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FOREWORD VIEW FROM THE GM OPERATIONS

CONSTRUCTION CRUCIAL TO RECOVERY



There is no doubt that, as members of this industry, we will be a crucial part of the economic recovery Exactly what the impacts of Covid-19 will be to our industry in the near-future are not yet known. However, because construction is one of the top three contributors to GDP in New Zealand, there is no doubt that, as members of this industry, we will be a crucial part of the economic recovery

Where the considerable financial contribution of our industry has a significantly positive impact, its carbon footprint is an area where less is more. MBIE will be consulting on this subject soon – as a primer, see page 14 in this issue of *Under Construction*. I believe this will be important work, and I hope that wise options can be found to effectively balance the long-term need for improvements to our carbon emissions with the immediate need to recover from Covid-19's economic challenges.

On the topic of those challenges, I was pleased to see the Government's recent release of the Apprenticeship Boost subsidy scheme. Apprentices are, of course, the future of our industry and attracting and retaining more of them must be a key component of any recovery for the country. However, I can't help but think the scheme should cover all the years of an apprenticeship, rather than just the first two. Losing an apprentice from the industry with just one or two years left to go is an incredible waste for the apprentice, our industry, and for the country.

As always, we spoke to three apprentices – this issue we asked for their views on Free Trades Training and the Boost scheme. We also spoke to three builders from around the country about their upcoming pipeline of work – they each had a range of responses, but all are keeping a close eye on the future (see page 3).

No matter what the future holds, having satisfied customers is crucial. Our business coach Graeme Owen advises how making your clients love your work is key to being a successful builder (see page 28). On the other hand, if you're in a professional situation where the love is faltering, our legal experts at Duncan Cotterill have the advice you might need (see page 32).

Lastly, at the time of printing, New Zealand had just received the news that Covid-19 had been found in the community in Auckland. Like you, I hope this development is a minor blip and we can keep our energy directed towards the country's economic recovery. Our industry has worked hard to ensure we have protocols in place to enable our work to continue as much as possible, while maintaining safety for all. Nevertheless, this is a stressful time for many and I encourage you all to look after yourselves and each other – see page 26 if you think you or anyone you know needs support in these times.

Gary Woodhouse

General Manager Operations

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ISSUE 83 > SEPTEMBER/OCTOBER 2020

>PUBLISHER > DCL Corporate Publishing > ENQUIRIES > editor@pmunderconstruction.co.nz; (04) 384 5689

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BUILDERS BUSINESS

PIPELINE OF WORK

Builders' Business is a column by builders for builders. Its objective is to provide a forum, particularly for small business operators, in which to share knowledge, experience, tips and ideas

R. How has Covid-19 and lockdown impacted your pipeline of work?

Firm: Gray Brothers Limited Interviewee: Mark Ward (Joint Director) Location: Dunedin **Staff:** 10

We had four jobs cancelled at the start of lockdown – three residential renos and one commercial job. We still have work for two to three months, but we are looking closely at what work we have from September onwards.



done a great job of saving lives from Covid-19, but people's confidence is still dented

We had a lot work until the end of March - it was shaping up as a really good year. It's hard to predict from here. We might have two big jobs come in and be sorted for 12 months.

The Government has done a great job of saving lives from Covid-19, but people's confidence is still dented. I've been through a number of recessions in my time building, so I feel like I have some experience, though this seems like people are expecting it to be worse.

Firm: Design Construction Limited Interviewee: Graham Anderson (Owner) **Location:** Christchurch Staff: 2

Some of our work has evaporated. This seems to be due to the perception of the market – investors especially are perceiving that the market isn't good to sell in, so they're delaying their build plans. We've also had one job cancelled, because the clients re-thought their level of borrowing in an uncertain future.

Despite this, I am hopeful overall and positive about the future pipeline of work. I think we have a lot of Kiwis returning home – some will buy and some will build.

While I have traditionally dealt in upperend architectural homes, surviving means adapting, so we need to look at smaller houses, because these builds are still happening.

On that topic, I think many of the homes New Zealanders have been choosing to build are bigger than what is needed, so this might be a time to correct that. Plus, people will renovate and change their existing house - in my experience, that's what happens in a downturn, so we will look to pick up that work up too.

Firm: Broswick Builders Limited Interviewee: Todd Wickenden (Director) Location: Auckland **Staff:** 18

A couple of our clients have indicated they will delay their builds by a month or so, but most of our work is still going ahead.

Next year is looking good for our workstream

Next year is looking good for our workstream. We had a fair bit of forward work before lockdown, including a couple of big jobs, and these are still going ahead. We are also getting a number of enquiries for smaller reno jobs this year, probably the same level as usual, so this hasn't changed for us either. It's all pretty positive.

Even though we have good work lined up, I appreciate no-one knows what the impact might be - that's the slightly scary thing. I'm keeping an open mind, though. There is no point worrying about what might or might not happen that won't get us anywhere.

NOW HAVE YOUR SAY...

IS CURRENT BUILDING PRODUCT INFORMATION COMPREHENSIVE AND ACCESSIBLE - IS THERE ROOM FOR IMPROVEMENT?

ANSWER THIS QUESTION TO ENTER OUR QUARTERLY PRIZE DRAW

Email your answer with your full name, contact phone number, company name, number of full-time staff and the city or town in which you're based to editor@pmundersconstruction.co.nz. All responses must be submitted by 25 October 2020. The answers to this question will be published in Under Construction November/December 2020.

PRODUCT NEWS

CONCRETE SLAB FEEL, WITHOUT THE COST



When starting a new build or renovation project, the type of subfloor selected will affect the tranquillity and enjoyment of the customer's home. What goes under the floor covering impacts thermal comfort, everyday noise and long-term performance of the home, so it's important to get it right from the start

ebel® PowerFloor is a highly versatile, lightweight, steelreinforced Autoclaved Aerated Concrete (AAC) flooring system. Installed over conventional timber or steel joists, the 75mm thick panels fit snugly together to form a strong, smooth floor.

The system offers most of the benefits of a concrete floor, but is less expensive and faster to install. It is ideal for use on first floors and suspended ground floors, as well as decks and balconies.

Hebel® PowerFloor can help create quieter homes thanks to it being solid, which means the floor won't squeak.

Made from aerated concrete, it is essentially a masonry system, meaning it has excellent thermal insulation, helping to maintain a consistent temperature in the home. It reduces reliance on heating and cooling appliances, allowing homeowners to enjoy a comfortable home all year round with potentially lower energy costs. Hebel® PowerFloor is not affected by weather during installation and is also fire-rated.

Hebel® products and systems are designed and developed by CSR

Australia, and warranted to maintain their structural integrity and stability for the life of the home.

Hebel® PowerFloor is a sound investment for a quieter, more comfortable home.

For more information, visit hebel.co.nz or call 0800 443 235.



PLACEMAKERS NEWS

PLACEMAKERS CREDIT RETURNS MADE EASY



The handhelds that you will be familiar with from placing your order are now being used to make processing product returns simple too

Do you hate waiting for credits? What about having to chase merchants for weeks (or even months) after returning items to get your money or close out a job?

t PlaceMakers, we believe that if you return products in saleable condition, we should give you a credit on **the same day!**

The process has often been a challenging one for all parties – products are returned, someone writes down what they are, you receive a piece of paper, and then a credit appears sometime later.

No matter the reason, we know it's a key pain-point for our customers and are excited to be introducing an industry-first solution to alleviate this once and for all!

Over the past few years, PlaceMakers has been working hard to deliver smart solutions to make it easier for you to engage with us. By now, you will be accustomed to our staff using handhelds to place your order, using our Yard App, so you don't have to carry around pieces of paper, you get the right products, and nothing goes missing.

If you don't have a copy of your packing slip or invoice, no problem, our staff will be able to search for the product on any of your invoices, from anywhere in the branch

Now, we are using these same handhelds to make processing product returns so simple, you will never have to worry about it again.

If you don't have a copy of your packing slip or invoice, no problem – our staff will be able to search for the product on any of your invoices, from anywhere in the branch. We will let you know straight away if the product is in an acceptable condition for refund and the credit will be created immediately – nothing more to do!

As the credit is immediately in the system, it won't get lost (unlike paper). In addition, we will take a photo of the products you're returning, so that you can see exactly what you returned and reduce any disputes. This photo will be placed on the credit note with any notes around products that we couldn't resell or return to the supplier.

If we need to do some more investigation or send an item back to the supplier, just give us your details and we will send you a text or email confirming that we have the product and will inform you when the return has been completed.

It's never been easier to do business with PlaceMakers. ■

PLACEMAKERS APPRENTICE CREW



FROM THE GROUND UP

Our apprentice column provides an opportunity for PAC members to share their views, experiences and ideas, while providing insight for builders who employ them. This month's question is:



Construction apprentices will have compulsory course costs and training fees paid for 18 months from July 1, 2020 – what does that mean to you? And is your employer swayed by the \$1000 per month wage subsidy, available for 1 st year and \$500 per month for 2nd year apprentices?

3_{rd}

YEAR

Name: Hans Location: Auckland

I think I might be getting my fees refunded for this year's training – I hope so, because that money will make a difference to me.

3rd YEAR

My brother-in-law has become interested in an apprenticeship since the scheme was announced. He's been working as a hammer hand, but now that the fees have been removed, he is planning on doing an apprenticeship here with my employer.

As far as an employer taking on more apprentices as the result of wage support from the government, I think it's possible that will encourage some employers, but they still need to get the right person for the apprenticeship to work out. That's going to be the most important thing.

Hopefully the right people are encouraged to look for apprenticeships. I'm 30 years old, so not what people might think of as the classic apprentice, but it's what my employer was looking for.

Name: lan Location: Lower Hutt

Yes, it's made a difference to me. I'm in my third year at Weltec and they've said I won't be charged this year.

The main thing now is having employers who are willing to take on new apprentices

I have a few friends interested in getting into the trades now. When we get together to talk about work, I'm the only one not complaining! The free training will make a difference, but the main problem for those who are coming from existing employment would be starting on minimum wage again. I told my friends if you can get through those first two-tothree years, it is worth it - but some of the guys are not convinced.

The main thing now is having employers who are willing to take on new apprentices. I think the wage subsidy will help, but I also know some employers have had bad experiences that might make them reluctant to take on an apprentice again – like when an apprentice leaves unexpectedly right after becoming qualified.

Name: Regan Location: Wairarapa **3**rd

YEAR

I had just paid my fees two

days before the announcement was made. Luckily, it sounds like I should be refunded that money, which I can now put towards tools. I think it's fair that those of us who are already part way through our apprenticeships should have our fees paid too.

My younger brother was already keen on becoming a builder and the initiative will certainly help. I think when my friend, who is interested in becoming an electrician, hears the training will be free, that will push him along too.

In terms of employers taking on more apprentices in response to government support, I think they have to be in a position to take on an apprentice – they can't just take one on because they're being partly paid for. The employer needs to have the capacity to teach them. But I do know of some apprentices who might have lost their employment if the apprentice wage subsidy wasn't happening, so it's great that it's in place.

PLACEMAKERS APPRENTICE CREW



JUNE APPRENTICE OF THE MONTH

First-year apprentice gets himself out of a jam(b)

im Cadwallader, a first-year apprentice from Wellington, was faced with the challenge of fixing a window installation that went slightly wrong. Tim had to fix the reveals and jambs, so the window was up to his standards and looked good.

He explained that there was already an extra piece of timber around the window reveals and his boss suggested trying a fix-up job first.

"I put a few packers in and puttied over the top, but, after a couple of goes with filler and sanding, it looked horrible. So, I decided to take the extra timber off, scribe a new set and use brads to fit them flush."

The extra work was worth it, because it resulted in a tidy-looking window that Tim was happy with. "I knew the client would be happy, too!" he says.

Tim learned that there's only so much you can do with builders' filler and that, sometimes, you need to start from scratch to get a good result!



Winner Tim Cadwallader with Ray Soubeyrand Operations Manager, Evans Bay

JULY APPRENTICE OF THE MONTH

Calculating concrete for chocolate fish

ndrew Hopley, a third-year apprentice from Christchurch, was put outside his comfort zone when faced with the challenge of concrete calculations.

"Doing volume calculations was daunting, especially when having to factor in slump, wastage and other complications!" says Andrew, who adds that maths has never been his strong point.

To ensure they didn't under-order, Andrew's boss asked a few of the guys to do the calculation. To sweeten the deal, he offered a chocolate fish for whoever got the closest (plus, of course, the bragging rights!).

"The chocolate fish was a great

incentive!" says Andrew. "I cast my mind back to a recent course I attended on how to do these kinds of calculations and, after checking twice, I gave my best answer."

With five slightly different calculations from the team, it was down to the wire. Unfortunately, Andrew didn't win the chocolate fish, but he got close. As anticipated, an experienced builder was the closest, but Andrew was the next closest – showing he was on the right track.

Andrew also explained that having a few guys check a big calculation meant any errors were more likely to be spotted, which is a general learning takeaway to make work easier in the long run. Plus, having a bit of fun



Andrew Hopley with Alison Scarlet Account Manager, Riccarton

with a small wager can keep you on your toes!

PAC CASH TRADE DISCOUNTS

Don't forget that all current PAC members have access to cash trade discounts on safety gear and hand tools plus other product ranges (some exclusions apply) at all PlaceMakers branches. Visit the PAC hub for more details pac.placemakers.co.nz NEW XGT® 40V MAX

WHAT'S ON

PLACEMAKERS PRODUCT PICKS





Since the Launch of 18V LXT in 2005, Makita has been leading the way in cordless tool innovation and technology.

18V LXT provides not only the largest range using one battery, it also offers the most reliable and efficient tools available.

Makita's vision as a company is to provide consumers with a battery solution for all applications across building

construction, industrial, outdoor power equipment and commercial cleaning channels. In keeping with this vision, Makita is excited to announce the launch of its new XGT 40V battery system that will coexist with LXT.

Contact your local store for more.



The warm, beautiful look of cedar is now available for fencing as well as house cladding.

The great news is that cedar palings look fantastic and are more economical than normal cedar, due to the shorter lengths. The palings come in 75mm, 100mm and 150mm widths and 1.2m and 1.5m lengths.

The palings can be used in a same-width or variable-width pattern. They also come with one rough-sawn face and one band-sawn face, which gives you further options to create the look you desire.

PlaceMakers stocks a wide range of stains and oils that will help maintain the look and durability of your cedar fence.



With summer just around the corner, your clients may be thinking about upgrading their outdoor area and patio. The look of a simple glass roof is widely loved, but the price and the work involved can put homeowners off. However, SunGlaze can be the solution!

With its resemblance to real glass, low weight, and ease of use of a standard polycarbonate, SunGlaze is an ideal budget option for a new and improved covered outdoor area that feels bright and open. The increased UV protection, and SunGlaze's extra durability, will ensure great, longlasting looks for your clients.



WEATHERTEX TIMBER CLADDING

DOUGLAS FIR RAILS

Sustainably manufactured with a less-than-zero carbon footprint, Weathertex timber cladding is the ideal solution for any builder or specifier in search of an environmentally friendly, high-quality finish.

Weathertex products have been sold in New Zealand for 20 years and have a BRANZ Appraisal. Profiles are manufactured from eucalyptus hardwoods in Australia and are guaranteed not to rot, crack or split for 25 years on primed profiles and 15 years on natural profiles.

The panels are a strong, durable and lightweight cladding option, weighing less than 10kg/m². Weathertex is a low-cost, fast-to-install product with mechanical off-stud joints not relying on sealants for waterproofing. Weathertex timber products contain no added artificial glues, silicas, resins or formaldehydes.



Douglas fir has been grown and used in New Zealand for a number of years. It is a very stable, good looking, natural timber that can be easily stained. As well as looking good, a great benefit of Douglas fir is that it is relatively durable when not treated. This makes it perfect for rural fence rails (non-ground contact) where preservative treated products are not desirable (eg, chemical-free or livestock farms).

The durability of Douglas fir will depend on whether it has been stained and environmental conditions. The untreated fence rails cannot be used for structural purposes, where building standards and codes specify H3.2 treated product or where they cannot be easily replaced. Contact your local PlaceMakers to see if Douglas fir is right for your project.





DecoForme is a pre-finished decorative batten with a moisture-resistant MDF substrate, offering a consistent tone and warm timber appearance. DecoForme is stable and does not have the issues typically associated with solid timber, such as warping, cracking and fading. Installation is simple with standard wood-working tools.

Available in six great colours and four different profiles, DecoForme will bring a stylish, on-trend look to your interior space. Whether it be as a wall or ceiling feature, front entry screen, kitchen bar front or stairwell, DecoForme brings a point of difference to any space.



MBIE

NEW BUILDING CONSENT EXEMPTIONS



New exemptions will increase the size of buildings that can be built without a consent, though other conditions must still be met

Changes to the Building Act will mean building consents won't be needed for some new or expanded types of low-risk building work, like sleepouts, sheds, carports, outdoor fireplaces and ground-mounted solar panels

ew building consent exemptions are being added to the Building Act. These exemptions will save building owners time and money, as they will not have to go to their local council for consent for common low-risk building work. This reduction in building consents will also allow councils to focus on building work that is higher risk, helping to boost productivity.

CHANGES FROM LATE AUGUST

This package of new exemptions adds to the work that can already be done without a building consent, outlined in Schedule 1 of the Building Act.

Some types of the new exempt building work can be done without the help of a professional, while others require the involvement of a Chartered Professional Engineer or Licensed Building Practitioner (LBP). This is a big win for LBPs, as it will raise their profile and encourage home and building owners to use them.

At the time of print, the new exemptions were expected to commence at the end of August.

LARGER SINGLE-STOREY **DETACHED BUILDINGS**

Additional exemptions will increase the size of current exemptions for single-storey detached buildings. Kitchen and bathroom facilities are not included in this exemption.

New exemptions include:

kitset or prefab buildings with a maximum floor area of $30m^2$ where a manufacturer or supplier has had the design carried out or reviewed by a Chartered Professional Engineer.

- buildings with a maximum floor area of 30m² where an LBP is to carry out or supervise design and construction.
- buildings with a maximum floor area of 30m² where only lightweight materials with structural components built in accordance with Acceptable Solution B1/AS1 are used – this work may be done without the help of a professional.

The new exemptions are a big win for LBPs, as they will raise LBPs' profile and encourage home and building owners to use them

SOME EXEMPTIONS REQUIRE AN LBP

There are some other building consent exemptions that must be carried out by a professional. These exemptions will apply if:

- the design has been carried out or reviewed by a Chartered Professional Engineer.
- an LBP has carried out or supervised design and construction.

The change to the exemption often applies to the size of the works. Using an LBP will allow homeowners to build larger projects than they could under current exemptions without an LBP.

Some examples of exemptions that can be carried out with an LBP include:

- carports up to 40m² up from 20m².
- ground floor awnings up to 30m² up from 20m².
- ground floor verandas and porches. up to 30m² – up from 20m².
- single-storey pole sheds and hay barns in rural zones with a maximum floor area of 110m².

OTHERS DON'T REQUIRE AN LBP

Other new building consent exemptions that do not require an LBP include:

• outdoor fireplaces or ovens.

- flexible water storage bladders.
- small pipe supporting structures.

The change to the exemption often applies to the size of the works. Using an LBP will allow homeowners to build larger projects than they could under current exemptions without an LBP

For more information about the new exemptions, including technical requirements, see the **building.govt.nz** website.

This article is an excerpt from Codewords Issue 96. Reading Codewords articles that are relevant to your licence class is a mandatory requirement for Licensed Building Practitioners. These questions can be answered through the LBP portal, online at underconstruction.placemakers.co.nz or recorded on the magazine, then provided at the time of renewal.

CODEWORDS QUIZ ISSUE 96

- When will the changes to building exemptions come into effect?
 - a) The changes were in effect at the start of the year.
 - All the changes came into effect at the end of August 2020.
- Where can you find more information on the changes to schedule 1 of the Building Act?
- a) At building.govt.nz.
- b) This article has all the information I need.
- If an LBP works on one of these new exemptions, are they legally required to provide a Record of Work?
- a) No, as the work does not require a building consent it is not Restricted Building Work.
- b) Yes, as an LBP had to carry out the work.
- A homeowner has asked you to build a 25 square metre detached sleepout with a toilet. Do they need to get a building consent?
- a) No, as the floor area is less than 30 square metres.
- b) Yes, the bathroom facilities require a consent.
- A homeowner wants to build a new 10 square metre porch; do they need to use an LBP?
- a) Yes, but they do not require a building consent.
- b) No, as porches under 20 square metres are covered under the existing exemption.

MBIE

RIGHT FIRST TIME



Getting work done correctly the first time is an efficient way of meeting deadlines, budgets and standards. It is also one of the reasons the licensing regime was introduced

By having LBPs, consumers can have the confidence that their homes will be built right the first time, because LBPs should have the necessary skills and capability to build correctly and resolve any issues as they arise.

DEFENCE 1 – 'UNFINISHED' WORK

The Building Practitioners Board (the Board) deals with a lot of complaints where LBPs did not get it right first time. Instead, they have been ignorant of the issues, or have chosen to ignore them, and have moved on with the building process. Often the LBP's defence is that the work was not finished, and that the LBP was going to return and remediate the non-compliant or substandard building work.

> LBPs should have the skills and knowledge to get the job done correctly – so, if they botch a job, they should be held to account for their negligence or incompetence

Sometimes this is acceptable, such as where a snag list is generated relating to minor items. Mistakes are made and not all mistakes should lead to an LBP being disciplined. However, when there are major quality issues or noncompliance, which should not have occurred, then a disciplinary outcome may be appropriate.

When an LBP claims "it's not finished" as a defence, the Board will look at the sequencing of the work to assess if there is any merit to what they are saying. If deconstruction is required to remediate the problem, or the costs involved in bringing the build up to standard are greater than they would have been by doing it right the first time, then the defence is difficult to accept.

Getting a pass from a BCA does not absolve an LBP from accountability for noncompliant work. LBPs should also note that BCAs are only looking at compliance; they do not check the quality of the work

The Board also looks at whether the LBP had a process to identify and deal with such issues during the build. If there is a quality assurance system in place, the "it's not finished" defence can hold weight. However, if the LBP was unaware of the issues, or they have had to be brought to their attention by others, then it is unlikely the Board will accept it.

This is especially the case when it is a building consent authority (BCA) that is noting non-compliance at inspections. In one complaint (Zahid Ali - C2-01592) there were repeated inspection failures, often for the same issues, over multiple sites. The Board noted that the BCA's role is to check that the building work has been carried out in accordance with the building consent. It is not to instruct or give direction on how compliance can be achieved. The Board expects an LBP to have the necessary knowledge and skills to carry out routine building work in a compliant manner, without requiring such assistance.

DEFENCE 2 – COMPLIANCE PROVIDED

A similar defence the Board often hears is "but the council gave it a pass". There are various things the Board considers in this situation. Was it a case of eventually getting it right after multiple failures, as in the Ali case? Did the BCA miss a noncompliance issue and pass building work that was not compliant? If this is the case, should the non-compliance have been apparent to the LBP? If the Board considers the LBP should have identified or been aware of the noncompliance, then the LBP might be open to being disciplined.

Getting a pass from a BCA does not absolve an LBP from accountability for non-compliant work. LBPs should also note that BCAs are only looking at compliance; they do not check the quality of the work. Compliant work can still be substandard, especially where there is evidence of poor workmanship. Therefore, an LBP can still be disciplined for building work that is substandard, even if it meets the minimum requirements for compliance.

Licensing was brought in to improve standards and accountability. LBPs should have the skills and knowledge to get the job done correctly – so, if they botch a job, they should be held to account for their negligence or incompetence.

Getting it right the first time, and having a quality assurance system to catch minor mistakes, is the best way to avoid the complaints process. It is also better business practice, as it helps to keep builds within budget, on schedule and up to standard, which in turn leads to satisfied customers and a more prosperous economy for all.

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CODEWORDS QUIZ ISSUE 96

- 6 Why should you build it right the first time?
 - a) It avoids re-work, which can be expensive, time consuming and bad for business.
 - b) It keeps the homeowner happy, which is good for your reputation.
 - c) It reduces the likelihood of a complaint being made about you.
 - d) All of the above.

- If the BCA gives the build a pass, the Board will have no reason to discipline an LBP for their workmanship.
 - a) True, if the BCA has signed off the work then everything is compliant.
 - b) False, as the LBP is still accountable for any non-compliant work the BCA might have missed. Also, even if the work is compliant, there may still be issues with the quality of the work, or how much remedial work was required.
- (8) We all make mistakes, how can LBPs stop a mistake causing a complaint and/or discipline?
 - a) Have a process of identifying mistakes yourself, so you can deal with them during the build (ie, a quality assurance system).
 - Have the BCA inspect the work, then fix any non-compliant work they find until it passes.

MBIE

BUILDING FOR CLIMATE CHANGE



The building and construction sector is a significant contributor to carbon emissions. To meet New Zealand's climate change goals, a once-in-a-generation change to building laws and requirements is under way

n July, Jenny Salesa, Minister for Building and Construction, launched the Building for Climate Change programme, with the goal of reducing emissions from constructing and operating buildings, and ensuring buildings are prepared for the future effects of climate change.

The programme recognises that a significant amount of New Zealand's carbon emissions result from the building and construction sector, and if New Zealand is serious about meeting its climate change goals, then changes need to be made in the sector.

As part of the programme, over the next 30 years, MBIE will set targets for energy use and carbon emissions, and incentives will be introduced to encourage people to think innovatively about the construction, design and operation of buildings.

The programme will result in changes

to current building laws – both the Building Act and the Building Code. There will be a focus on starting to change people's behaviour, and the way they think about designing, constructing and operating buildings.

MBIE has outlined how the programme will be made up of three frameworks that will work together to reduce emissions:

- the operational efficiency of buildings (using less energy, using less water and improving the air quality and temperature).
- the amount of greenhouse gas emissions generated by building materials, construction processes and disposal of materials (known as whole of life embodied carbon).
- adaptation, which will link together the work that the sector can do to improve the climate resilience of buildings.

TRANSFORMING OPERATIONAL EFFICIENCY

This framework will set upper limits for new buildings to obtain a consent under the Building Act 2004. The framework will set levels of efficiency for energy and water use. It will also set defined comfort levels, including temperature ranges and air quality, that will need to be achieved for consent.

These targets will mean that everyone involved in the design, development and construction of a building will need to keep efficiency at the forefront of their thinking. As well as direct benefits, there will be cobenefits, including improved health outcomes and reduced energy bills both of these are likely to have greater impacts on parts of society that are most in need. This is an area where MBIE will seek significant cooperation and partnership with both the construction sector and other government agencies to ensure these co-benefits are delivered.

REDUCING WHOLE OF LIFE EMBODIED CARBON

This framework will set mandatory reporting requirements and targets that will need to be kept under to gain consent. The framework will consider the allowed level of greenhouse gas emissions from:

- the materials used in construction.
- the construction process.
- disposing of construction waste.
- disposal of the building at the end of its life.

These targets are intended provide pressure on the whole supply chain to reduce emissions. They are also intended to be an important driver of change to a culture in which climate change considerations are part of day-to-day business, and to create incentives for designers and engineers to look for lower carbon solutions.

ADAPTATION – MAKING NEW ZEALAND SAFER FOR THE FUTURE

New Zealand will be facing different challenges to its buildings than were faced 50 or even ten years ago. It is important to ensure that New Zealand's buildings will last and are able to cope with the climate changes we cannot avoid. Keeping people safe from the likely future effects of climate change means MBIE will be looking at how the sector can make buildings more resilient to adverse events that might become more common and to new events that might begin to appear.

As well as improved protection, MBIE will be considering how to be more efficient in using resources that may become scarcer, such as water. Buildings will also need to remain safe, habitable and at a suitable temperature for periods of time without power in extreme weather events; for example, when utility grid connections may be broken.

MBIE will be working with other government partners on the National Adaptation Plan, a whole of government response on how New Zealand will adapt to climate change risks. The core of the response will be making sure the right buildings are built in the right places. As well as regulatory options, the work will look at what non-regulatory options are likely to help drive more resilience in buildings such as insurance availability, provision of information and incentives.

MAKING CHANGES IN A POST COVID-19 WORLD

MBIE is mindful that New Zealand's economy has changed since Covid-19: it is more fragile, and the sector has been affected by job losses as well as reduced revenue and cancellation of future work. MBIE is committed to ensuring the Building for Climate Change Programme understands the new sector and how the changes that are being proposed will affect those within the sector as well as the wider population.

YOUR VIEWS WANTED

John Sneyd, General Manager Building System Performance, explained that MBIE will be seeking the views from the sector to ensure its views are understood when designing the programme.

"We plan to develop these initiatives jointly with the sector, to make sure we get it right. Discussions with the industry began in July and most of this year will be focused on talking and listening to the sector about the best way to move forward, and changes will then start to be rolled out next year."

The public consultation process on these frameworks and targets will allow the sector to provide MBIE feedback on what they think needs to be done, and the impact any proposals would have on the sector.

Sneyd said MBIE encourages anyone who wants further information about this, or who wants to participate in the consultation process, to register on the MBIE website: **mbie.govt.nz/ building-and-energy/building/ building-for-climate-change**

PROVE YOUR KNOWLEDGE

Tick the correct answers below and record what you've learnt in the record of learning on the back page!

- MBIE has identified what three frameworks that will work together to reduce emissions?
 - a) Trusses, lintels, rafters.
 - b) Operational efficiency, greenhouse gas emissions, adaptation.
 - c) Grey water systems, electrical systems, insulation.
- This framework will set upper limits for new buildings to obtain a consent under the Building Act.

a) True.

b) False.

- The framework will NOT consider permissable levels of greenhouse gas emissions from:
 - a) Building materials.
 - b) Builders' work vehicles.
 - c) The construction process.



PIPE PENETRATION THROUGH CLADDING



It is important that holes for pipes that penetrate from the building interior through the exterior cladding are constructed in the correct sequence to maintain weathertightness

S imple penetrations are often installed after the cladding assembly has been completed, which leads to potential water entry.

All components that penetrate the exterior cladding should be installed before the cladding installation. This ensures that an interior air seal can be installed and that the penetration can be adequately sealed to the exterior face of the wall underlay. This provides an efficient drainage path for moisture that may get through the cladding assembly and onto the wall underlay.

Following installation of the cladding, all required weather and air seals

are installed to ensure the penetration is weathertight.

INSTALL EVERYTHING IN THE RIGHT ORDER

Step 1 – Install solid timber blocking to the wall framing in the required location. If possible, when a weatherboard cladding is being used, place the pipe so that it will penetrate through the centre of a weatherboard when installed.

Step 2 – Drill a suitably sized hole in the blocking and install the pipe. Ensure the pipe has a fall to the outside. Install an expanding foam air seal around the pipe to form a complete seal to the blocking. **Step 3** – Seal the pipe to the wall underlay with accurately installed flexible flashing tape, dressed to the wall underlay and around the pipe. Alternatively, use a suitably sized pre-formed pipe penetration grommet to seal the pipe to the underlay. Best practice is to install the flashing tape or grommet on the diagonal to ensure that potential moisture on the wall underlay drains more effectively around the seal.

Step 4 – Install the wall cladding – bevel-back weatherboards in this example – with a suitably sized hole to allow the pipe to penetrate the cladding.

Step 5 – Adequately fix a timber packer – formed from a weatherboard

off-cut with a hole to suit the pipe diameter – to the face of the cladding with the top edge fitted tightly to the underside of the board above. Ensure the packer is sized to suit the pipe flange to be used, the end grain is sealed with paint and the face of the packer is at right angles to the slope of the pipe to ensure accurate installation of the pipe flange.

All components that penetrate the exterior cladding should be installed before the cladding installation

Step 6 – Install a suitable backing rod and exterior sealant to the diameter of the pipe flange and to the face of the timber packer as a weather and air seal.

Step 7 – Install the pipe flange, ensuring it is well adhered to the sealant or packer and there is a complete seal around the entire back flange.

Step 8 – Install suitable backing rod and exterior sealant to the gap between the circular pipe flange and the pipe. ■

THE CONSTRUCTION SEQUENCE

















This article was first published in Issue 173 of BRANZ Build magazine. www.buildmagazine.org.nz. Words and figures supplied by BRANZ.

PROVE YOUR KNOWLEDGE

Tick the correct answers below and record what you've learnt in the record of learning on the back page!

- When creating pipe penetrations in cladding, the most important consideration is:
- a) Aesthetics how tidy the job looks.
- b) Weathertightness.
- c) Ease and speed of installation.
- 5) The first step to ensure a weathertight penetration is to:
- a) Drill a suitably sized hole in the blocking and install the pipe.
- b) Install solid timber blocking to the wall framing in the required location.
- c) Install the wall cladding.

- 6) The final step in proper pipe penetration is to:
- a) Install the cladding.
- Install suitable backing rod and exterior sealant to the gap between the circular pipe flange and the pipe.
- Seal the pipe to the wall underlay with accurately installed flexible flashing tape.

NB: The questions and answers in this section have been produced by the publisher and do not necessarily reflect views or opinions of the contributing organisation.



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INDUSTRY FOCUS

SMALL BUSINESSES CONTRIBUTE MORE

Small construction businesses contributed more to construction industry operating profit in recent years than medium or large businesses, Stats NZ has revealed

The operating profit of small construction businesses (those with 1 to 19 employees) increased by \$1.25bn between 2011 and 2019 to \$1.97bn. In the same period, the operating profit of large businesses (100+ employees) increased by \$273m to \$728m.

"Before Covid-19, small businesses contributed 37% of the construction industry's operating profit and accounted for around 40% of all construction businesses," annual enterprise survey manager Melissa McKenzie said. Data post-Covid has not yet been released.

"In comparison, large businesses contributed 14% of the industry's operating profit and accounted for less than 1% of construction businesses."

The remaining portion is represented by medium-sized business and those that Stats NZ refers to as 'zero employees', which includes those with working owners and companies with contracted labour.

"Construction businesses experienced

rising operating profits as earthquake rebuild activities in Canterbury and new work in Auckland boosted construction activity over the last decade," McKenzie said.

The number of small construction businesses has also grown, along with activity and profits, to over 26,000 businesses that employed around 90,000 people in 2019. In contrast, there were over 100 construction businesses with more than 100 employees that employed around 40,000 people in 2019.

Graham Burke, President of the Specialist Trade Contractors Federation, was pleased to see small business showing profit.

"New Zealand lives on small businesses. As this data shows, they account for a big proportion of construction in New Zealand – more so than overseas. Historically, the construction industry has operated on very small margins, which is highlighted by the business collapses we have seen in recent years.

"It's also worth noting that small

construction businesses are good corporate citizens – they employ and train many of the apprentices, who will be the next generation of this industry. I would hope they are making a profit on their investment of time and the risks they face," said Burke.

Burke also noted that the cashflow for small construction businesses, while always critical, will be especially so in the recovery from the impacts of Covid-19 and lockdown.

"Small businesses in the construction sector are known for operating on tight cash-flow, so an interruption like Covid could have been disastrous for many – the financial support package has been crucial for these businesses. Nevertheless, there will still be challenges as the work picks up. This might seem ironic, but when the jobs are coming in again, and business costs such as wages and fuel go up, but there is little if any income coming from the previous month - that's when businesses will need to have their forecasts in place and the cashflow on hand to get the jobs done and the wages paid."



Construction industry operating profit by business size (5), 2011-19 financial years

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INDUSTRY FOCUS

APPRENTICESHIP SUBSIDY SCHEME



All employers who have an eligible apprentice will be able to receive a base subsidy rate up to \$12,000 per annum (\$1,000 per month) for first-year apprentices and up to \$6,000 per annum (\$500 per month) for second-year apprentices

A new subsidy, Apprenticeship Boost, aims to support employers and apprentices as the economic recovery from Covid-19 continues

n 17 June, the Government announced it will provide employers with up to \$16,000 a year to help pay the cost of each apprentice for the first two years of their apprenticeship.

"Apprenticeship Boost is part of a wider government programme to keep apprentices in jobs and support employers to invest in new ones, as we rebuild the economy from the impact of Covid-19," said Education Minister Chris Hipkins.

For the 20 months from August 2020 to April 2022, up to an estimated 18,000 employers will be able to apply for funding of up to \$12,000 per apprentice in their first 12 months of training, and up to \$6,000 in their second 12 months. The Government has budgeted \$380.6 million for the scheme.

BENEFITS TO EMPLOYERS, APPRENTICES AND PLANNED PROJECTS

As well as the obvious direct benefits to the employer and apprentices, Hipkins explained the scheme is intended to ensure there is sufficient skilled labour to undertake projects planned to support the recovery from the economic effects of Covid-19.

"This investment is key to helping businesses keep people on and give them more confidence to take on new apprentices. This is essential as we roll out and fast track infrastructure projects.

"Without support of this kind after the Global Financial Crisis, apprentices were let go and, when the economy picked up, New Zealand struggled with huge skills shortages and had to pay more to find skilled people from overseas."

The scheme is intended to ensure there is sufficient skilled labour to undertake projects planned to support the recovery from the economic effects of Covid-19

Paul Southey, builder, Registered Master Builders President for the Wairarapa region, and member of the Wairarapa Economic Development Group, believes the Apprenticeship Boost scheme is a necessary initiative that will encourage builders to take on new apprentices and retain existing ones.

"The subsidy scheme is a good one. Taking on an apprentice is a valuable commitment that builders make to the future of our industry, but it often isn't immediately financially rewarding for the employer. It takes a few years before an apprentice is generating income, so this scheme will undoubtedly help encourage builders to take on and retain apprentices, especially with the economic effects of Covid-19 putting more financial pressure on the employer."

Nevertheless, Southey believes there is more that can be done to encourage people into trades.

"In my experience, there is a still a theme in high schools that trades are second-best to further academic study. I think as an industry, we need to form stronger links to high schools, polytechs and Gateway programmes, to let people know there is a strong future in trades. That's something we are actively working on here in the Wairarapa."

PART OF A PACKAGE

The Apprenticeship Boost scheme dovetails directly with the previously announced Free Trades Training – featured in the previous issue of Under Construction – through which apprentices' educational fees are waived for the next two and a half years, regardless of which year of the apprenticeship they are in. It also forms part of a wider Apprenticeship Support Programme, which also includes:

 Mana in Mahi – expanding the existing programme that supports at-risk people through an industry training pathway (including apprenticeship and preapprenticeship training) and into long-term sustainable work.

- **Group Training Scheme support** – funding to ensure the existing seven schemes remain viable by enabling them to continue to employ apprentices and trainees and provide related services to host businesses.
- Regional Apprenticeships Initiative – support for displaced regional apprentices who have lost their jobs, initially focusing on Māori and Pacific Peoples (funded through the Provincial Growth Fund).

Employers will be able to access support from either the Apprenticeship Boost, Mana in Mahi, or the Regional Apprenticeships Initiative (depending on the type of apprentice or preapprentice trainee they employ). Mana in Mahi and some Regional Apprenticeships participants will get a higher subsidy to reflect the different level of need of the individual apprentices, or pre-apprentice trainees, involved.

Q & A How much is the Apprenticeship Boost subsidy?

All employers who have an eligible apprentice will be able to receive a base subsidy rate up to \$12,000 per annum (\$1,000 per month) for first-year apprentices and up to \$6,000 per annum (\$500 per month) for second-year apprentices. The amount an employer gets for each apprentice may vary, depending on when the apprenticeship started. For example, for an apprentice three months into their apprenticeship, the employer will be entitled to \$1,000 per month for nine months and \$500 per month for the next 11 months.

How is an employer eligible?

An employer will be able to receive this support if they employ an eligible apprentice (ie, one that is enrolled in a Level 4 New Zealand or Managed Apprenticeship programme and is in the first or second year of this apprenticeship).

How will the funding be used?

This support is a wage subsidy paid to the employer per eligible apprentice. The employer is required (by law) to continue to pay the apprentice at least the minimum wage or training wage. The employer will therefore top up this subsidy amount and continue to pay the apprentice the wage they are legally entitled to.

Is it for new apprentices only?

No. The Apprentice Boost is available for all apprentices, in their first and second year.

What is meant by an 'apprentice'?

Someone who is enrolled in a TEC-approved NZ or Managed Apprenticeship and are in the first or second year of this apprenticeship.

When can I apply?

Now. Apprenticeship Boost became available in August 2020 and runs for 20 months. Employers can apply for Apprenticeship Boost whether an apprentice has just started their training programme or is nearing the end of their first two years – right up until the apprentice has completed 24 months of their training programme (while the initiative is running).

How do I apply?

Go to: workandincome.govt.nz/ work/apprentice-support

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HEALTH & SAFETY SITE SAFE

MENTAL HEALTH IN TOUGH TIMES





If you, a mate, or anyone you know is struggling, now is the time to speak up. Have that conversation with your workmate, or pick up the phone and ask for help. Don't go it alone!

In times of economic uncertainty and stress, just as we are experiencing right now, it is not unusual for mental health to be negatively affected. While the main focus for many will likely be on keeping their businesses afloat, keeping staff employed, or, from the other side, worrying about whether their jobs are safe, Site Safe Chief Executive Brett Murray says now is the time to make mental health a priority

Paying the bills and keeping your business – and your team – afloat will be top of mind for many of us right now, as we navigate these unchartered waters.

But it's exactly times like these that we need to be looking after ourselves and our mates. The statistics are bleak. Research conducted by Site Safe has shown that work-related factors, such as the stress of running a business, contributed to nearly a third of suicides in construction between 2007 to 2017. Job uncertainty was a contributing factor in one in eight suicides.

Research undertaken in Australia has shown that economic downturns, such as the Global Financial Crisis, can increase the disparities in occupational suicide rates. Rates among unskilled workers, such as labourers, have been seen to increase from three to six times greater than among the highest skilled group, and four-fold among technical and trade workers. Another Australian study showed that labourers had much higher suicide rates during the GFC compared to higher skilled occupations.

Here in New Zealand, suicide prevention organisation 'MATES in Construction NZ' says it has already noticed an increase in people seeking help, particularly from workers feeling anxious due to the uncertainty around if they will be among those made redundant.

This all drives home a sobering fact – tough times can put not only our livelihoods but our mental wellbeing at risk. So, if you, a mate, or anyone you know is struggling, now is the time to speak up. Have that conversation with your workmate or pick up the phone and ask for help.

If you're not sure where to start, organisations such as Site Safe, MATES in Construction, and the Mental Health Foundation are a good place to start. On the Site Safe website, you'll find a free Mental Health Pocket Guide, which contains practical tips on how to start a conversation about mental health.

Tough times can put not only our livelihoods but our mental wellbeing at risk MATES in Construction NZ is a great resource for the industry, with programmes designed specifically to enable workers in the industry to support each other. The MATES team builds an on-site community of teammates equipped to connect each other to the help they need. In a nutshell, it's all about teaching workers how to look after their mates and empowering them to ask for help.

MATES is working with businesses on how they can improve communication with staff, and has just released an online resource aimed at helping those in the industry cope during tough times. Visit mates.net.nz for more information.

Another great resource is the Mental Health Foundation's guide for workplace leaders on wellbeing at work during Covid-19 – this looks at common causes of stress and the impact of Covid-19 on mental health: mentalhealth.org.nz/gethelp/getting-through-together/ workplace-wellbeing.

Their Open Minds resources are also full of useful information to equip employers and managers with the skills they need to have conversations about mental health: mentalhealth.org.nz/ home/our-work/category/40/ open-minds-for-employers. Site Safe is working to improve understanding of these issues by supporting Massey University's research into how men in construction seek help for mental health issues: sitesafe.org.nz/news--events/ news/where-do-contructionworkers-go-for-help.

The MATES team builds an on-site community of teammates equipped to connect each other to the help they need. In a nutshell, it's all about teaching workers how to look after their mates and empowering them to ask for help

Initial results from this study are expected next year, with the end goal of providing practical tips on improving mental health in the construction industry. Site Safe is also supporting ground-breaking research into how stress affects workers and decision-making in the construction industry: sitesafe.org.nz/ news--events/news/stress-research. Findings from this Massey research initiative are expected later this year.

WHERE TO GO FOR MORE HELP

NEED TO TALK?

Free call or text 1737 any time for support from a trained counsellor at the Mental Health Foundation.

MATES IN CONSTRUCTION

0800 111315

LIFELINE

0800 543 354 (0800 LIFELINE)

YOUTHLINE

0800 376 633, free text 234 or email talk@youthline.co.nz or online chat

SAMARITANS

0800 726 666

Site Safe is a not-for-profit, membership-based organisation that supports a culture of health and safety in New Zealand construction. For more information go to: **www.sitesafe.org.nz**

PROVE YOUR KNOWLEDGE

Tick the correct answers below and record what you've learnt in the record of learning on the back page!

- 7) Research conducted by Site Safe has shown that work-related factors, such as the stress of running a business, contributed to what proportion of suicides in construction between 2007 and 2017?
 - a) Nearly a third.
 - b) One in eight.
 - c) One in ten.

- 8) Which of the below organisations' websites provides resources tailored for those in the construction industry dealing with stress and mental health challenges:
 - a) Mates.net.nz.
 - b) Mentalhealth.org.nz.
 - c) Both answers.

- Site Safe is supporting which of the below research into mental health in construction:
- Massey University's research into how men in construction seek help for mental health issues.
- b) How stress affects workers and decision-making in the construction industry.
- c) Both answers.

9)

NB: The questions and answers in this section have been produced by the publisher and do not necessarily reflect views or opinions of the contributing organisation.

THE SUCCESSFUL BUILDER

I LOVE YOUR WORK



The concept of 'love' doesn't have an immediately obvious connection to the nuts and bolts of building, but, in this article, business coach Graeme Owen sheds light on how the two can be intimately connected

hat difference would it make to your building business if your clients were to say: "we totally love our renovation/new build!"? What might they tell their friends? What would their testimonials say?

"Love is the way forward for business," says Kevin Roberts, ex-CEO of Saatchi and Saatchi in his book Lovemarks: the future beyond brands (powerHouse Books, 2004). When customers have a positive emotional response to something, the effect is long-lasting.

When your clients love their build, and their experience of working with you, they are more likely to tell others and more likely to contact you again in the future – both of which should have a hugely positive impact on the success of your business. So, how do you help ensure your customers love your work?

1. RESPECT

Although your business may be small, your sales are often the largest purchase your client will make – larger than most of the products they will purchase from much bigger companies, maybe in their lifetime.

Further, a single contract can represent a large chunk of your business for any given year. So, respecting your clients for the value they bring you is an important foundation for love.

If you are selling things people need but don't desire – eg, commodities such as gravel, petrol, basic food items – you don't need much respect, because there is little emotional attachment. But, as a home builder or renovator, you are selling something of much more importance and emotional investment.

This means you will want to increase the emotional connection between your client and your company by showing respect.

2. COMMITMENT

Your clients will make long-term judgements about your company based on whether you deliver on your promises.

When you say "I'll try and get this to you by Thursday", they hear "I'll get this to you by Thursday". They don't hear the word try. When you don't get it done by your try-time, for whatever reason, they will feel let down (unloved).

So, because you want to love your clients, make sure that you only make commitments that you can keep.

3. LISTEN

You are a professional building advisor and you solve problems others run away from! You know what needs to be done after one quick look – but your client doesn't.

At the top of their mind is the problems they are having now (either with their current house, or in planning a build). They need to know you are with them.

So, take time to listen to them when they tell you what they want. Ask questions. Before offering any solutions, make sure that you really understand their dilemma. Check that you are on the same page by asking "Are you saying...?" until they reply "Yes". Then you know that you have really heard them.

4. OPTIONS

Sometimes what your client thinks they want is not always what they really need. If you give them exactly what they ask for, they may not get the best solution. They may not be aware of the possibilities that your professional help can provide.

So, don't simply jump to quote the first solution. If you have other ideas, show them, even if they cost more – it may provide more options.

I remember planning the extension to our first house. I'd worked on every possibility and figured out the best place to extend. Our builder could have built it, but instead suggested we get a designer involved. Well, that changed everything! It cost more, but the outcome was many times better than my best. We loved our new home and were so grateful our builder had pushed us to consider other options.

So, don't be afraid to help your clients consider other possibilities.

5. THE LONG TERM

Build costs are high in New Zealand, and we tend to build to the minimum permissible standard, but the truth is the Building Code delivers the lowest possible quality house that you are legally permitted to build.

Are the cheapest, lowest level of

material, fittings and finishings best for your client? It is highly likely they will not be aware of the advantages of certain materials over others. Ask yourself some questions. Would I install these in my own home? Should I warn my client about the maintenance costs of different claddings? Should I tell them about the life expectancy of different hardware?

It may be that building to a higher standard will cost more initially, but deliver a better long-term return for your client. If so, they are likely to love your company.

6. REFERENCES

Here are three things you might be tempted to do, but please don't:

- Boast about how good you are.
- Say you are better than other builders.
- Disparage your competitors.

When you do that, you are just another desperate salesperson. Rather, show your prospective clients your testimonials and let your previous clients tell their story about your company. Better still, introduce your prospective clients to your past clients. If they have been loved, they will shout your praises. A builder I knew would introduce a prospective client to a past client and leave them talking – in one case for an hour! But in (almost) every case, the experience of the past client 'sold' the prospective client.

7. TRUTH

No story spreads quicker than a bad review, especially if there has been any hint of deception. So be meticulously truthful.

Take care about what you say and promise. Take notes of meetings – especially where money is involved – and send your client a copy for confirmation. If you stuff up, own up! You will gain more respect for fronting up and fixing things than trying to cover and hide. ■

TAKEAWAY

It may not be usual to connect love and building, but builders who integrate love into their construction business are likely to have highly satisfied customers.

Graeme Owen is a builders' business coach at thesuccessfulbuilder.com. Since 2006, he has helped builders throughout New Zealand get off the tools, make decent money, and get more time in their lives. Grab a copy of his free book: The 15 Minute Sales Call Guaranteed To Increase Your Conversion Rate: thesuccessfulbuilder.com/book-15-min-sales-call or join Trademates and connect with builders who are scaling too: www.facebook.com/groups/TradeMates

PROVE YOUR KNOWLEDGE

Tick the correct answers below and record what you've learnt in the record of learning on the back page!

- 10) When letting clients know how long a job will take, it is important to:
 - a) Quote the shortest possible time, so they accept your quote.
 - b) Don't ever give a specific time in case you can't meet it.
 - c) Only give time commitments you can keep.
- When quoting based on what your client says they want, it is useful to include other options because:
 - a) They might spend more money than they first intended.
 - b) Your experience and knowledge might uncover an option that meets their needs better than their original plans.
 - c) They probably don't have any idea what is best for them.
- 12) 'Love' is presented here as a useful lens through which to view your role as a builder, because:
 - a) It helps illuminate the emotional connection your clients have with their home and your role in creating or improving it.
 - b) It is an unexpected way of approaching customer relationships, which could benefit your business.
- c) Both answers.

NB: The questions and answers in this section have been produced by the publisher and do not necessarily reflect views or opinions of the contributing organisation.

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AVENUES TO RESOLVE DISPUTES

Duncan Cotterill



What options are available to you if all lines of communication have broken down and your dispute remains unresolved?

n our previous article, we discussed the most prudent first steps to recovering costs when hit with delays, disruptions and variations. While coming to an agreement between the parties is significantly cheaper and faster for everyone involved; if this has proved difficult, what are your options?

A. COMMUNICATE YOUR DISPUTE CLEARLY AND FORMALLY, WITH EVIDENCE

If you are not making any progress resolving your dispute directly through emails or phone calls, it is now time to send a formal letter.

This may help to instil a sense of urgency or legitimacy to your dispute, and it is a helpful paper trail to establish. Address the letter to the other party or parties' registered office(s), and be sure to include:

- the nature and grounds of the dispute.
- any documentation or evidence supporting this dispute, including correspondence between the parties.

- your expectations of the other party, and the date you expect these to be fulfilled.
- the action you intend to take if these expectations are not met.
- any of your own obligations and the date you anticipate these to be fulfilled.
- a request for acknowledgement of the letter.

You may wish to instruct a lawyer to send this letter on your behalf to further legitimise the dispute and give weight to any further actions you intend to take if the dispute is not resolved.

B. INSTIGATE AN ADJUDICATION

The Construction Contracts Act 2002 provides simple and speedy dispute resolution procedures specifically for construction payment claims and building defects. If your contract includes an adjudication clause, this should be your first avenue to find a resolution. Carefully read your contract and the Construction Contracts Act, to ensure you comply with the necessary timeframes and any procedural steps that need to be satisfied.

In brief, adjudication is initiated by the claimant serving a notice of adjudication on the other party to the construction contract. An adjudicator is then appointed, either by agreement or by a nominating body agreed by the parties.

The claimant must then serve an adjudication claim, specifying the nature and grounds of the dispute, and provide any supporting evidence. This must set out all the disputes between the parties, as additional disputes cannot be added at a later stage. The respondent then has five working days to respond to the adjudication claim.

The adjudicator may decide to take a number of steps, including requesting further documents, appointing an expert advisor, inspecting anything relevant to the dispute and/or calling a conference of the parties. The adjudicator will then release a determination.

As a general position, parties will share equally in the adjudicator's fees and expenses.

You may pursue an adjudication parallel with court proceedings or other dispute resolution process. An adjudication determination is binding and enforceable, but not final. If you are unhappy with the determination, you have the option of appealing it.

As indicated above, however, be sure to first review the dispute resolution procedures in any relevant construction contract you have in place to ensure you comply with timeframes and any agreed steps to escalate a dispute.

C. ESCALATE

To appeal an adjudication determination, or further escalate the dispute, you may choose to pursue mediation, arbitration, or proceedings such as in the Disputes Tribunal or the District Court.

Each of these options has its own merits and limitations and you should talk to a lawyer to consider which avenue is best for your circumstances. A lawyer will be well placed to conduct a cost-benefit analysis with you, considering the merits of your claims, the ability of the other party to pay, any legal or other costs involved, likely timeframes, and the amount you may realistically recover through each mechanism.

> A statutory demand may only be issued if the debt is not in dispute

D. ISSUE (OR DEFEND) A STATUTORY DEMAND

Further, if the dispute involves a debt to be paid to you, there may also be grounds to issue a statutory demand under section 289 of the Companies Act 1993.

A statutory demand may only be issued if the debt is not in dispute, or else it may be considered an abuse of process. However, to be "in dispute" requires more than an assertion; the debtor must have some evidence or grounds for the dispute. If you wish to issue a statutory demand, ensure you include the necessary details and correctly serve it on the debtor. Be mindful, though, a statutory demand can be an effective way to get a debtor to prioritise a debt, but it may also inflame the dispute or sour your relationship with that party – this can have particularly negative consequences if your relationship is ongoing.

If you have received a statutory demand, pay close attention to the time frames. You have ten working days if you wish to challenge the demand or apply to set it aside, or 15 working days to pay the debt. If you miss these deadlines, the creditor can seek an order to place your company into liquidation.

A lawyer will be able to assist with issuing or defending a statutory demand correctly.

If you have questions or would like to discuss any of the points raised in this article, please contact Alysha Hinton on **(04) 471 9452** or at **alysha.hinton@duncancotterill.com**, or your local Duncan Cotterill advisor **(duncancotterill.com)**.

Duncan Cotterill is a full-service law firm with offices in Auckland, Wellington, Nelson and Christchurch. Its dedicated construction and projects team can help make your business a success by working with you to put the deal together.

Disclaimer: the content of this article is general in nature and not intended as a substitute for specific professional advice on any matter and should not be relied upon for that purpose.

PROVE YOUR KNOWLEDGE

Tick the correct answers below and record what you've learnt in the record of learning on the back page!

- 13) If you have attempted to resolve a dispute with emails and phone calls, but this has been unsuccessful, your next step is to:
 - a) Issue a statutory demand.
 - b) Communicate your dispute early and formally in a letter, with any evidence you may have.
 - c) Instigate an adjudication.
- 14) If you are served an adjudication claim, you have how many days to respond to the claimant if you wish to challenge the claim or have it set aside?
 - a) 5.
 - b) 10.
 - c) 30.

- 15) When considering whether to escalate a dispute, a lawyer can help you understand:
 - a) The specific pros and cons in this particular matter.
 - b) That, if you are sure you are in the right, you should follow all possible avenues to seek justice.
 - c) That legal disputes are always lose-lose, so it is best to concede early.

INSURANCE

BUILTIN

DO YOU NEED A BROKER?





Insurance is a specialist topic. In this issue, Builtin's Ben Rickard provides some advice on how to navigate the ins and outs yourself, or how to choose a professional to help guide you through it

Anaging risk is a key part of running a business, and building is no exception. Most self-aware building business owners understand that they don't know everything and appreciate the value of relying on other professionals. After all, you wouldn't engineer foundations or install plumbing, because those are jobs best left up to the specialists. The same can be said for creating an insurance package.

To use another analogy, you wouldn't trust your doctor to manage your finances, yet many people trust the local bank teller or a stranger in a call centre with their insurance!

So, what are the options for builders when it comes to choosing how to best manage their insurance?

OPTION 1: DO IT YOURSELF (GO DIRECT)

If you are a small business with

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a straightforward operation, your insurance requirements will probably be similar to thousands of other builders. The direct insurers that you see on TV all promote small business packages, including liability, tools and vehicles. Most banks also partner with an insurer and can sell insurance to their customers. Plus, you can search online and get quotes for insurance, which may or may not suit your needs.

Because you're dealing directly with the insurer, you will be responsible for managing your own claims. When it comes to complex areas like liability, this can result in poorer outcomes than if you had dedicated claims support on your side, especially with things like faulty workmanship and professional mistakes.

It is up to you to do the research to understand the risks you face, what cover you need and what exclusions are in the policies. And to review it every year. Builtin provides many resources on its website to help builders with this research.

Pros: easy to access, quick to arrange and renew each year, can be cheaper, do it with the same insurer as your personal insurance.

Cons: dealing with a call centre, limited expertise in building, no claim support, generic policies that may not suit your needs, no annual check-up.

OPTION 2: GET HELP DOING IT (USING A SPECIALIST)

This is a kind of hybrid option. Here, you are dealing with professionals who understand the building industry, can answer your questions and have a package of policies that are tailored for builders. However, you are still ultimately responsible for understanding the cover and deciding what policies you need. **Pros:** a direct line to building industry experts, a policy package tailored for builders, good value option, full claim support.

Cons: no personalised service or full analysis of your needs, limited range of policies and insurers available.

OPTION 3: HAVE SOMEONE DO IT FOR YOU (USING A BROKER)

This option suits larger businesses with more complex needs, as well as smaller businesses that prefer to have professional help rather than trying to manage it themselves.

A broker's job is to understand and assess your particular situation and recommend an insurance package that best suits. They can coordinate with other experts and work with clients to develop business continuity and risk management programmes. They can approach multiple insurers, who all have different policy coverage, levels of service, expertise and prices.

If you own specialised equipment, have a large fleet of vehicles, work on large or unusual projects, or have specialised skills, you may need a broker to ensure you have the right cover. If you have lots of projects on the go, a broker can save you time and ensure nothing slips through the cracks.

They will also set aside time to review your needs each year, usually at renewal time, so that if anything has changed in your business operations, your insurance package can be updated to reflect this.

Most brokers are generalists, in that they will have clients across many different industries, from wineries to doctors' surgeries to shopping malls. Others, like Builtin, focus on a particular sector, so that clients benefit from specialist industry expertise.

Pros: your own dedicated broker, a personalised needs assessment and tailored package that is reviewed each year, full claim support.

Cons: can cost more, may take longer to arrange, reliant on having a good broker, may not know your industry.

IN A NUTSHELL

Managing risk is an important part of being in business. It may not be your strong point, so it's important that you consider working with professionals who can help. There are different options when it comes to arranging insurance and you should choose one that suits your particular situation, including the size and complexity of your business, as well as your own capability and confidence managing an insurance programme.

ABOUT BUILTIN

After more than 20 years working exclusively in the construction industry, Builtin is set up to meet the needs of builders – however they choose to do business. You can get instant quotes and arrange cover for individual policies through our web portal; speak to an adviser and build a package that suits your business; or get a full needs analysis and be looked after by a specialist broker. Whichever option our clients choose, they always benefit from our industry expertise, responsive service and dedicated claims support.

Builtin is New Zealand's trade insurance expert. For more information and an instant quote visit builtininsurance.co.nz

PROVE YOUR KNOWLEDGE

Tick the correct answers below and record what you've learnt in the record of learning on the back page!

- 16) When considering how to meet your insurance needs, which of the below is NOT among the recommended options:
 - a) Ignore the issue and hope insurance is never needed.
 - b) Assess and arrange it yourself.
 - c) Get an expert to help.
- 17) Dealing with a call centre, limited expertise in building, no claim support, generic policies that may not suit your needs, and no annual check-up, are all potential cons of:
 - a) Using an insurance broker.
 - b) Arranging insurance yourself.
 - c) Having the help of a specialist insurer.
- 18) An important consideration when deciding on the best approach to arrange insurance for your business is:
 - a) The size and complexity of your business.
 - b) Your capability and confidence in managing your own insurance.
 - c) Both answers

SPONSORSHIP NEWS

WORKING BEES BACK SOON!

After a delay caused by the disruption of the Covid-19 lockdown, the PlaceMakers Foundation is getting ready to invite applications for its next Working Bee project

S ince its launch last year, the Working Bee project has helped make a difference for those in need.

Whether it's in Auckland or Gore, for one person or many, a renovation or something brand new, the PlaceMakers Foundation combines charitable giving, the skills of PlaceMakers own staff and customers, and all available resources to help make a lasting difference in communities around the country. Bringing major projects to fruition through the Working Bee programme is the centrepiece of the Foundation's work.

The inaugural Working Bee project in 2019 saw three-year-old Harry Finch's family receive \$100,000 from the sale of two container houses – built and sold to fund life-changing leg surgery and ongoing physio costs for the Otago youngster. This was feasible thanks to support from dozens of local tradies and the team at PlaceMakers Cromwell.

Next up, the Working Bee created a hive of activity at Rotorua's Sunset Primary School, where PlaceMakers



The Rotorua PlaceMakers team use their skills at the local primary school as part of the council's Child Equity Programme, which aims to provide children with equitable access to services and opportunities that will make a potentially life-changing difference into adulthood

staff spent a busy day installing vegetable gardens, fixing downpipes and repairing and upgrading bench seats.

NZ Distribution Chief Executive and Foundation Chair Bruce McEwen says he's excited about the possibilities that lie ahead.

"Our goal is to make a change and, together, build a better New Zealand," says Bruce. "We have made a good start and, despite the lockdown causing a short pause, we are looking forward to getting back on track. "Communities around the country thrive on facilities that bring them together to share sports, hobbies, cultures and activities, yet sometimes great plans struggle to get lift off or simply fizzle out – that's where the Working Bee concept can make a big difference."

In 2019, the PlaceMakers Foundation donated \$211,514 to community groups and individuals around New Zealand. To find out more, please visit **foundation.placemakers.co.nz**

PROVE YOUR KNOWLEDGE

Evidence of actual learning rather than just 'participation' is a key requirement of the LBP renewal process.



	WORDS	COI				SEPTEMBER/OCTOBER 2020
1	5	1)	6)	11)	16)	For ease of record keeping, use this coupon to collate your answers from within this issue
2	6	2)	7)	12)	17)	of Under Construction and then sign and date
3	7	3)	8)	13)	18)	it as proof of your own learning.
4	8	4)	9)	14)	Signature	Date
		5)	10)	15)		

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