consistent media coverage of this survey makes it more vulnerable to such political gamesmanship.

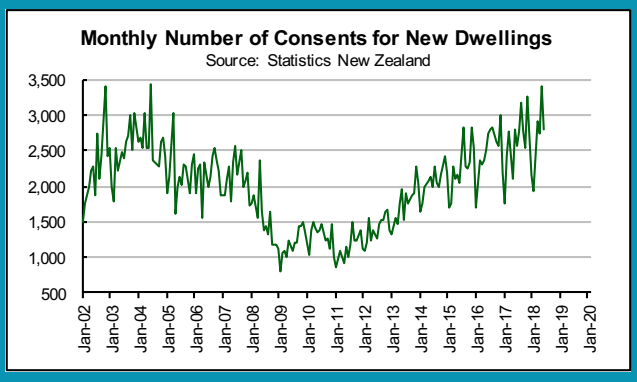
The experience last decade was that economic growth generally trucked long quite well, despite low readings of the ANZ outlook survey. The same is likely to be the case this time around. However, the Reserve Bank is showing

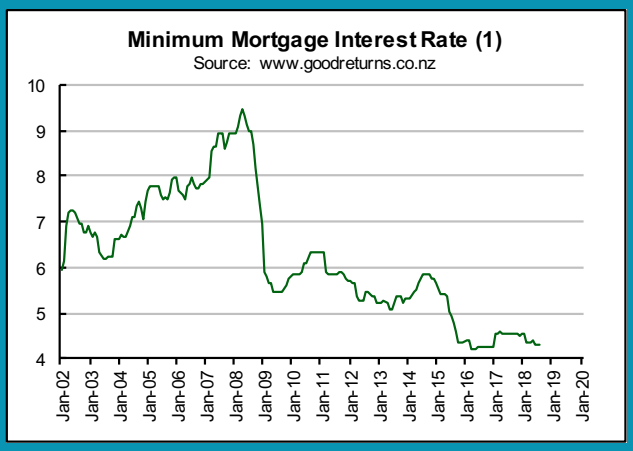
signs of taking more notice of the fall in the likes of the ANZ survey than it probably should. This has helped encourage a market-led fall in wholesale interest rates that will probably filter through to some downside in mortgage interest rates.

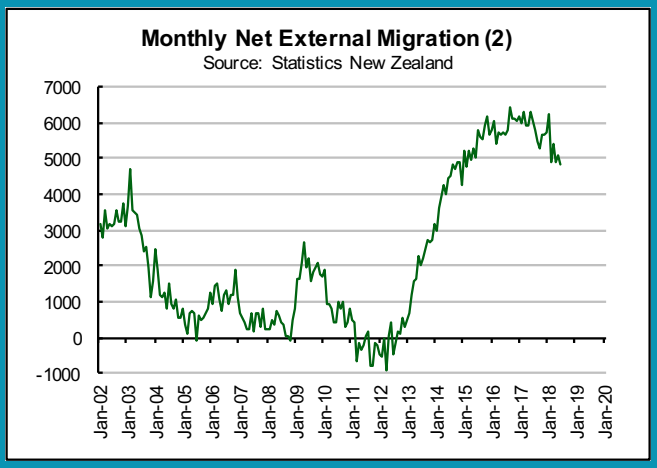
THE MORE BUSINESSES USE SURVEYS TO EXPRESS DISPLEASURE WITH GOVERNMENT POLICIES AND THE MORE THE RESERVE BANK INTERPRETS WEAKER BUSINESS SURVEYS AS A SIGN ECONOMIC GROWTH WILL BE SOFT, THE GREATER THE CHANCE INTEREST RATES WILL FALL MORE.

This will be helpful at a time slowing population growth means falling demand for new housing. However, the risk is growing the Reserve Bank will repeat the mistake it made last decade of keeping interest rates too low for too long, fuelling an overly tight labour market that in time requires numerous OCR hikes to cool.



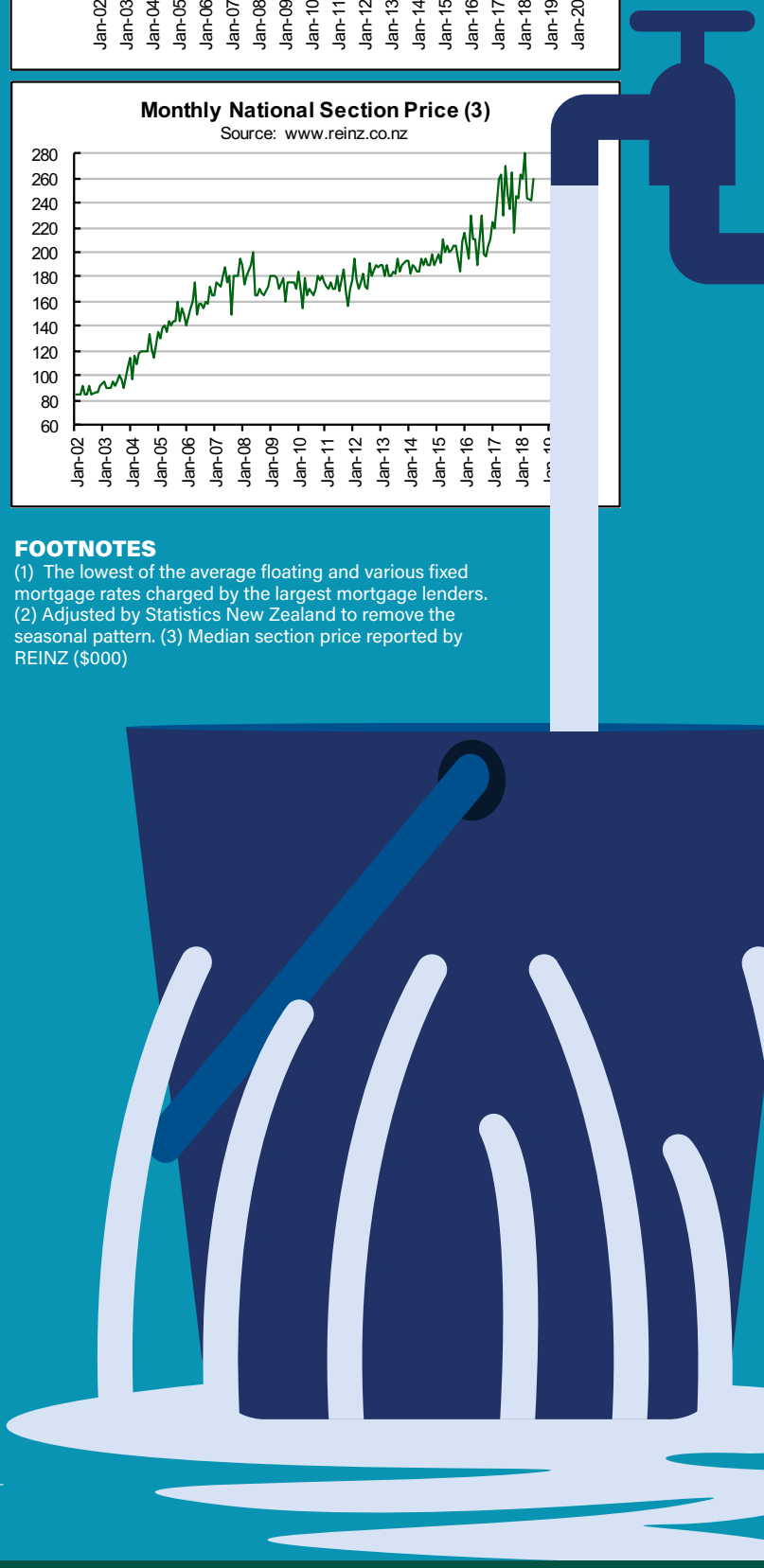






FOOTNOTES

(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)



1https://www.nzherald.co.nz/business/news/article.cfm?c_id=3&objectid=12083441

INDUSTRY EVENTS UPDATE

CONZTRUCT

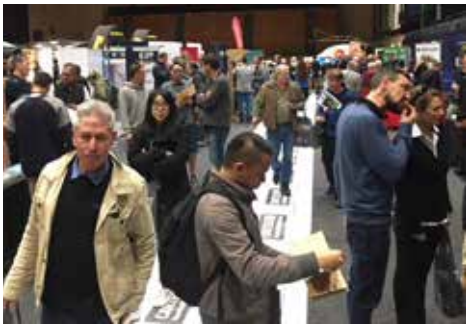
NEW ZEALAND'S LEADING CONSTRUCTION TRADE SHOW

Last month we enjoyed the final round of the CONZTRUCT series in the southern cities of Christchurch, Dunedin and Invercargill.

This series was a great opportunity for builders, architects, and other construction trades to stay informed on the latest building industry practices with free seminars to keep up with their Skills Maintenance points. The CARTERS CONZTRUCTION Zone once again proved to be a great hub for attendees, featuring 25+ of our key suppliers showcasing their latest products through live demonstrations and activities.

This years CONZTRUCT series boasted high attendee numbers and has proven to be a great success for all involved and for those who came along. We're looking forward to 2019!

Our exclusive deals are live until September in the Round 4 regions only, visit our CARTERS CONZTRUCTION ZONE website www.carters.co.nz/conztruct!



CARTERS CONZTRUCTION ZONE

Cheers to all of our 2018 supplier partners

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CONZTRUCT MINI

CONZTRUCT 2018 MINI

CONZTRUCT Mini's final round is heading to Gisborne and Timaru on the 11th September and 25th of October.

This is event is an opportunity to network and keep up to date with your LBP requirements. CARTERS encourage you and your colleagues to attend these regional events and meet with key industry suppliers to check out their latest products and solutions.

EVENT DATES	REGION	VENUE
Tuesday 11th September	**GISBORNE**	**WAR MEMORIAL THEATRE**
Thursday 25th October	**TIMARU**	**CAROLINE BAY HALL**

The events will take place between 4:00pm – 6:30pm and be sure to stop by our stand to have a chat to the CARTERS team. For more information or to register, please go to www.conztruct.co.nz/registration

ASIAN CONSTRUCTION FORUM

ASIAN CONSTRUCTION FORUM

The Asian Construction Forum took place at the Ellerslie Event Centre on 11th August in Auckland and hosted over 600 attendees across the day. This was the first event in this series and created a platform that brought together leaders in the industry to share ideas, information, and create successful growth amongst local suppliers through interacting with Asian trade specialists. Thanks to everyone who came along to support this event!

Survival guide to a cost blowout

BY SHANE STOREY

WHETHER IT'S MINOR ALTERATIONS OR BUILDING A DREAM HOME, THERE'S OFTEN FAIRLY GOOD ODDS ON SOMETHING GOING PEAR-SHAPED ALONG THE WAY. WHILE MANY HOUSES GET BUILT WITHOUT ANY MAJOR GLITCHES, IN SOME CASES IT CAN BECOME A STRESSFUL EXPERIENCE FOR ALL PARTIES, LADEN WITH PROBLEMS THAT RESULT IN COST OVERRUNS.

There are a few key reasons for things going wrong. These are:

- Unrealistic expectations of the owner;
- Over-demand for services and materials leading to shortages and delays;
- Lack of communication and misunderstandings;
- Unscrupulousness or dishonesty (this can be on either side).

Some of the problems builders and tradies face can be caused by the owners; owners fail to do what they've promised, such as arranging the plumber to turn up on a certain day, failing to pay on time or make the final payment where the builder has to wait for overdue progress payments and ends up carrying the cost of the materials and wages. With a lack of understanding of the complexities of the building trade, misunderstanding the plans, specifications or contract documentation and making incorrect assumptions, owners can be part of the problem. It's difficult for the layperson to visualise what the finished house will look like, but it is not the fault of the builder if, at the end, they may say "that's not what I expected" if everything is built correctly to the specifications.

DELAYS, DELAYS, DELAYS

Builders and other trades have been in enormous demand, as construction has increased around the country, causing huge delays in waiting for builders and contractors. The failure of one trade to turn up on time leads to a domino effect. Re-scheduling everyone is difficult because there are so many people affected. Also, there can be hold-ups in getting building or resource consents, also due to council backlogs because of huge demand.

Bad weather, injury to a worker, building variations or material supply shortages - also a result of a high demand in the building industry - can all culminate in delays and cost blowouts.

PROBLEMS WITH COSTS AND UNDERPRICING

Be aware of these potential problems with costs:

- Sometimes the designers, builders and subcontractors fail to keep up with their paperwork so it can be too little, too late once the final costs are known. This would happen under contracts without fixed prices or guaranteed maximum prices.
- Builders and subcontractors sometimes take an optimistic view of the job and underprice then try to make gains later by negotiating with owners, subcontractors and suppliers.

THE DREADED DISPUTE PROCESS

No one likes confrontation. When disputes arise, people are often reluctant to invoke the **dispute resolution provisions** in the contract, for fear of upsetting the other person and making the situation worse. But, if the situation is left, it's likely to deteriorate.

- Try to talk it through. It may just be a mistake or misunderstanding.
- If that doesn't work, look to the contract. There should be dispute resolution procedures in the contract such as mediation and arbitration.
- Building Disputes Tribunal provide a dispute resolution service between builders (and other contractors involved in building houses) and home owners. The Tribunal does not charge an application fee for the nomination of adjudicators, however parties are required to meet the fees and expenses of the adjudicator.
- Find out if a trade organisation will act as an intermediary or offer dispute resolution services, for example:
  - ▷ Registered Master Builders Federation;
  - ▷ Certified Builders Association of NZ;
  - ▷ Electrical Workers Registration Board (EWRB);
  - ▷ Master Plumbers, Gasfitters & Drainlayers NZ Inc.;

  However, many builders and contractors do not belong to a trade organisation, and trade organisations do not usually get involved in contractual disputes.
- For disputes over progress payments, use the adjudication service under the Construction Contracts Act 2002.
- Both parties could agree to go to arbitration.
- The Ministry of Business, Innovation and Employment (MBIE) deals with disputes about the issue of building consents and code compliance certificates.
- Disputes Tribunals deal with claims up to $15,000 (or $20,000 with the agreement of the parties). This may not be high enough for many building disputes. If you choose this option, you usually cannot take the dispute through the Courts.
- Finally, there is court action. This can be costly and complicated but, in some cases, may be the final resort.

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

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Can insurance help make construction projects run profitably?

BY BEN RICKARD

There are many ways that a construction project can go pear-shaped. Unforeseen events can substantially affect the ability of the parties involved to complete it within time and budget.

There are two broad categories of events that may affect a construction project:

Physical events, for example:

- Fire;
- Natural disaster;
- Accidental damage (eg. vandalism, construction collapse);
- Machine breakdown;
- Theft

Negligence, for example:

- Financial failure (eg. poor initial pricing, insolvency of a contracting party);
- Poor project management;
- Errors by professionals (eg. design, engineering);
- Defective workmanship (eg. by contractors installing components).

Most events can be put into one of these categories, and all of them may lead to either time delays or increased costs, and often both. Many unforeseen events can be insured, but not all.

WHAT'S THE SOLUTION?

Failing these structural reforms to the market, how can construction companies and contractors manage their risk better? One way is to insure this risk. There are a few different ways to do so but, fundamentally, a contractor cannot insure their own failure to make money from a contract or be profitable. If they enter into a contract without adequate provision for costs they cannot insure this contractual error. However, contractors can protect themselves from the failure of a principal or head contractor, and head contractors can protect themselves from the costs associated with the non-performance of subcontractors.

TRADE CREDIT INSURANCE

This effectively insures the company's accounts receivable asset (ie. the money owed to it by customers) against non-payment. So, if the customer becomes insolvent or doesn't pay for a protracted period the contractor can claim the cost of that bad debt from their trade credit insurer.

BONDS INCREASING THEIR APPEAL

As bank bonds become tougher to secure - and more costly - insurance-backed bonds are increasing in their appeal. With this type of bond, the contractor pays a non-refundable premium to the bond provider (called a surety), who guarantees to pay if the bond is called upon by the principal.

PERFORMANCE AND SUBCONTRACTOR BONDS

A performance bond protects a principal from the non-performance of their contractor. Whilst less common, the same can apply between a head contractor and their subcontractors. If the subcontractor defaults, the head contractor can call on the bond to cover any extra costs that may result. This enables the work to continue without the head contractor having to absorb those unforeseen costs.

RETENTION BONDS

Many head contractors demand retentions from their subcontractors. Recent legislation requires this money to be held on trust. This means it can no longer be used as a source of cashflow as it must be held on the balance sheet as a liquid asset and subcontractors have the right to demand visibility of their retentions at any time.

Rather than sit on the cash, main contractors can apply for a bond to cover the value of the retentions they hold, thus freeing up the money to use as cashflow once again (as long as they can return it to the subcontractor when it's due).

Subcontractors can also provide a bond instead of having this cash withheld from their invoices in the first place, improving their own cashflow and reducing the risk of losing this money if their head contractor gets into trouble.

However, contractors must demonstrate that they are well managed and in a sound financial position before bond providers will consider them. This can put insurance-backed bonds out of reach of smaller operators.

IN A NUTSHELL

The fundamental issue of poor margins and the transfer of risk from one party to another within a contract can't be fixed with insurance. However, trade credit insurance is a good option for contractors on large projects if there's a risk of default by their principal or head contractor. Alongside this, insurance-backed bonds are becoming an increasingly common means of managing risk by all parties in the construction industry.

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Builtin are New Zealand's Trade Insurance Experts. For more information visit https://builtininsurance.co.nz or contact Ben Rickard at ben@builtin.co.nz or call 0800 284 584.

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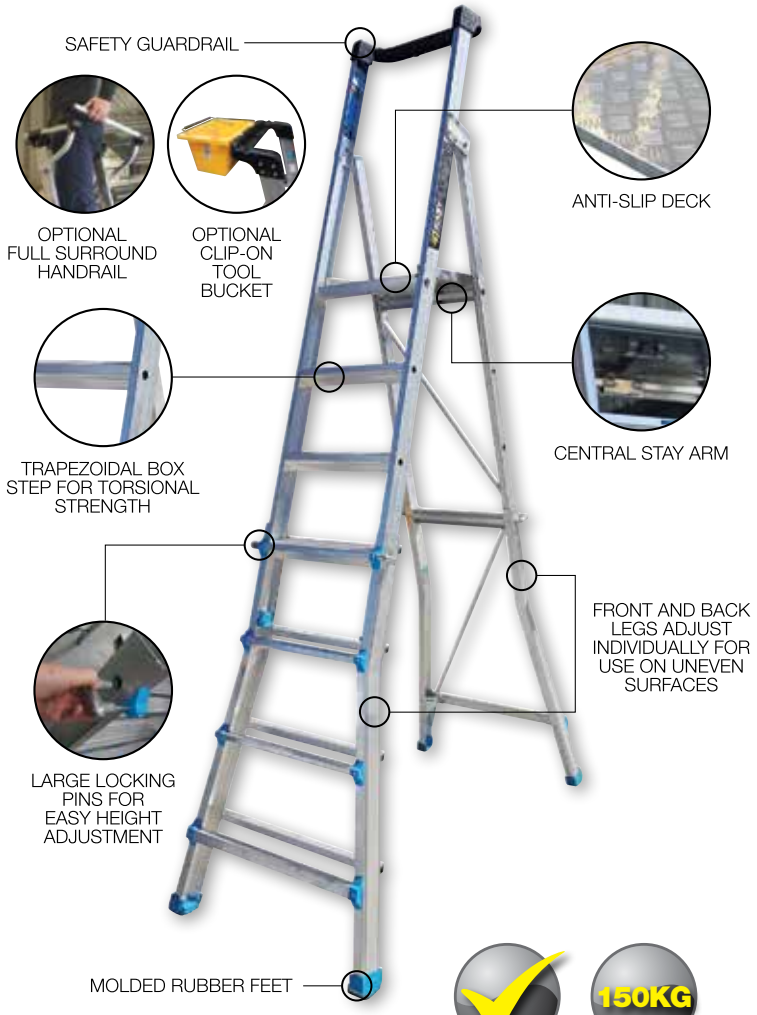

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Why is pricing/costing so important?

BY JAMES SKINNER

Disputes over money are a familiar scene in the construction industry. On many occasions we hear from builders that they have 'under-priced a job' and 'in hindsight' think they could have done better, and now are in a dispute with another party over the final payment claim, which is effectively their margin or profit on the job. In this article we explore some of the pitfalls around pricing/costing that we have observed in the industry. Hopefully this will assist those about to price a job from making costly mistakes.

HOW DO YOU CHARGE ON A JOB?

Unless you are on a charge-up contract, most contracts have some fixed price elements with scope for variations (agreed in writing). In an ideal world, a contract would make sure that all contingencies are covered in the fixed price and a client would not make changes leading to variations. We all know that most jobs do not work like that and arguments break out over changes to plans, delays, sequencing, etc.

All clients (and contractors) alike want certainty. A fixed price contract gives all parties some degree of certainty but it also can be very inflexible. The standard building contracts provide the standard wording to make a contract work, but why do things go wrong so often when it comes to price?

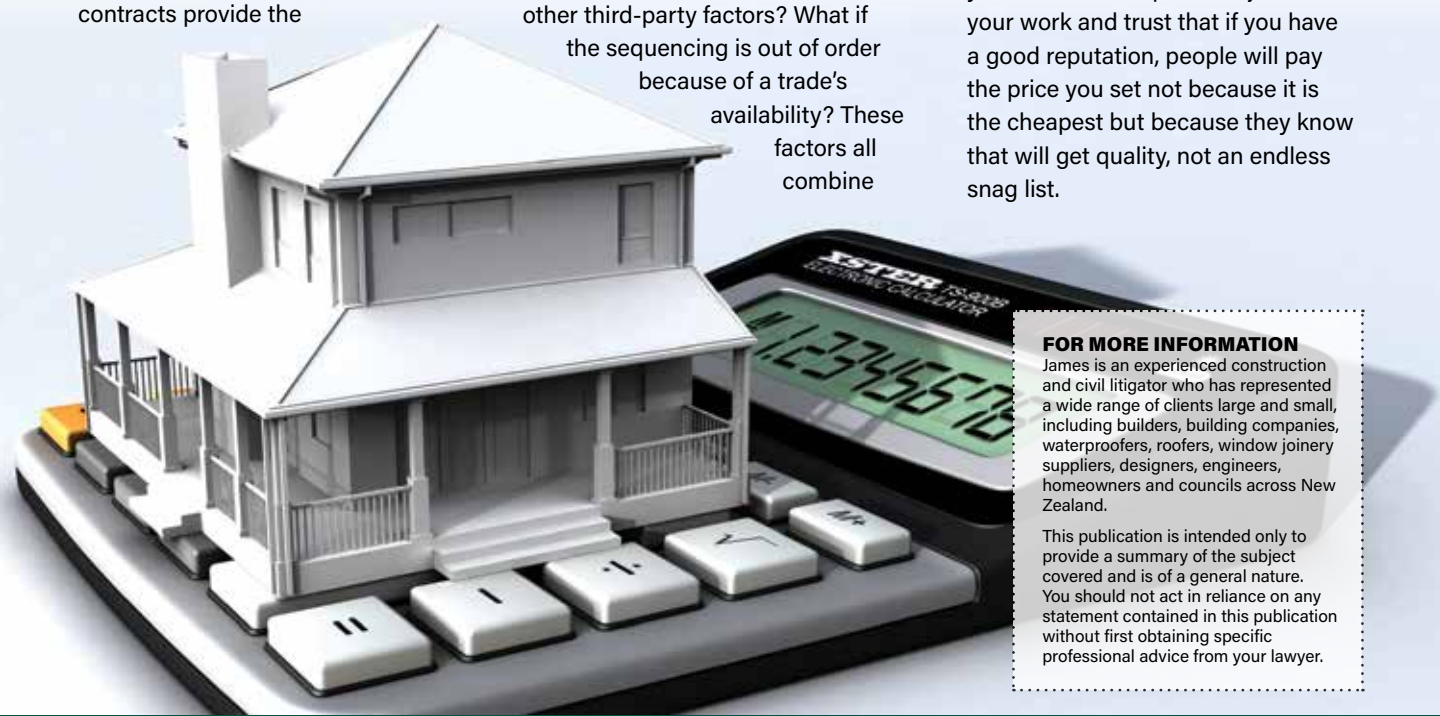
WHY DO THINGS GO WRONG?

In our experience, the answer to this involves a combination of factors. Contractors are hard workers. They are often on site before 7am and, after a hard day at work and commute home, can be seen up in the late hours of the evening costing/pricing jobs. A passion for the work they do, combined with a desire to please the client and 'get that next job' leads to mistakes or under estimations when it comes to the possible cost blow outs. What if materials increase? What if the job is delayed by inclement weather or other third-party factors? What if the sequencing is out of order because of a trade's availability? These factors all combine frequently to lead to cost under estimations, which can have a significant impact on the bottom line.

We see the successful contractors (from small to big business) succeeding on price because they engage quality quantity surveyors to look at the costs from every angle. A good QS cannot be underestimated. We are not all good with numbers and, let's face it, if you have had a hard day and are trying to do pricing at 11pm, are you really going to be at your best? I think not.

WHAT CAN YOU DO?

What is the point in getting a contract, slogging it out for six months, only to come out dead even because you under-quoted? It is a waste of time, and you deserve better for the hard work you put in. Think carefully about contingencies, think about the different things that could happen on the job, want the job but not want it so much that you cut your prices to dangerous levels, engage quality consultants to review or prepare your pricing, keep an up-to-date record of previous jobs and their prices to compare with, learn from your mistakes on previous jobs, value your work and trust that if you have a good reputation, people will pay the price you set not because it is the cheapest but because they know that will get quality, not an endless snag list.



FOR MORE INFORMATION

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

The low-down on safety gear

IF YOU'RE AN EMPLOYER, IT'S UP TO YOU TO ENSURE YOUR WORKERS HAVE THE RIGHT PERSONAL PROTECTIVE EQUIPMENT (PPE) FOR THE JOB, AND TO PROVIDE IT FOR THEM IF THEY DON'T.

The Health and Safety at Work (General Risk and Workplace Management) Regulations 2016 state that an employer/person conducting a business or an undertaking (PCBU) carrying out work at a workplace must ensure that:

- They, or another PCBU, have provided workers with the PPE appropriate for the job; and,
- They ensure, as far as is reasonably practicable, that workers use or wear the PPE provided.

The following example from the guidance illustrates those duties:

"To prevent eye injuries, the PCBU of a welding workshop provided its welders safety glasses to wear under their welding helmets. However, even after being instructed by the PCBU to always wear the safety glasses while welding, one worker regularly removed them.

"As the PCBU must ensure workers wear PPE so far as is reasonably practicable, the PCBU talked to the worker to find out why he removed his safety glasses. The worker told the PCBU that it was because wearing the safety glasses over the worker's prescription glasses caused him discomfort. The PCBU then worked with the worker to find safety glasses that the worker could wear without discomfort."

WHAT YOU NEED TO KNOW

The PPE provided by employers must be compatible with any other safety equipment or clothing required for the job, fit correctly and comfortably, and be suitable for the nature of the work.

Employers also have a duty to ensure that workers' PPE is maintained properly and replaced when necessary. Proper training on use and maintenance should also be provided to workers.

On the other side of the equation, workers are responsible for ensuring they use PPE in line with the information and training given to them by the PCBU.

They also must not intentionally damage safety equipment, and they must tell the PCBU when PPE needs to be cleaned, decontaminated or has been damaged.

EXCEPTIONS

The only exception to the provision of providing workers with PPE is when the worker 'genuinely and voluntarily chooses to provide their own.' In these cases, the PCBU must be satisfied the gear is appropriate and meets all necessary regulations.

It is important to note that workers may change their minds about this at any time; however, they must give appropriate notice if they wish the PCBU to begin supplying their PPE.

TIPS

Remember that PPE must only be used as a risk control once other methods to eliminate or minimise risks have been considered. Normally PPE is used to support other methods of risk control rather than as a standalone means of protection. For instance, a dust mask would be worn when cutting cement board on site; however, the primary means of control may be the use of an extractor to remove the dust.

WHAT PPE DO I NEED TO PROVIDE?

The type of PPE you need to provide as an employer/PCBU will depend on the nature of the tasks the workers will be doing and the risks they will be exposed to. In addition, PPE requirements on site will usually be set by the main contractor or project manager. For some guidelines about what is recommended, check out Site Safe's PPE factsheet on their website[1]

[1] https://www.sitesafe.org.nz/globalassets/guides-and-resources/ppe_2017.pdf

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Pukekohe	4th October
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Onehunga	12th October
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St. Lukes	18th October
East Tamaki	24th October
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Whitianga	3rd October
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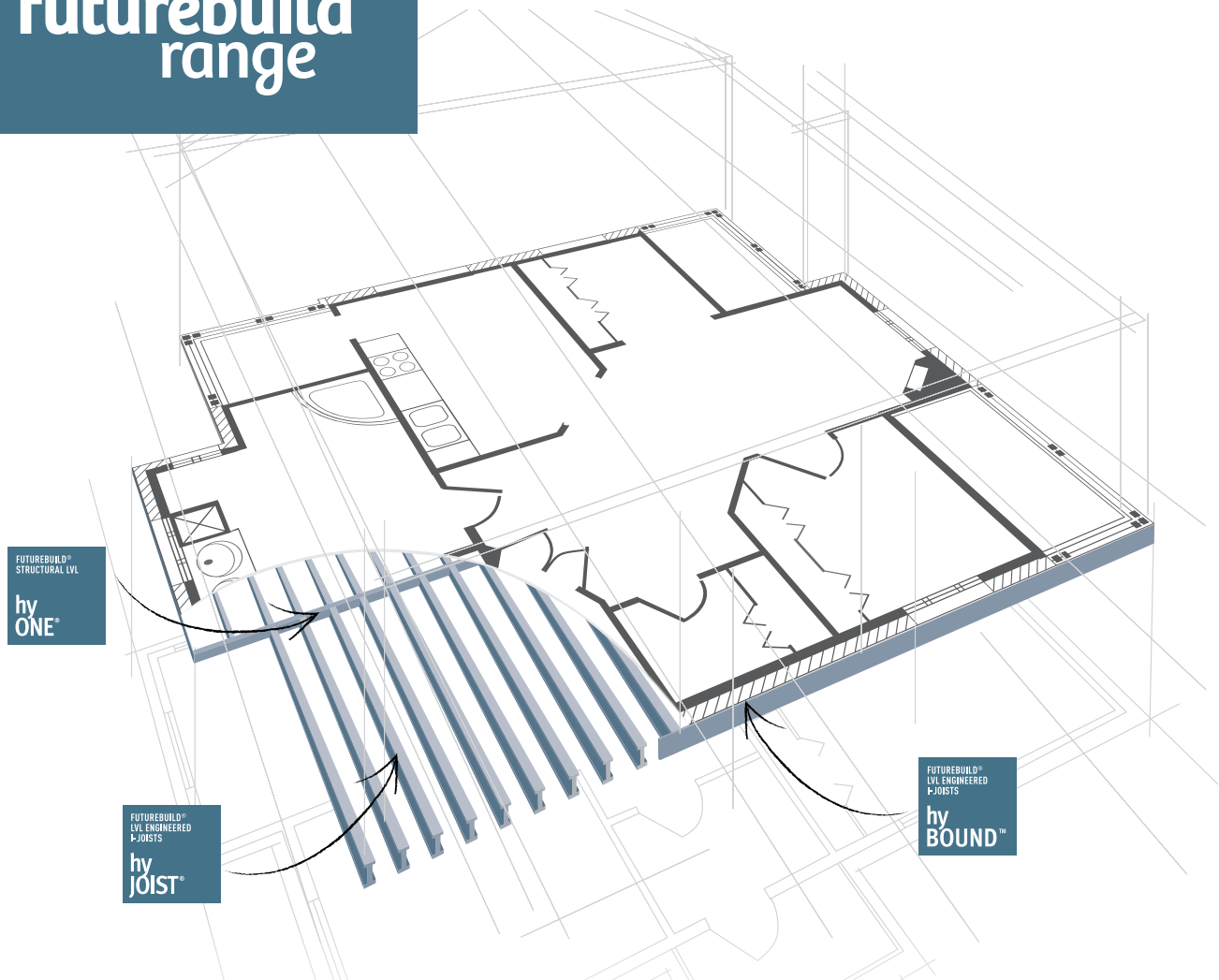

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