

TRADE LEADER

AUG - SEPT 2021 ISSUE

Health & Safety
Save lives with Life
Shavers

Industry Comment
The building supply
crisis - new normal?

Economics
Are policies favouring
new builds?

Business
Fix the fails that
derail your business



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Staying safe with
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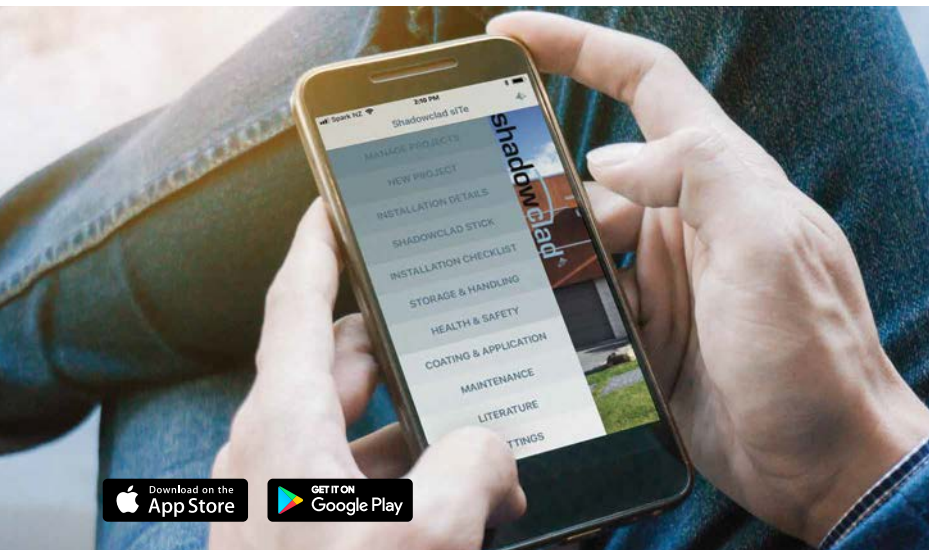
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CHH PLY

In the frame

BY MIKE GUY, CARTERS CHIEF EXECUTIVE

Building and construction continue to retain their position as one of the country's leading drivers of the economy.

Alongside agriculture and farming, construction is helping to shore up what would have potentially been an economic crisis of huge proportions following COVID-19 and, while the world is tiring of hearing about the virus, the reality is that it's still having a major impact.

Despite this, investment in major construction projects – commercial and civil – appears to still remain ongoing with little sign of abating, and building consent numbers remain very strong in the residential sector. In fact, according to economist Rodney Dickens in this month's Economics column, new building in the residential sector seems to be out-performing that of existing homes.

Construction safety also comes into focus in this month's Trade Leader, with two comprehensive articles about two quite different topics.

One surrounds the issue of facial hair and how it can considerably impact the performance of face masks in situations where they're necessary PPE requirements. Beards can be a fashion item or even worn for religious or cultural purposes, but research shows that they greatly reduce how effective face masks are, so we've looked at recent WorkSafe guidelines on how to overcome some of these issues.

The second H&S-related article centres around the topic of scaffolds – a highly relevant and important issue, as there are very few sites anywhere around the country where scaffolding isn't used in some form.

Go looking for information on the safe use of scaffolding in New Zealand and you'll find screeds of it available, reinforcing the importance of the topic. To make it easier, we've gone through material from WorkSafe, Site Safe and

from CARTERS supplier, Easy Access, to condense it into one location.

Finally, there's an interesting – and highly relevant – piece from Julien Leys in this issue regarding the challenges to the supply chain brought on by the fallout from COVID-19. Julien is the chief executive of the Building Industry Federation and offers an articulate and measured comment on the current demand for products and materials right across the construction sector, which then flows on to shortages on-site, reduced manufacturing capacity and disruption to the building industry.

His commentary on this issue both interesting and thought-provoking.

I am looking forward to seeing many of you on our upcoming Advantage Luxury Lodge experiences taking place over the next couple of months. If you're interested in joining us, please get in touch as we still have a couple of spots available and would welcome your company.



MIKE GUY
CARTERS Chief Executive

TRADE LEADER.

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Features



11

Shaving your beard could save your life

HEALTH & SAFETY

Because respiratory equipment works best with a seal around your face, being clean-shaven could have a big impact on your level of safety on the building site.

14

Staying safe with scaffolding

HEALTH & SAFETY

Even though it's extremely useful, scaffolding on a building or construction site needs to be treated with respect and care to ensure it's used as safely as possible.



Articles

08

CODEWORDS

HISTORY OF LBP SCHEME - PART 2

In this article, we continue to follow the path of the industry as the need for a licensing scheme started to become more apparent.

10

CODEWORDS

LBP COMPLAINTS; WHAT'S THE PROCESS?

The Licensed Building Practitioners Board will hear numerous complaints about LBPs every year. But what are they about and what is the process?

13

AWARDS

APPRENTICE OF THE YEAR GETS UNDERWAY

Regional events are underway for this year's Registered Master Builders CARTERS Apprentice of the Year competition, with 112 apprentices participating.

21

ECONOMICS

ARE POLICIES FAVOURING NEW BUILDS?

Changes to tax guidelines and adjusted lending restrictions mean that the new housing market is performing more strongly than existing housing.

22

INDUSTRY COMMENT

THE BUILDING SUPPLY CRISIS - THE NEW NORMAL?

The pressure on the building supply chain for materials and products has been increased due to COVID-19, but is just one of the issues currently facing the sector according to BIF chief Julien Leys.

24

LEGAL

NEW SCHEME COVERS CERTIFICATION OF MODULAR COMPONENTS

A new voluntary certification scheme covering certification of modular components will provide a new compliance pathway for manufacturers of more complex building products.

28

BUSINESS

FIX THE FAILS THAT DERAILED YOUR BUSINESS

Daniel Fitzpatrick looks at some of the problems that can have a really negative impact on the way your business operates and, ultimately, how profitable it is.

EASY TO INSTALL

EASY ON THE PLANET

EASY TO SEE WHY IT'S AN EASY CHOICE

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Industry study investigates the origins of and strategies to deal with stress in construction.

An industry study conducted by Site Safe and Massey University's School of Built Environment has investigated the negative effects of work-related stress on productivity and the physical and emotional health of construction workers in New Zealand.

The paper, which is the first collaboration under the research Memorandum of Understanding between both organisations, highlights several critical factors that create undue stress among construction workers. It identifies potential mitigation approaches to reducing stressors, as suggested by workers participating in the study.

Site Safe Chief Executive, Brett Murray, says that as well as serving as a confirmatory piece, the paper gives insight into the thought patterns and voices of frontline workers who are often unheard in an industry fraught with danger and unsafe practices.

"We operate in a high-risk industry and trying to bring about a culture of change within health and safety isn't going to happen overnight.

"By talking directly to workers who face these dangers every day, we can better understand what needs to be done to create safer construction sites."

Massey University's researchers for the paper, Dr Andries (Hennie) van Heerden and Dr Gregory Chawynski, agree that successful resolution of the issues identified in the paper is dependent on active and willing engagement from those in positions of authority involved in construction. This extends to well-informed clients, their consultants, and other parties that equally share project risks as principal drivers.

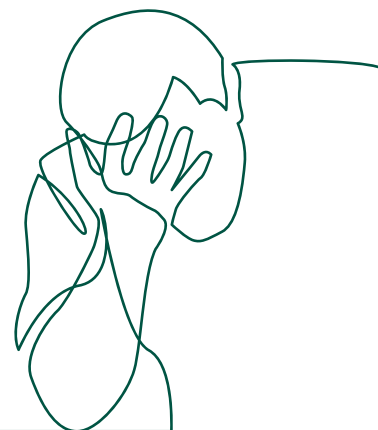
"As a recommendation, the Construction Sector Accord's guiding principles could be made enforceable through its transformation plan. As it currently stands, this would be difficult because it is a voluntary, collaboration-based initiative promoted by the private sector and the government."

Research participants indicated that lack of collaboration, poor communication, and unrealistic timeframes and budgets on the job were leading to corner-cutting and health and safety practices being compromised.

In some cases, these self-initiated stress minimisation strategies were not the result of conscious decision-making. High uncertainty in job processes and unclear responsibilities,



We operate in a high-risk industry and trying to bring about a culture of change within health and safety isn't going to happen overnight.



particularly when multiple contractors were on-site, often led to shortcomings and unsafe behaviour and conflict.

It isn't just young workers new to the industry either. There appears to be no increasing tolerance to stress over time, with experienced workers of 20 plus years no more immune to workplace stress than their less experienced counterparts.

A supportive working environment, greater empowerment of employees in decision-making processes on-site, and regular workload allocation reviews were common themes in the responses, cited by many as ways to reduce stress.

Brett Murray concedes that not every suggestion is a workable solution, however, the responses and information in the study form a good basis to progress the discussion further.

"THE RESULTS OF THE STUDY CLEARLY REFLECT THE NEGATIVE INFLUENCE OF STRESS BROUGHT ABOUT BY AN INEFFICIENT CONTRACTING AND SUPPLY CHAIN PROCESS THAT CREATES PRESSURES THAT ARE OFTEN UNABLE TO BE RESOLVED BY THOSE MOST IMPACTED."

"That issue has been recognised by initiatives such as the Construction Sector Accord and is, in part, why it is so important that the Accord delivers tangible results."

The Accord was raised by some study participants as a platform through which issues surrounding unethical behaviours causing added stress - like being asked to do something unethical on a project - could be addressed.

There is a strong upside to the industry effectively managing stressors in the workplace, according to Brett Murray.

"We believe that looking after our workers and creating a safer industry can improve productivity, profitability and the industry's long-term appeal as a career prospect.

"The industry is already inherently stressful, so we need to do everything we can to ensure we're not adding to that.

"We want to get people home safe to their whanau every day, both physically and mentally and we will look at all avenues to work towards this."



The History of LBP

Part #2

This is the second article in the series looking at the history of the Licensed Building Practitioners Scheme

A major building failure was beginning to appear...

Starting in the late 1990s and continuing for the next several years, the building industry was in turmoil trying to figure out what was going wrong. The regulator of the day, the Building Industry Authority (BIA) commissioned a report - more about this later - and the Government Administration Select Committee published Weathertightness of buildings in New Zealand in 2003 mainly in response to a recommendation in the BIA commissioned report.

One of the first signs of the seriousness of the problem was that the BIA excluded face-sealed cladding systems in high risk areas from the Approved Document E2/AS1 External Moisture.

A new name appeared in the NZ vocabulary, and it quickly became a dirty and loaded phrase...

Leaky buildings

Leaky building syndrome was a problem where moisture was getting into the wall framing of our houses, and then seeping further. Unlike a roof leaking due to damage or age, this was about water getting in through the wall claddings - mainly, but not limited to, at penetrations through the cladding. Insufficient clearances below the claddings, and the difference in height between the finished levels outside in relation to the floor level inside were other critical weathertightness areas.

With the widespread practice of using sheet material claddings to give a monolithic look, there was not enough care around the flashing systems - for example, at the top corners of the exterior joinery.

Level entry areas into houses were also a problem.

Who was to blame?

A subsequent report called the problem a "systemic failure", meaning that it wasn't just one section of the industry or a particular product that was at fault - it appeared as though a large part of our thinking hadn't caught up with the new freedoms that the Building Act 1991 had given us.

House design was tending to be somewhat faux - for example a client might want their house to look like something from

the Mediterranean. The problem then was that, to keep costs down and make other factors such as insulation possible, the design called for timber framing and a plaster finish - often on a rigid sheet substrate. This is the faux design referred to - making a light timber framed building look like a solid, monolithic structure and the inherent weatherproofing design issues that come with that.

The issues identified included:

- A lack of essential detailing and installation practices at critical joints and junctions
- installers not keeping up with installation instructions from manufacturers, the classic example being the changing of nailing patterns for the fixing of bracing sheets, or how a new product needs to be installed
- critical flashings being omitted for aesthetic reasons - a window head flashing for instance, which would compromise the monolithic look
- materials and products being accepted as fit-for-purpose when they hadn't been tested for that situation, for example the paint coating on a rigid sheet cladding material that required face sealing to make it weathertight
- councils approving a product shown on the site documents when, in fact, it may not have been approved for use in this situation
- the use of new materials - a prime example would be the 1996 decision to allow untreated pine to be used for the structural framework of a house.

Untreated pine was not a direct cause of water entering a house, but it did create a very significant structural problem once the moisture got to it. The cost of repair of a leaky building was, and still is, greatly increased where this timber - marketed as chemical-free - was used. Remember the collapsed cantilevered deck from the previous article? It turned out the joists were untreated!

Building inspections were still being carried out as they had been for years - the new Building Code didn't bring a more thorough regime for inspectors to follow in checking areas critical to the structural and weathertightness integrity of the building.

Accord funding towards better business performance in specialist trades

The Construction Sector Accord is funding the development of a benchmarking scheme to lift business performance in the construction and infrastructure sector.

"Promoting better business practice is a key goal of the Accord Transformation Plan. We know it's difficult for businesses – especially smaller ones – to access information on how to run a successful and high-performing construction-related business," said Construction Sector Accord Director Dean Kimpton.

"These new measures will greatly benefit mostly small or medium businesses that deliver our specialist trades – electrical, plumbing and gas-fitting, roofing, scaffolding, steel, concrete & ventilation," said Mr Kimpton.

The Registered Master Builders Association will adapt measures already developed for lead contractors in the vertical construction sector, which include around 60 financial, operational and commercial metrics.

Businesses will upload metrics into a web-based system and they will receive reports on their business and wider industry trends.

"The business performance metrics framework will allow businesses to benchmark themselves against their peers and identify opportunities leading to higher performing and more resilient businesses," said David Kelly, Master Builders Chief Executive.

"We know this approach works from our work with the Vertical Construction Leadership Group, and we know from listening to our members that smaller businesses need this sort of support," said Mr Kelly.

The project's delivery will be supported by the Specialist Trade Contractors Federation.

"SME construction businesses make up the majority of the sector and are sensitive to economic cycles. Improvements for this sector will have a significant impact on lifting the overall construction sectors performance and resilience," said Federation President Graham Burke.

Mr Burke says interested parties can contact the Federation for further information.

The development phase of the project is scheduled for completion in November 2021.

The BIA commissioned a report into what happened and why, and in the second half of 2002, the Report of the Overview Group on the Weathertightness of Buildings, better known as the Hunn Report -the name of the chairman of the Overview Group- was released.

This is when we knew we had a real problem...

See the next issue for the continuation of this series.

CODEWORDS QUIZ

1 What is the definition of a leaky building?

- A. A problem where moisture is getting into the wall framing and then seeping even further.
- B. A leak caused by rusting or damaged roofing
- C. A leaking pipe in the wall behind the shower
- D. A house that won't keep flood-water out

2 What were some of the causes of the leaking problems?

- A. Lack of essential detailing at critical joints and junctions
- B. Flashings being omitted
- C. Not following manufacturer's installation instructions
- D. Inspections not sufficiently thorough for modern building practices
- E. All of the above plus others, as it was a full systemic failure

3 How was water found to be getting into the structural framing in our houses?

- A. It caused the leaks through the claddings
- B. Major structural repairs were necessary once the moisture got to it
- C. It cost too much
- D. It wasn't strong enough to support the roof

Answers: 1. a 2. e 3. b

Learnings from Board complaints



Annually, around 1% of Licenced Building Practitioners will have a complaint made against them. Anyone can make a complaint about an LBP to the Building Practitioner Board who then investigate and determine the seriousness of the complaint and decide on any penalties following a hearing.

A complaint can relate to building work (including design work) or poor behaviour related to building work. The Board cannot hear complaints regarding payment disputes, or commercial or contractual disputes including employment disputes.

To be able to make a complaint about an LBP you need to ensure that:

1. The person you are complaining about was an LBP when the conduct occurred.
2. The conduct you are complaining about is covered by one or more of the 'grounds for discipline' listed in section 317 of the Building Act 2004.
3. You can provide sufficient evidence to support your complaint.
4. Your complaint is made on the approved form.

There are a number of grounds for discipline, but the majority of complaints relate to a lack of supervision, poor workmanship, not building to the plans or bringing the LBP scheme into disrepute.

An LBP is needed for the design, supervision, or the physical carrying out of any restricted building work. For design work, this could be undertaking a thorough check of the drawings and documents once they have been completed by a non-licensed person. But on-site, it means that the work must be closely supervised while it is being carried out to the extent that the LBP who is completing the record of work (ROW) is satisfied that the work has been completed as per the plans and to a good level of workmanship.

This can be difficult, if you, as the LBP, are not on-site when the work is being carried out – best practice is being 'proximate' to the work. Of course, if you know the skill level of the person doing the work and have seen them carry out similar work in the past, then the supervision can be a bit less constant. However, remember – if the work fails some time in the future, your name is on the ROW. Why would you want to jeopardise your licence because someone else did not do their job properly? There is a Registrar's practice note on supervision which can be found at www.lbp.govt.nz/assets/lbp/documents/Practice-note-supervision.pdf to provide guidance on supervision.

Poor workmanship is not something any LBP ever wants to be accused of. We should be proud to put our name to our work, which is one of the main principles of the scheme – you have been assessed as being competent at your trade or

profession. Workmanship is a hard thing to define – I would ask myself that if someone else had carried out work to that level of workmanship on my own house, would I be happy to accept and pay for it? A Guide to tolerances, materials, and workmanship can be found at www.building.govt.nz/assets/Uploads/projects-and-consents/guide-to-tolerances/guide-to-tolerances.pdf

Not following the plans, or using the BCA as quality assurance ("you tell me what's wrong, and I'll make sure I fix it for you...") are becoming more prevalent, and the penalties handed out to respondents who have been found guilty of doing so reflects the Board's stance on this type of complaint.

Bringing the LBP scheme into disrepute stems mainly from communication issues – not answering calls from clients who may have an issue with something you have or have not done, arguing with the client, or not complying with a lawful request from the Board are among the cases that we are seeing.

And last, but definitely not least, is failing to provide a ROW. The main excuse for not providing the ROW seems to be trying to use it as a lever to ensure the final payment is made. The ROW should always be completed and given to your client and the BCA as soon as possible after the restricted building work has been completed. The average fine being handed down for this offence is \$1500, along with \$500 towards costs – is it really worth \$2k to not provide it?

CODEWORDS QUIZ

- 1 How do you make a complaint made against an LBP?**
- A. Talk to your local Building Inspector
 - B. Phone your lawyer
 - C. Use the approved form available at lbp.govt.nz

- 2 Why could someone make a complaint against an LBP?**
- A. Inadequate supervision resulting in mistakes being missed
 - B. Poor workmanship
 - C. Not following the plans
 - D. All of the above

- 3 When must a record of work be issued?**
- A. Following completion of the RBW
 - B. When you've been paid
 - C. When someone asks for it
 - D. At the end of the financial year

Answers: 1. c 2. d 3. a

Shaving your beard could save your life

When you're wearing respiratory protective equipment (RPE) at work, you should be clean-shaven to make sure it's forming a seal and protecting you from breathing in harmful materials.

As a result of WorkSafe's inspectors encountering workers who did not understand that this can compromise their protection, they have launched a Life Shavers campaign to raise awareness and prompt businesses to have conversations with their employers about the options.

This raises some questions and here are some of those most frequently asked according to WorkSafe.

What is the reason for being clean-shaven when wearing respiratory protective equipment?

Even a small amount of stubble can prevent respiratory protective equipment (RPE), forming a correct seal.

This can mean while you are wearing the appropriate RPE, you're still inhaling potentially harmful materials which may cause health issues. A clean shave goes hand in hand with the correct RPE for the job.

How often should I shave?

Depending on the nature of your job, you may use RPE regularly or sporadically, but you should be clean-shaven whenever you use RPE.

Does this mean my business needs to supply shaving equipment?

Businesses must take all reasonably practicable steps to ensure their health and safety at work. This doesn't mandate them to provide shaving equipment when you are using RPE – but if they choose to, that's excellent.

A business taking reasonably practicable steps can mean making sure you are aware ahead of time that you will need to wear RPE for a specific task to allow you to shave. Businesses can also consider alternative methods to keep you safe including allocating other staff to the task.

I have a cultural/faith-based/personal reason for having facial hair, can my employer force me to shave?

The Human Rights Act covers issues of cultural or faith-based discrimination and an employer can't make you shave if it contravenes the Human Rights Act.

If you have a personal reason for your facial hair, there are alternatives to being clean-shaven. You should talk with your employer to see what alternatives can be put in place.

What does this mean for me as a business owner/PCBU?

Ensuring your workers are aware of the need to be clean-shaven when wearing RPE is an important step. Reminding workers to shave before they come into work or allowing them to return home to shave (if applicable) are small steps that can protect their health.

Alternatively, if another clean-shaven worker is available you can assign them the task which requires the use of RPE and remind the worker with facial hair of the risks of wearing RPE which doesn't form a correct seal.

You should have conversations with your workers to understand their reasons for having facial hair. If their facial hair has a cultural/faith-based/personal significance, you should work with them to find alternative solutions.



For further advice see:

tinyurl.com/LifeShavers
tinyurl.com/WorkSafeRPE

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Apprentice of the Year gets underway



The 2021 Registered Master Builders CARTERS Apprentice of the Year competition got underway in June, with a regional practical challenge held across the country.

At 14 CARTERS branches throughout New Zealand, 112 apprentices were given two hours to build a shoe rack.

To complete the second stage of the competition, apprentices must present a project build they have worked on to a set of judges. The judges will then conduct a site visit with the apprentice to discuss the build and their contribution. There will also be a formal interview at this stage.

THE REGIONAL WINNERS WILL BE ANNOUNCED IN AUGUST AND SEPTEMBER, WITH THE NATIONAL FINAL HELD IN AUCKLAND ON 3RD AND 4TH NOVEMBER.

Registered Master Builders says this competition comes at the perfect time to highlight the urgent need for more apprentices and to celebrate the future leaders of the industry. Stats NZ shows that during the 12 months through to January this year, almost 40,000 residential building consents were issued. This is up 5.8% on pre-pandemic levels and the highest level since 1974 – reiterating the urgent need for more employers to take on apprentices and prepare for our future pipeline of work.

The Registered Master Builder Apprentice of the Year, in partnership with CARTERS, is the leading apprentice competition for the building and construction sector. It recognises excellence among carpentry apprentices and raises awareness of career opportunities in the building and construction industry.

If you're interested in taking on an apprentice, the Government is offering the Apprenticeship Boost to support employers over the first two years of training. Plus, whether you're looking for an apprentice fresh out of school or someone a bit more mature who wants to learn a new trade, BCITO operates a dedicated job-matching service to help you find the right person for you.



For more information, see
Apprentice of the Year apprenticeoftheyear.co.nz
BCITO bcito.org.nz/employers





WORKING AT HEIGHTS IS A RISKY BUSINESS," SAYS EASY ACCESS SALES. USING THE RIGHT EQUIPMENT AND SAFE PRACTICES WILL DECREASE THE RISK OF FALL OR INJURY IN JOB SITES.

Guidelines to staying safe with scaffolding

Scaffolding is a very useful range of equipment on building and construction sites. Although used for a variety of purposes, generally it is used when workers need to operate at height for an extended period of time. But as part of that, safety needs to play a major role, not only in the erection of the scaffolding but also in the potential danger of workers falling from height, which can result in serious injury or even death.

Back in 2017, Dunedin company Stevenson and Williams Ltd had an incident with a scaffold on a central city site where their scaffolding contractor – Bramwell Scaffolding Ltd – failed to correctly erect a scaffold, resulting in a worker falling around 3.5 metres.

When the findings of the incident were released, Stevenson and Williams took a highly proactive approach and prepared a document titled Builders Guide to Scaffolding Tagging and Handover Certificates, designed to assist educating builders in the process of erecting, modifying and dismantling fixed scaffolding on building sites.

According to regulations for working at heights, scaffolds need to be erected and used by a “competent person” and that official scaffolding qualifications are required for scaffolds with a working height of 5m or above.

WorkSafe New Zealand says that all work involving scaffolding must comply with the requirements of the Health and Safety at Work Act 2015 (HSWA) and all relevant regulations, including the Health and Safety in Employment Regulations 1995 (HSE Regulations) and the Health and Safety at Work (General Risk and Workplace Management) Regulations 2016 (GRWM Regulations).

WorkSafe's Good Practice Guideline for Scaffolding in New Zealand, produced in November 2016, is a comprehensive document that provides guidance, advice and information on the safe design, use, and maintenance of scaffolding. The Stevenson and Williams document shared in this article (linked below), expands further on the WorkSafe material in specific areas of scaffold tagging and handover certificates and documentation and also includes copies of both a scaffold inspection report and a handover certificate.

SiteSafe also takes a strong stance around the topic of scaffolding and has a significant amount of information available.

Site Safe says, before erecting a scaffold, site management must ensure:

- A Safety Plan is developed
- Emergency procedures are included in the Safety Plan
- The Safety Plan is communicated effectively to staff on site

The Safety Plan should be reviewed by site management before commencing work to ensure it specifically includes:

- The scaffold is erected by a scaffolder certified for the type of scaffold to be erected. A copy of Scaffolder's Certificate of Competency is to be provided to site management
- The WorkSafe NZ Notification of Particularly Hazardous Work form has been completed for a scaffold more than 5 metres high and a copy provided to site management
- A (TMP) Traffic Management Plan (where required) has been submitted to and accepted by the Local Authority. A copy of the TMP is to be provided to site management
- All risks have been identified, assessed and adequately controlled especially those related to falls from heights and the protection of workers and public from falling objects

A site management representative should inspect the scaffold prior to acceptance and use it to ensure:

- ✔ The scaffold is sufficient for the job and fit for its intended purpose.
- ✔ An information tag is fitted to the scaffold and is completed and updated at weekly inspections (daily for suspended scaffolds).
- ✔ All scaffolds over 5 metres, all suspended and all special scaffolds have a register on site and this is completed and updated at weekly inspections by a certified scaffolder. Suspended scaffolds should also be inspected daily by the operator.
- ✔ The scaffold has a suitable foundation including a sound supporting structure, a steel base plate and if necessary a timber sole-board or bearer. If in doubt seek advice from an engineer. Mobile scaffolds are to have castors with brakes and should only be used on firm level surfaces.
- ✔ Appropriate access is provided to the scaffold platforms by way of secure ladders, stairs or access directly from the adjacent structure.
- ✔ The scaffold structure is sound, including the provision of adequate ties, bracing, outriggers (or rakers) and suspended scaffold suspension rigs. All prefabricated scaffolds must be erected to the manufacturers' assembly instructions.
- ✔ The scaffold platform is decked the full width of the scaffold structure and is no further than 300mm from the work face and if greater, then either inside planks or internal guardrails and toe boards are to be fitted.
- ✔ All scaffold platforms have full edge protection including top guardrails (between 900mm min and 1100mm max), mid rails and toe boards. Containment screening is to be provided when required by risk assessments. have sole responsibility for their waste, they should complete their own waste management plan.

CARTERS supplier Easy Access offers a range of guidelines and videos on their website (link below) including a series of Scaffold Safety Tips, designed to provide clear answers to some of the most frequently asked questions, including subjects like:

- **How to move your scaffold**
- **Erecting a scaffold**
- **Climbing on a scaffold**
- **Ladder stability**
- **Working at heights**
- **Electrical safety around your scaffold**

“Overall, working at heights is a risky business,” says Easy Access Sales Team Leader, Tony Person. “Using the right equipment and safe practices will decrease the risk of fall or injury in job sites.”



For more information see:

WorkSafe Guide to Scaffolding in NZ
tinyurl.com/ScaffoldingNZ

Stevenson and Williams Builders Guide
tinyurl.com/ScaffoldingChecklist

Easy Access www.easyaccess.co.nz



Prioritising GIB® Plasterboard Waste Minimisation and Recycling

The New Zealand building industry is becoming increasingly aware of the importance of reducing the growing level of construction waste ending up in landfill.

Winstone Wallboards is actively exploring innovative ways to reduce the level of plasterboard waste being generated. Working closely with customers, local councils and waste specialists, Winstone Wallboards is exploring a range of long term waste minimisation solutions which is especially relevant given that recent data collected from New Zealand construction sites indicates that timber and plasterboard offcuts contribute the largest percentage of construction waste currently entering New Zealand landfill sites.

“Our approach is to firstly to look at ways to minimise plasterboard waste created in the first place. We are actively working to develop practical industry tools that help customers to do this” says Winstone Wallboards Residential Market Manager Gordon White.

“However, we also need to recognise the need to work with the wider construction industry to find viable solutions to dispose of plasterboard offcuts generated during the interior lining process. That’s why we are also helping to facilitate plasterboard recycling options wherever practical.”

Christchurch and Queenstown Offcut Recycling Services Now Available

In addition to the Auckland Green Gorilla service, plasterboard onsite waste collection and recycling services are now also available in the Christchurch and Queenstown areas.

Operated by Waste Management in Christchurch and AllWaste in Queenstown, customers working on new build projects can have ‘plasterboard only’ bins delivered to site during the interior lining stage. The bins when full are then uplifted and sent to a local recycler where

the gypsum core is extracted and reused in a range of horticultural and agricultural products.

This is great news for trade customers operating in these areas who have been seeking on site plasterboard recycling service options. It’s also very useful for Homestar and Greenstar projects as it can help customers claim points for waste diversion under these schemes.

While this is good progress Winstone Wallboards recognises the need to continue working with the industry, waste providers and regional councils to further expand recycling capability into other regions where it is viable to do so.

To learn more about plasterboard offcut services, visit the GIB® website gib.co.nz/sustainability or go directly to:

Auckland Area

Green Gorilla – greengorilla.co.nz
Phone 09 636 2244

Christchurch Area

Waste Management – wastemanagement.co.nz
Margot Hall mobile: 027 574 3336

Queenstown Area

AllWaste – allwaste.co.nz
0800 255 927

Other Regions

Winstone Wallboards is currently working with local waste diversion providers to expand plasterboard waste recycling options.

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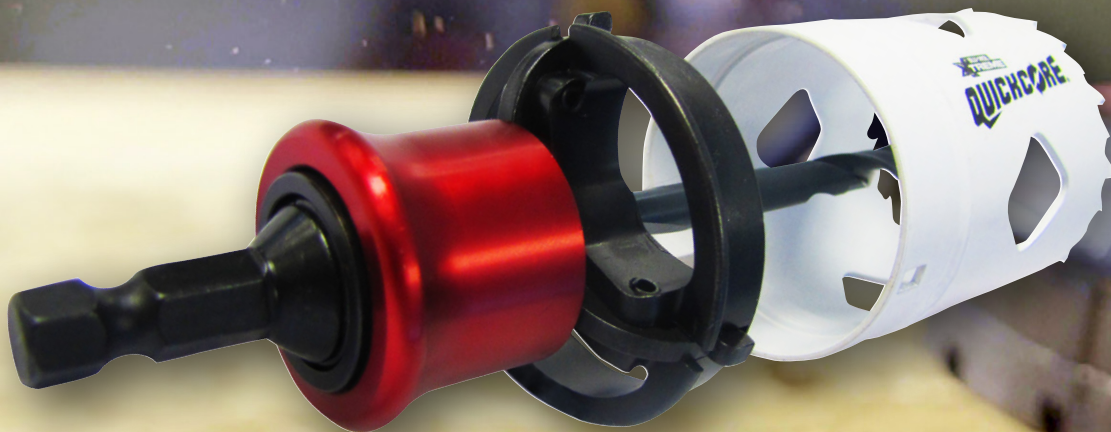
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Government policies favour building over existing housing

BY RODNEY DICKENS

KiwiBuild turned out to be a failure and there has been little increase in state house building since 2018. However, several government policies have helped boost demand for new housing relative to existing housing. The recent housing tax changes and the reimposition and tightening of lending restrictions have added to the case for the new housing market outperforming relative to the existing one.

Prior to the imposition of lending restrictions in late-2013, what happened in the existing housing market provided useful insights into the near-term outlook for residential building. This is shown in the chart with the annual number of existing dwelling sales reported by REINZ leading the annual number of consents for new dwellings by five months; reflecting this, the red dwelling sales line has been advanced or shifted to the right by five months.

Interest rates and migration used to be the major drivers of cycles in existing and new housing demand with the impact showing up first in existing dwelling sales and roughly five months later in consents for new dwellings. However, the relationship broke down first in 2014 because of the imposition of lending restrictions in late-2013 and, even more so, after lending restrictions were intensified in late-2016.

Owner-occupiers and investors buying house and land packages from developers were exempt from the lending restrictions that applied in the existing housing market. This not only made new dwelling consents largely immune to the impact of the lending restrictions but also encouraged some owner-occupiers and investors to switch to buying new housing rather than existing housing.

To a lesser extent, the banning of most foreign investors from buying residential land in late-2018 and the exemption that allowed them to buy apartments as presales from developers helped building relative to existing housing.

The reimposition of lending restrictions this year and the May 1st tightening that means investors now need 40% deposits for existing housing but not for new housing will add a little to the policy bias that favours building over buying an existing dwelling. As will the housing tax change that means investors buying new housing will still be able to deduct interest costs

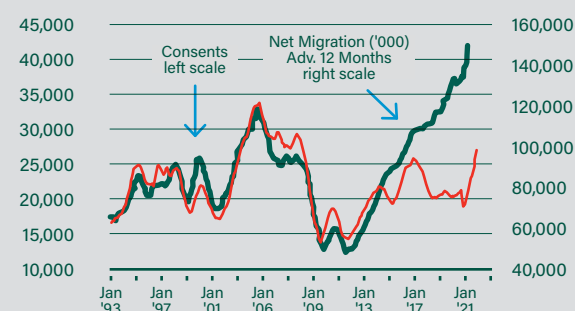
as an expense while those buying existing housing will not.

While the government's efforts to boost building directly have proved of limited use, a range of policies aimed at swinging demand towards new housing and away from existing housing have had a major impact. This can be measured to a reasonable extent by the massive outperformance of new dwelling consents relative to existing dwelling sales shown in the chart.

However, interest rates will remain the major driver of cycles in new housing demand. The Reserve Bank and the bank economists are belatedly realising the economic recovery from Covid-19 will justify a much earlier increase in interest rates than they have been predicting. This poses some threat to the level of building in 2022.

New Dwellings Consents & Net Migration

Rolling 12 Months Totals



The Building Supply Crisis The New Normal?

The COVID-19 Pandemic has created a 'new normal' for New Zealand's building supply chain with an unprecedented demand for products and materials while at the same time growing shipping delays, stockpiling, shortages, reduced manufacturing capacity and lack of skilled workers are all significantly disrupting the built environment.

BY JULIEN LEYS
CHIEF EXECUTIVE, NEW ZEALAND
BUILDING INDUSTRY FEDERATION



The upwards pressure on the cost of materials is being exacerbated by shipping costs and delays in deliveries in the supply chain.

However, demand is not slowing down with Stats NZ latest GDP information showing there will be about 3% growth throughout much of 2021, reaching a peak of 3.6% in 2022. Similarly, Treasury in its June Economic Update noted the future economic outlook is very positive with lower unemployment levels and higher-than-expected wage pressures adding to constraints.

Defying recent tax changes, the residential housing market has outperformed all expectations and new dwelling consent numbers are expected to be above 35,000pa until the end of 2023, with Infometrics also predicting that residential construction work to be as much as 19% higher than previously thought.

The shortage of 50,000 skilled workers in the building industry was identified as a key issue in a 2016 PwC Report well before our borders closed. The government's approved trickle of 30 construction workers per month through MIQ is not enough to meet the growing demand across residential, commercial and infrastructure. Added challenges include a large proportion of older employees in the sector aged 55+, a lack of diversity and a resurgence in Australia's infrastructure programme which will actively target our skilled construction workers from tunnellers to project managers.

Compounding issues, New Zealand has a competitive but unproductive building industry which means historically low profit margins and has been a handbrake on investment in new technology or introduction of more efficient business methodologies. An OECD Report noted that New Zealand's low productivity was a combination of high rates of qualification and skills mismatch, muted competitive pressures, and low rates of capital investment and research and development activity.

The upwards pressure on the cost of materials is being exacerbated by shipping costs and delays in deliveries in the supply chain. To date many importers, merchants and suppliers have simply been absorbing costs but product prices have started to increase to ensure businesses remain profitable. Notably, while the domestic shortage of some products is symptomatic of decisions to reduce production was based on dire economic forecasts a year ago, capacity

NONETHELESS, THE NEW ZEALAND BUILDING SUPPLY CHAIN HAS PROVEN ITSELF TO BE RESILIENT AND SO HAS MANAGED TO ADAPT TO THE EVER-CHANGING, DISRUPTIVE PATTERNS THAT HAVE EMERGED WITH COVID. THERE ARE WAYS TO EFFECTIVELY MANAGE AND MINIMISE THE CHALLENGES OF DISRUPTION.

is now being ramped up and is likely to return to pre-COVID levels by 2022. Likewise, economists now predict that cost pressures on other building materials will ease during 2022 as logistics, shipping routes and global production return to normal. However, the overall cost of construction is likely to keep rising because of dire labour shortages and reduced capacity especially while Borders remain closed.

LOOKING AHEAD, THE STRONG GROWTH IN RESIDENTIAL CONSTRUCTION ACTIVITY AND THE CONSTRUCTION PIPELINE IS LIKELY TO SLOW, BE DELAYED OR BE PUSHED BACK AS LABOUR SHORTAGES AND LACK OF CAPACITY ACT AS A HANDBRAKE.

Despite the Government's funding of infrastructure 'shovel-ready' projects and recent \$3.8b Housing Acceleration Fund even these may be delayed or slowed down by the ongoing labour shortages. While the scale of the infrastructure pipeline and spend will mean growth rates of up to 11% in construction, the extent of growth will not be as fast or as big as it could be.

Nonetheless, the New Zealand building supply chain has proven itself to be resilient and so has managed to adapt to the ever-changing, disruptive patterns that have emerged with COVID. There are ways to effectively manage and minimise the challenges of disruption. These include ensuring that builders and construction companies' price accurately and plan projects well ahead. The new norm is 6 to 8 months (instead of the previous of 4 weeks) when looking at purchasing any materials and components from structural timber to door handles to vanity tops. Moreover, building and construction companies that can no longer rely on the amount of overseas sourced labour can, train more apprentices and upskill the local workforce as much as possible. Investing in technology will alleviate some impact of the skills shortages and address productivity levels. Lastly, but importantly communicating better with clients to manage expectations and completion of projects will also help the transition for the building and construction sector as we navigate the 'new normal' that is here to stay.

THE MCC SCHEME
SUPPORTS THE INCREASED
USE OF MANUFACTURING
APPROACHES IN THE
BUILDING SECTOR

New Modular Components Certification Scheme

On 3 June 2021, Parliament passed the Building (Building Products and Methods, Modular Components and Other Matters) Amendment Bill (Bill), which is the first phase of the wider building system legislative reform programme that aims to “lift the efficiency and quality of building work and provide a fairer outcome if things go wrong”.

The Bill amends the Building Act 2004 and establishes a framework for important changes in three main areas:

- A new regime to ensure that a minimum set of information on building products is provided to support better informed decision making by the building industry
- A new modular component manufacturer certification (MMC) scheme to enable faster, more consistent building consent approaches
- A strengthened product certification scheme (known as CodeMark)

MBIE is currently in the process of developing the regulations that will provide the details for the above changes and has recently released a discussion document outlining various proposals for the changes. The new MMC scheme will be voluntary and provide a new compliance pathway for manufacturers of more complex building products.

Why is there a need for the MMC scheme?

Currently more complex manufactured building products (such as closed panels and prefabricated units) are required to go through the same traditional building consenting process. For some time, building consent authorities have grappled with consenting to these more complex building products where traditional on-site inspection practices cannot be used. In particular, the manufacture of these components can occur some distance from where the component will ultimately be installed and possibly in a region outside of where the product was manufactured. Further, when the manufacturer's products arrive at the building site they are in final closed form and so a visual inspection is of limited use or not possible. These types of issues slow down the consenting process and put barriers in the way of manufacturers trying to develop more innovative building methods.

In response, MBIE has chosen to develop the MMC scheme to support the increased use of manufacturing approaches in the building sector.

Which modular components will this new scheme apply to?

MBIE has provided some guidance as to what modular components will form part of the scheme as follows:

- Modular components will include elements of the building such as open frames and trusses, enclosed panels or units, and whole buildings, and may include services such as plumbing or electrical wiring
- Modular components do not include non structural building products or systems such as bathroom vanities, storage systems or heating and ventilation systems
- Modular components must be constructed or manufactured off the site on which they are to be installed, though some on-site assembly or installation may be required

As can be seen, there is an emphasis on structural components. It is a little surprising that open frame and truss has been included within the MMC scheme. The off-site fabrication of open frames and trusses has been widely operating in New Zealand for over 50 years and has a proven compliance pathway following the existing building consent processes. The frames and trusses arrive on-site in “open form” and are able to be inspected so do not face the same issues as other off-site manufactured components.

How will the MMC scheme work?

Manufacturers wishing to take advantage of the MMC scheme will need to apply to a certification body. There are two types of registration:

- **Manufacture only** - The applicant is certified to manufacture the modular components to a building code compliant design that must be approved by a building consent authority through a standard building consent application or a current national multi use approval (MultiProof); or
- **Design and Manufacture** - The applicant is certified to manufacture modular components to a building



ANDREW SKINNER
PARTNER Martelli McKegg

code compliant design that they have developed themselves or that has been approved by either a standard building consent application or MultiProof.

Applicants will need to meet various requirements, including that they have well documented manufacturing processes and that the directors pass a fit and proper test. The manufacturer will also be audited for continued compliance with the scheme. There will be extra costs associated with joining the MMC scheme, including application costs and audit costs.

A shift in responsibility

One of the key aspects of the new MMC scheme is that building consent authorities will only inspect on-site work that is not completed by the certified manufacturer, such as foundations and site work. The MMC scheme therefore transfers the compliance risk for the manufactured component from the building consent authority to the certified manufacturer. This is a major shift for homeowners who have derived some level of assurance from a building consent authority providing the final sign-off and overseeing the building work.

The Bill also recognises this shift in responsibility by varying the building consent processing time for certain modular components. For those modular components that represent the whole structure of the building, the statutory timeframe for processing a building consent is reduced from 20 working days to 10 working days.

As noted above, MBIE is currently developing the regulations that will provide the detail for the new MMC scheme. It is expected that the scheme will be established within 15 months. Manufacturers will need to weigh the increased compliance costs versus the benefits of the scheme in order to determine if the MMC scheme is worthwhile.

Andrew has over 20 years of experience as a commercial lawyer and is a partner in the Auckland firm Martelli McKegg.
Phone (09) 300 7622
Email andrew.skinner@martellimckegg.co.nz

Tackling the Issues Facing Construction

This is your opportunity to join the conversation with leaders across the private and public sectors to find practical solutions to our industry's complex issues.

Constructive is an industry forum led by the Registered Master Builders Association (RMBA), which CARTERS is proud to be a sponsor of, that brings the entire construction supply chain together. From Government decision makers through to finance, land developers, designers and builders, along with key enabling sectors such as research, training and regulation to find practical solutions based on collaborative approaches.

With so much to discuss, this year's Constructive will be held over two days with the first day centred around commercial construction looking at the results from the annual state of the sector survey and information from the Construction Sector Accord to see what's been achieved while raising new issues and further opportunities. The discussion will also cover climate change, what needs to be done and examples of best practices.

Day 2 will turn to the Residential sector to ask how New Zealand can consistently deliver affordable, quality housing. Our problems are not unique, so what can be learnt from others? Consenting is one of the biggest pain points and Constructive will address what can be done differently today, and the reforms we need to solve for tomorrow.

**Constructive will be held in Wellington
12-13 August 2021. Register today at:
www.constructive.org.nz**

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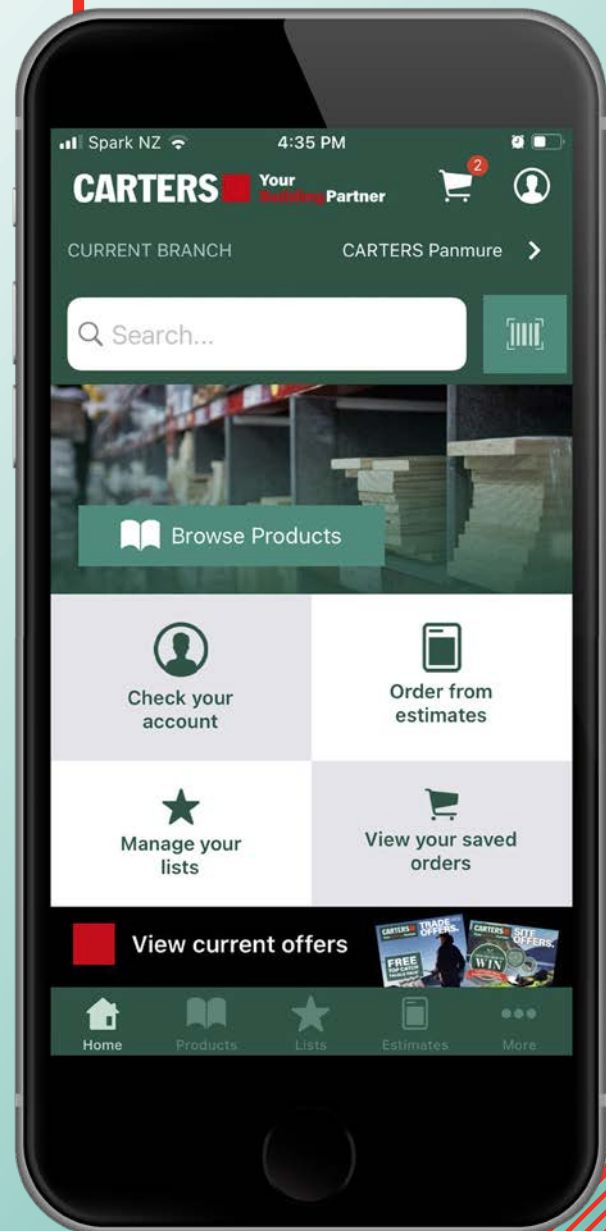
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Building trends have come full-circle

BY PETA DAVY, DESIGN STUDIO MANAGER, YELLOWFOX

Pull out your protractors everyone, curves are back in a big way!

Curves, arcs, rounds, the cylindrical and the conical; neglected since the 70s and 80s have come back into the interior design world with full force. With rectilinear forms no longer dominating architecture and interiors, builders and cabinetmakers are increasingly being asked to perfect the ultimate finish on the curve – which throws up some interesting and challenging, well...curveballs. These challenging arcs are giving interest, softness and flow to interior spaces.

A natural progression and extension of the trend towards organic finishes seen in the last few years, Yellowfox is seeing both residential and commercial clients asking more and more for edges to be softened and corners to be minimised; increasing the ergonomic and overall 'luxe-feel' of a space. Curves instil a sense of comfort and ease and are being

designed into areas such as stairwells, arched hallways, coved ceilings, rounded furniture, lighting and more. This softness adds to the feeling of home as a sanctuary. Bespoke details such as rounded island benchtops, wavy sculptured room dividers, round rugs, bubble pendant lights and arched or pill-shaped mirrors are absolutely making a come-back as people realise the positive energy these shapes provide.

Emerging tentatively a few years ago at the Milan Furniture Fair, this curve-trend has hit the mainstream market with full force. No longer the sole domain of the ultra-high-end, prepare yourselves for curvy interiors within all budgets and specifications. They're an ode to nature, to softness and in the midst of a pandemic, perhaps our underlying desire for wellness.

Yellowfox's interior design service is exclusive to CARTERS and has been adding value for our customers for over ten years. For more details visit www.yellowfox.co.nz

Were you a lucky winner?

Here at CARTERS, we've had plenty of giveaways through the first half of the year.

Congratulations to the winners from our recent Site Offers and Trade Offers promotions. Recently receiving their prizes from the team at their local CARTERS branch were three lucky customers who won a Profish Reload Premium Fishing Kayak package from our February/March promotion and 50 winners who each received a Makita Mower Kit from our April/May promotion.

There's been FREE Stuff with purchase giveaways of Top Catch tackle packs and BLUNT umbrellas, prize draws for the Ultimate Back Country Escape to Blue Duck Station, Samsung TVs plus a share of \$50,000 in Marketing Services with our Joinery promotion.

We were also pleased to see one of our CARTERS customers driving home DEWALT's prize of a RAM1500 Express Crew Cab truck and DEWALT X2 Patriot Camper Trailer valued at \$150,000!

Our August/September promotion gives you the chance to WIN a Boomrock Experience with Greg Murphy. Will you be our next lucky winner?

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Steve, Westwood Homes, Carterton



Bespoke Building, Petone



Matt, PWL Builders, Napier



Graham Osborne, Henderson



Cocoon Tiny Homes, Whangaparaoa



Zeala Ltd, Cambridge

Are these five “system fails” letting your business down?

If you're struggling to systemise, you're not alone. At a certain size of business, the moving parts are harder to control and you run out of hours in the day. That's when systems save your bacon.

Which of these tell-tale signs does your business have?



#1. Overwhelmed with work

You're busy. Working big hours to fit all the pieces together. Business has become all-consuming. Your family is missing out.

And, if you're being honest, jobs are a bit out of control. They aren't being well-organised. When schedules change or staff are off sick, it's even worse.

We've all been there. But, if this is happening to you month after month, it's a red flag you're taking on too much work.

You're likely misjudging your capacity.

An easy trap for tradies to fall into.

Obviously, you know what projects are lined up. But, until all jobs are visible in one place, you can't truly get a handle on how much extra you can accommodate.

Rely on a good scheduling system. Build in a buffer so you can be flexible enough to adapt. Only then can you get capacity right.

Hard time turning work down? A better filtering system can identify which work you do/don't want. An improved line of questioning can help you to say "no" to customers, while still having them walk away happy.

To increase capacity, you'll also need to hurdle the skills shortage with a hiring system that attracts quality staff. So you can take advantage of the current boom and grow your business.

#2. Cashflow is hit or miss

It's close to the 20th of the month. A few people haven't paid you. Now you need to pay suppliers and staff, but there's a cashflow gap.

So, you scramble to get the money in. Who can you invoice now? Who can you chase? Who can you delay paying?



BY DANIEL FITZPATRICK

If you're a husband/wife team, prepare for a late-night argument about who is to blame.

Or ring the bank and beg some guy who doesn't understand your business to stump up the money to tide you over. It sucks.

And it's all down to not having robust enough cashflow systems.

If only you'd billed work out earlier, been in touch with late payers sooner, or structured progress payments to better suit your timing. These aren't the whole answer, but stack the odds in your favour.

Do cashflow right and next time the 20th rolls around, you'll have better options. The trick is to make cashflow as predictable as possible, minimise surprises.

It's having a nice cash buffer in the bank for rainy days. It's looking ahead, knowing what's going to be in your account when - and how much is yours after all the bills are paid.

Work the system diligently and you'll almost always have enough cash in the bank. So, if someone doesn't pay on time, you're okay.

#3. Employees making costly mistakes

A customer calls and there are problems with the job; they're not happy. Re-do's cost you time and money and hurt your reputation.

You arrive onsite and realise things are wrong. You have to pull up your team, commit more time to correct things. Even worse, you feel you can't leave the site, because you need to be there to make sure all goes smoothly from now on.

Staff are the backbone of your operations. It's essential they are getting things right. You need a solid team that listens,

understands what needs to be done, delivers great work at a professional level.

If mistakes keep happening, it's because there are not enough rules and systems onsite so everyone knows what's expected.

Or, if you've got good systems and your team aren't using them, you've got an issue with buy-in.

It's easier than you think to be the leader that gets everyone pulling the same way, motivated and taking responsibility for their part.

It all comes down to having good procedures, checklists, and follow up. So things are done right and mistakes are stopped before they happen.

This enables you to deliver on your promises, delight clients, hit targets. Best of all, your time is free. You can be away from site knowing jobs are in safe hands. Or your foreman sorts it for you.

Bonus is when you make it clear you expect accountability, those one or two disruptive staff members? They'll either step up or bow out. Creating a strong team culture also means improved productivity, less sick leave, and your best staff won't leave.

#4. Losing money on jobs

Has your business sprung a profit leak? This might show up when you do a bit of costing on a few jobs and it seems like there are some holes there. Or that last job took longer than you thought, so you know you didn't make any money on it.

Basically, you're doing a lot of work but there's not much money in the bank account to show for it.

CONTINUED OVER...

You've built a great business. You just need to systemise to take the pressure off a bit. With systems for your capacity, cashflow, team/onsite operations, pricing/margins, and time.

Keep in mind: Bigger businesses have bigger holes. Larger jobs, more staff, multiple jobs all add costs and leak money much faster.

If you're regularly losing money on jobs, let's look at your financial systems.

Start here:

A. Your pricing process.

You might be underestimating the hours. Or basing your price off old supplier costs. Are you quoting what you think the market will pay or the margin your business actually needs?

Price right - in the sweet spot. Not so low that you don't make good money. Not so high that you price yourself out.

B. Your system for tracking and controlling costs on the job.

Losing margin? Projects always blowing out? Do you often find yourself doing work you feel you can't charge for, so your margin takes the hit?

Let's get your project management software working to its fullest. Maybe you're not tracking target costs and hours to the level you should. Red flag is not finding out things have gone south until it's too late to do anything about it.

Usually, profitability can be vastly improved with just a few tweaks.

I know we've got this right when tradies I coach are hitting the margins they want. They grin and say "Dan there's a lot more money in the bank now. Cashflow is way easier. I've adjusted my pricing, and clients agree to pay for variations with no dramas"

#5. Buried in admin and can't get the important stuff done

Despite your best intentions, urgent things come up, and they can't wait. Your week is derailed by quotes you have to finish, things happen on site you have to deal with, your inbox is out of control.

The truth is, to progress the business and regain your sanity, you simply can't be overly involved in the day-to-day runnings.

The answer is to implement a good system for how you spend your time.

You must decide which tasks are most important. Both for the business to be successful, and for you to be happy.

Schedule your priorities and work on the most important stuff first. Tasks that give you the most ROI. Dedicate specific time blocks in your week for certain tasks so the important stuff has its place.

Part of extracting yourself involves delegating repeatable tasks (and the more simple decisions) safely to your team. Having robust systems and checklists is the only way to hand off tasks and trust they'll be done right. This way a lot of things can happen without your direct input.

This creates more time for you. For higher-level tasks. For family time, rest and relaxation.

Stacking small wins to free yourself from working "inside" your business creates a positive chain reaction where every week, things get a little more structured, a little easier and more profitable.



Need a bit of guidance in how to proceed?
Grab a free chat with me here:
www.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

DANIEL FITZPATRICK
BUSINESS COACH



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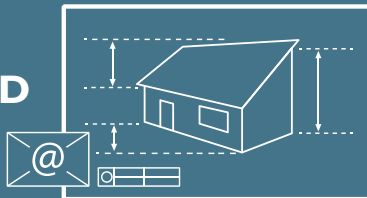
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1

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DESIGN

Floor and/or roof plans are taken off or designed from scratch, typically within 5 days (once all required information is provided).

2

PLAN



QUANTIFY & QUOTE

Layouts, quotes and design certificate (if applicable) are returned with a unique job number. Includes quantity take-off and proprietary brackets for floors as noted.

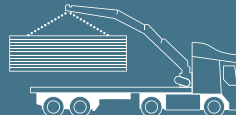
3

DELIVER



ORDER

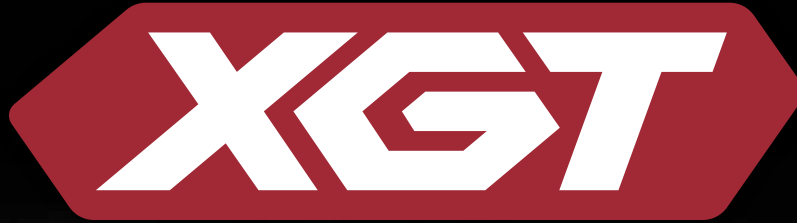
When the site is ready, the store places an order using the unique job number. Include final construction plans, truss layouts, etc.



DELIVERY

The Futurebuild LVL team assemble and deliver floor/and or roof kitset packs to store, with individual pieces labelled and waterproof installation plans ready for site.

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