

# UNDER CONSTRUCTION

GET YOUR JUNE/JULY 2023 SKILLS MAINTENANCE POINT!



## H1 CHANGES ARE HERE

H1 Energy Efficiency changes have taken effect, so make sure you have all the info and products you need to ensure you're compliant.

Check out all the details inside.

ALL  
OVER





# TRAY DEAL

**DELFAST  
GAS IS  
BACK**



**BONUS\***  
\*WITH PURCHASE.

**BOTTLE OPENER**  
IN BOX



**DELFAST**  
NAILED IT

**DELFAST D-HEAD NAILS  
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- Branz Appraisal No. 1154 [2021]
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5081887

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\*Offers not available to nominated national key account customers. Bonus offers available exclusively to trade account holders only. All prices exclude GST. Products featured may not be stocked in all stores but can be ordered in at the advertised price. Offers valid from Thursday 7<sup>th</sup> June – Monday 31<sup>st</sup> July 2023.

**PlaceMakers**

Together we're building  
New Zealand

## FOREWORD VIEW FROM THE GM OPERATIONS

### BIG MILESTONE UPON US



**Last month marked a significant milestone for the residential building industry, with new H1 thermal performance changes coming into force on 1 May**

Want to be 'all over H1'? PlaceMakers has developed a handy guide to the Clause H1 Building Code updates, which you can find by typing 'all over H1' into your search engine of choice.

There's also more H1 content from BRANZ, on page 21, outlining what builders can do to meet new requirements, and also what reforms could come next.

Getting up to speed with the latest regulatory changes can be difficult for seasoned builders, but how do apprentices manage it – or do they even consider it at all? To find out, we asked three of them to share their experiences. Turn to page six to read more.

Consultation has now closed on the proposed changes to the building levy. Builders might be happy to hear that the Ministry of Building, Innovation and Employment is keen to bring costs down for everyone, as we've outlined on page 24.



**Want to be 'all over H1'?  
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a handy guide to the Clause  
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engine of choice**

There have also been important changes to the Construction Contracts Act 2002, regarding retention money paid to sub-contractors. We asked the legal experts at Duncan Cotterill to provide a breakdown on page 14.

The whole country experienced extreme weather during the summer and the destructive nature of it. The increasing prevalence of extreme weather means some insurance premiums will be rising. Luckily, *Under Construction* insurance contributor Bultin has provided some advice on how to beat the increases on page 18.

Among other features, our regular business expert Graeme Owens challenges business owners to avoid being possums. To find out what he means, turn to page 35. We hope you find it useful!

**Shane Cornelius**

General Manager Operations



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FEEDBACK

BUILDERS BUSINESS

COMMUNICATION AND CONSENTS

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

Q: How do you manage the consent process and communication with clients before and during a build?

Firm: Glenn Grant Builders  
Interviewee: Glenn Grant  
Role: Director  
Location: Tasman  
Staff: 5

How we communicate with our clients depends on the build we're working on. A lot of the time, architects will do the preliminary communication, but, once the build progresses, we try to communicate with our clients as much as possible.

When we go through consent variations, we like to get clients onsite, so they can get a proper feel for things. At the moment, we're working with clients who live out of town, so that changes how we communicate with them, as we don't see them very often.

Even though it's a cost for us to spend time with clients, I like to make as much time as possible for them, because proper communication is really important. Bad communication can come back to bite you later down the track, and I think one of the biggest pitfalls for builders relates to poor communication around variations, especially regarding client expectations compared to the finished product.

In addition to taking the time to speak to clients, I believe that putting things in writing is especially important. That way, you have a paper trail to fall back on if you need to.

Firm: Shore Build  
Interviewee: Ash Hare  
Role: Director & Project Manager  
Location: Auckland  
Staff: 17

Most of our work is architectural, so we're normally recommended by an architect, who has taken a client through the consent process already.

We do work with clients through minor variations, but usually the designer or architect will do the liaison work with the council. In terms of communication with clients, we meet them every two weeks. Our meetings are minuted and we cover a range of issues, from health and safety to construction updates and anything the client wants to cover. We also keep a live document on each project.

We do work with clients through minor variations, but usually the designer or architect will do the liaison work with the council

– Ash Hare, Shore Build

In my opinion, this results in a more informed client – a lot of the work we do is complicated and has at least 40 variations. I want the owners to be aware of cost and to have the choice of where to spend their money.

We always put a variation to the client, so they can have a final say on the price – even for charge-out work. I find that cuts down on arguments or unhappy customers.

Firm: Dunlop Builders  
Interviewee: Bryce Dunlop  
Role: Managing Director  
Location: Wanaka  
Staff: 30

We don't normally have much to do with obtaining consents, as that's normally directed by an architect.

When processing minor variations, we would normally have a part to play – but that depends on the contract we have with our client. For example, if it's a Master Builders contract, we manage the whole process, so we have a lot more one-on-one communication. If the architect is the main point of call, then everything goes through them.

Because we build high-end homes, we're in a small market and clients normally come to us via a designer or architect. If that happens, we'll have very little to do with the clients at a contractual level and, as a result, have very little to do regarding decision-making about minor variations or substitutions.

However, whether we communicate with a client or architect, everything has to be written down. That way we can make sure everyone is on the same page, we can process it in-house, and make sure it goes through the correct channels.



PRODUCT NEWS

WE'RE ALL OVER H1

With six zones, three transition dates, five construction elements and more than a dozen R-values across three building types, understanding the changes to clause H1 of the Building Code might seem daunting. Luckily, PlaceMakers is all over it!

There is a lot of information out there, from various sources, on the changes to clause H1, which covers regulations for energy efficiency in buildings.

With so much material for builders to sort through, PlaceMakers set out to collate all the relevant information from MBIE, BRANZ and several other industry associations, into a condensed yet comprehensive, easy-to-follow format. And then, it went a bit further.

“As a merchant who works with several suppliers affected by these changes, we saw an opportunity to provide further value to our customers,” explains Insulation Category Manager Jane Reid.

“We asked suppliers what products and solutions they were developing to meet the new R-value requirements, and published those in addition to the general information.”

ACCESSIBLE INFORMATION

Aware that customer preference for consuming information is split between online and print, all information is available on both the PlaceMakers website and in a printed H1 Guide available in PlaceMakers stores nationwide.

Two versions have been printed to date, with Version 2 containing additional supplier solution information. As more products and solutions are launched, further editions of the guide may be produced.

H1 ONSCREEN

To highlight these important regulatory changes, and notify builders about all the information that has been gathered in one, easy-to-access source,



PlaceMakers own Justin Curry offers his dance advice to some unimpressed Gen Z-ers

PlaceMakers developed a humorous campaign featuring its own rising star – the talented Justin Curry, who works at PlaceMakers Cook St when he’s not moonlighting as a TV funnyman.

Using the taglines ‘We don’t give dance, travel or fashion advice’, the videos tell viewers that, while it might not be the authority on those subjects, PlaceMakers is ‘All Over H1’.

Customers will also see advertising – like the ad opposite this page – featuring the campaign in-store, online and in various trade publications.

If you haven’t already, make sure to check out the content and get up to speed on the latest H1 changes, which are applicable to consents processed from 1 May 2023.

The 24-page printed H1 Guide is available in PlaceMakers stores nationwide. ■



WE DON'T GIVE  
TRAVEL ADVICE  
BUT WE'RE  
ALL OVER H1

H1 Energy Efficiency changes can sound confusing but PlaceMakers makes it easy. We've got all the info and products you need to ensure you're H1 compliant.

Pop into any store to speak to our team or

🔍 'PlaceMakers H1'







# 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:

**Q: Have the H1 changes impacted your learning?**

2<sup>nd</sup>  
YEAR

**Name:** Troy  
**Location:** Taranaki

I haven't really been told much about the changes to clause H1. My bosses on site haven't talked about it with me directly, and we haven't gone over it during my classroom sessions either. I do know that changes are in place though.

I remember that we had one talk about what the changes mean and how they'll impact us. I know it'll change how houses are built in New Zealand, but I haven't looked any further into it if I'm honest.

For now, I'm just thinking about getting my head down and becoming a qualified builder, but I know that once I am I'll probably have to freshen up on the regulation and make sure I'm fully across that. I might even have to learn a few different skills to make sure I comply with the new standards – but that's all part of the challenge of being a builder!

3<sup>rd</sup>  
YEAR

**Name:** Candice  
**Location:** Waikato

What I know about the H1 updates, I've read from industry magazines or heard from sources like that. My bosses haven't said too much about it to be honest.

I'm doing my apprenticeship with BCITO and we don't have any classroom sessions, so what we learn is from our onsite apprenticeship. Because of that way of learning, I think sometimes important regulation changes can fall through the cracks. I know regulators are trying to get people up to speed, but I don't know how they can get the word out to all builders better.

From what I understand, when it comes to insulating buildings, it does sound like we'll have to change a few methods or techniques with what we're doing – although the industry goes through changes all the time and that's just a part of the job you need to accept and embrace.

If I'm honest, I don't think that, as apprentices, we think about regulation changes enough. It's an important part of the job but it can be really hard to keep on top without searching each law change individually. I even see experienced builders struggling with it – we've had inspectors out on site, who point out aspects of a build that need to be changed to reflect Building Code updates. Sometimes I wonder how often things I do aren't up to the latest Code.

NEWLY  
QUALIFIED

**Name:** Brodie  
**Location:** Wellington

The H1 changes haven't had much of an impact on my day-to-day job. I'm newly qualified, so I was going through my final year when the changes were proposed. It came up in a smoko chat one day, and then I went and researched it myself, but apart from that I haven't had much official comms about it from my bosses.

If anything, people who talk about it are a bit unsure of what it all means – and I think that's because the implementation date was pushed back to 1 May. I think if there could be more official seminars or toolbox lunches about it, that would help a lot more, especially if someone who knows all the answers can be there to talk us through the most important bits.

Saying that, regulation changes are normally pretty easy to find. I normally just google whatever I don't know and I can usually find it. I reckon the H1 changes will be for the best, even if it adds cost to the price of the project.

One thing that I think will change is some design. Every now and then, trusses might need a heel on them but that won't add an extra layer of complexity to jobs for us.



# APPRENTICESHIP FUNDING EXPLAINED

**While The Targeted Training and Apprenticeship Fund (TTAF) ended on 31 December 2022, learners and employers can still access several other avenues of support**

From January 1 2023, some apprentices and other learners are eligible for free fees under the Fees Free scheme.

Fees Free is targeted towards first-time learners and covers up to \$12,000 for one year's study or two years' training. It is paid directly to your education organisation.

To be eligible, trainees must be:

- A New Zealand citizen or resident (conditions apply).
- Enrolled in a school in or after 2021 or not have undertaken more than half a year of equivalent full-time tertiary education at level 3 or above in any country.

For a provider-based study, your course must be funded by the Tertiary Education Commission (conditions apply).

For work-based learning, your course must:

- Be at NZQCF level 3 or above.
- Be approved by the New Zealand Qualifications Authority (NZQA).
- Be funded by the TEC through the Non-Degree Delivery at Levels 3-7 on the New Zealand Qualifications and Credentials Framework and all Industry Training (DQ3-7) fund, and would previously have been funded through the Industry Training Fund.
- Not be part of a school learning programme or secondary-tertiary programme.



Businesses and apprentices can still take advantage of the Fees Free and Apprenticeship Boost schemes

- Comprise of at least 120 credits.

For more information, visit [feesfree.govt.nz/eligibility-criteria](https://feesfree.govt.nz/eligibility-criteria).

For 2023, an apprenticeship in carpentry through BCITO incurs a \$1,750 sign-up fee and a \$850 subsequent annual fee. That means an apprentice can get the first two years of their training for free, and only have to pay for their third or fourth year, if applicable.

## GET BOOSTED

Employers can also apply for the Apprenticeship Boost through the Ministry of Social Development (MSD).

"Employers can receive up to 24 months of support with payments of \$500 per month per apprentice, up to a maximum of \$12,000 for each apprentice who is enrolled in a BCITO Level 4 qualification that contains 120 credits or more," said a BCITO spokesperson.

Employers are able to receive the payments for a maximum of 24 months or until the scheme ends in December 2023.

Businesses will need to provide some information first, such as business trading name, Inland Revenue (IRD) number and GST number. Employers will also need

to re-confirm with MSD each month.

Apprentices will need to give their employer their IRD number, qualification name and training start date. More information can be found at [bcito.org.nz/employers/boost](https://bcito.org.nz/employers/boost).

## HELPING THE INDUSTRY

Apprentices are certainly seeing the benefits to the Apprenticeship Boost and the Fees Free campaign.

"My employer has had a big boost through the scheme," said Wairarapa apprentice Conrad Kotze. "It's expensive to train new people. Every dollar helps at this moment."

Meanwhile, Canterbury learner Ben McDrury said that Fees Free helped him get into the trades.

"I think the scheme has been the most important programme for apprentices. One of the most attractive things for me was being able to make a steady income and not have to pay for the learning.

"In addition, the boost has created an increase in spaces available to apprentices, as more businesses look to take one or more on, and the Fees Free encourages apprentices into the industry – it creates a good cycle." ■



## WHAT'S ON

## PLACEMAKERS PRODUCT PICKS

Experience the ultimate in warmth and comfort with the Mahana Bathroom Heater, now available exclusively at PlaceMakers and Mico stores nationwide. Made with a sleek and durable stainless steel finish and a black outlet grille, this 2.4kW heater not only looks great but also includes a modern blue LED power indicator and a 30-minute safety shut-off timer for added convenience. In consultation with a cultural advisor, the name 'Mahana' was derived from the Māori phrase 'whakamahana', meaning warmth and comfort, and this heater delivers just that, providing quick and efficient heat to keep your bathroom cozy all winter long. Upgrade your bathroom with the Mahana Bathroom Heater today!



EcoZero from Golden Bay is New Zealand's leading, locally made, carbon-neutral cement. EcoZero uses EcoSure – New Zealand's lowest carbon GP cement, with 699kg CO<sub>2</sub>e/tonne – and offsets the carbon via Toitū Envirocare to bring Kiwis a carbon-neutral cement.

EcoZero is a general-purpose cement with the same great performance you know from Golden Bay, but is now better for the environment. Kiwis who want to use more environmentally friendly products that meet New Zealand standards – no matter what the size of the project – can buy EcoZero now from PlaceMakers!

To further help reduce carbon in construction, Golden Bay are committed to decarbonising by 30% by 2030.



Making your job site more productive, efficient and safe, the Milwaukee Job Site Solutions (JSS) team consists of experienced, trade-focused solution specialists. The team includes plumbers, electricians and builders who all understand the demands of a modern, professional job site.

Working closely with professional tradespeople across the country, the JSS team members bring expert knowledge and cutting-edge technology with them – ensuring the selection of tools our users have on hand, their ways of working and their site's efficiency and safety are maximised.

If you're searching for a solution on your job site or you're just keen to see what Milwaukee's latest products can do for you, reach out [www.milwaukeeool.co.nz/jobsite-solutions](http://www.milwaukeeool.co.nz/jobsite-solutions)



Looking for more power and run time for your ConnectX products? ConnectX Direct Connection is your ultimate solution for ConnectX, as well as XGT and LXT tools and equipment when used with an adaptor. It accelerates the transition to battery power with a Backpack Power Supply (PDC1200A01), which packs a high-capacity 1,200Wh battery for all-day work and performance, without the hassles of petrol or cord.

It's the ultimate in versatility, offering easy compatibility with the premium line of ConnectX equipment including commercial-grade lawn mowers and trimmers, as well as 40Vmax XGT and 36V (18Vx2) LXT products – when used with an adaptor. ConnectX is commercial output on demand.





MBIE

THE OWNER-BUILDER EXEMPTION



According to section 90A to 90D of the Building Act, owner-builders do not need to use an LBP for RBW on their home

When Restricted Building Work (RBW) became law in 2012 measures were put in place to enable homeowners to build or alter their own homes following some intense lobbying to protect the DIY tradition in New Zealand

Sections 90A to 90D were inserted into the Building Act 2004 on 13 March 2012 and introduced the owner-builder concept which allowed the tradition to continue, but with conditions. A homeowner who qualifies for this exemption does not need to use a Licensed Building Practitioner (LBP) for any RBW on their home, but they still need to apply for a building consent.

To qualify for the owner-builder exemption, the owner of a building must:

- Live, or intend to live in the home (this includes a bach/crib or a holiday home).
- Carry out the RBW themselves or with the help of unpaid friends or whānau.

- Not have used the owner-builder exemption to carry out RBW to any other home in the previous three years.

THE OWNER MUST GIVE NOTICE TO THE COUNCIL

The owner is required to complete the statutory declaration form as part of the building consent application to obtain an owner-builder exemption, outlining what RBW they intend to complete under the owner-builder exemption.

The owner must give notice to the building consent authority if there is a change in the owner-builder carrying out the RBW or when the owner-builder ceases to carry out the RBW under the approved exemption.

RESTRICTED BUILDING WORK

An owner-builder will be responsible for ensuring that RBW carried out under the owner-builder exemption complies with the building consent and the plans and specifications to which the building consent relates. The building consent authority will still carry out the normal building inspections.

Any RBW that is not done by the owner-builder or their unpaid friends or whānau must be carried out by an LBP who holds the appropriate licence. The LBP must provide a Record of Work once that work is completed. The owner-builder may also hire a designer to draw their plans, and the designer will need to provide a Certificate of Work.

There is some specialised work that the owner-builder cannot carry out including plumbing, gas-fitting, drain-laying, and electrical work.

The council will record the building work and who carried it out on the property land information memorandum. Any future buyers will have access to this information showing whether it was carried out as a do-it-yourself project by the owner or done by an LBP.

HOW THE OWNER-BUILDER EXEMPTION APPLIES TO LBPS WITH TRADE OR DESIGN LICENSES

Given the requirement that any person who assists the owner must do so without payment and on the basis that they are friends or whānau, an LBP hired by the owner does not come within the owner-builder exemption.

It follows that an LBP who carries out RBW in relation to an owner-builder exemption for reward must provide a Record of Work for any RBW they carry out or supervise.

An LBP should also take care when being engaged to carry out RBW on a building consent that has been issued under an owner-builder exemption that they do not, unwittingly, breach the building consent that has been issued. In this respect, an LBP should also note the provisions of section 89 of the

Act which requires them to notify the building consent authority of a breach of the building consent.

THE LBP CODE OF ETHICS

The Code of Ethics applies to LBPs carrying out any building work whether it's RBW or not, and therefore applies when you've been engaged by an owner who is carrying out work under the owner-builder exemption.

**The Code of Ethics applies to LBPs carrying out any building work whether it's RBW or not, and therefore applies when you've been engaged by an owner who is carrying out work under the owner-builder exemption**

If you are onsite as an LBP, be mindful of the behaviours expected of an LBP, and what RBW you are allowed to carry out or supervise under your licence. If, for instance, your licence is in roofing and there is someone onsite carrying out blockwork which is RBW, make sure that you have made the owner aware that you cannot supervise that blockwork as

it is outside your licence class. However, if the owner is helping you put the roof on, then you must ensure they're doing the work correctly and you will need to show on your Record of Work that you were supervising them.

Knowing what work you're allowed to do is just one part of the Code of Ethics – the other 18 standards will also apply to at least some extent while working on the above project, just as they do while you're undertaking any building work under your licence. You can find out more about the LBP Code of Ethics on the LBP website.

THE SITE LICENCE HOLDER

The above does not apply to an LBP who is licensed in the Site licence class. The Site licence holder would not be able to work for payment on a project under the owner-builder exemption as they are not able to carry out or supervise RBW. They may only work as an unpaid friend or family member and would be under the supervision of the owner-builder.

More information on the obligations and responsibilities of owner-builders and their building project can be found at owner-builder obligations on the Building Performance website. ■

CODEWORDS QUIZ ISSUE 112



- 1 Is the owner allowed to carry out Restricted Building Work (RBW) on their house under the owner-builder exemption?

a) Yes, this is what the owner-builder exemption is all about.

b) No, they must employ an LBP to do this work.

c) Only if they're supervised by an LBP.
- 2 If you are hired as an LBP on a project being carried out under the owner-builder exemption, you must:

a) Supervise all RBW being carried out on site.

b) Supervise only the work which your licence class allows you to carry out.

c) Not supervise any RBW, as the owner is responsible for doing this.
- 3 If you are hired as an LBP in relation to an owner-builder exemption, are you required to provide a Record of Work for any RBW you carry out or supervise?

a) No, the owner is responsible for any RBW under this exemption.

b) Yes, as an LBP you must complete a Record of Work for any RBW you carry out or supervise

The Codewords article above is republished verbatim. As such, neither PlaceMakers or Under Construction magazine's publishers take responsibility for the accuracy of the article or its corresponding questions. Reading this article and answering the questions meets Skills Maintenance requirements.





MBIE

THE SITE LICENCE CLASS



Only LBP's can carry out or supervise RBW, and they can only supervise work which they are licensed to carry out themselves

There is still some confusion around the Site licence, and what the Site licence holder’s responsibilities are onsite

The Site licence class is a critical part of the Licensed Building Practitioner (LBP) scheme. Holders of a Site licence are practitioners who are recognised as possessing specific skills that relate to the oversight, coordination, organisation, and, in some cases, the management, of building projects. The Site licence is an indicator that a practitioner has the skills to manage personnel and provide technical site supervision within the scope of their licence. A practitioner with a Site licence can supervise general building work but not Restricted Building Work (RBW).

WHAT IS SUPERVISION?

If you are providing control, instruction or direction to others who are carrying out building work, or those working

in other restricted areas, you are supervising them. Being a supervisor means you are responsible for making sure that the work is done competently and correctly to the relevant building consent. Where there is no building consent required, the building work must still meet the Building Code.

An important point to remember is that even if the work an LBP is supervising is not RBW, they may still be held accountable by the Building Practitioners Board for issues they are responsible for. This includes a Site licence holder.

THE LICENSED BUILDING PRACTITIONER RULES

Schedule 1 of the LBP Rules sets out the competencies that make up

the minimum standards for each licence class, and the performance indicators that the Registrar will have regard to when determining whether a competency has been met. An applicant for an LBP licence will need to demonstrate competence in each of these competencies in the licence class they are applying for. The Rules can be found at: [www.lbp.govt.nz/assets/lbp/documents/lbp-rules-2007.pdf](http://www.lbp.govt.nz/assets/lbp/documents/lbp-rules-2007.pdf)

One way the Site licence class differs from trade licence classes is that the last competency in the Site licence class is about providing technical supervision rather than carrying out work. In trade licence classes such as bricklaying and blocklaying, carpentry, external plastering, foundations, and roofing, the last competency is instead about

carrying out the work related to that licence class.

WHO CAN SUPERVISE RBW?

Only LBP's can carry out or supervise RBW, and they can only supervise work which they are licensed to carry out themselves. Site licence holders are not licensed to carry out building work, therefore they cannot supervise RBW, or issue records of work. Check out the link for further information: [www.lbp.govt.nz/assets/lbp/documents/Practice-note-supervision.pdf](http://www.lbp.govt.nz/assets/lbp/documents/Practice-note-supervision.pdf)

As stated above, Site licence holders can supervise general building work. They may also carry out RBW like any non-licensed person if they are supervised by an LBP with the appropriate licence.

SITE AREAS OF PRACTICE

The three areas of practice (AOP) within the Site licence class can also be an area of confusion.

Site 1 AOP is the coordination and oversight of Category 1 buildings.

Site 2 AOP is the coordination and oversight of Category 1, 2 and 3 buildings.

Site 3 AOP is the management of Category 1, 2 and 3 building projects.

Apart from the differences in envelope

complexity between site 1 and 2 (explained below under Categories of buildings), the main difference between the three areas of practice is that the site 3 licence holder manages the project and the technical supervision staff on what are usually large commercial projects. The staff could include one or more AOP 2 Site licence holders who would carry out the coordination and oversight of the on-site construction.

An important point to remember is that even if the work an LBP is supervising is not RBW, they may still be held accountable by the Building Practitioners Board for issues they are responsible for

CATEGORIES OF BUILDINGS

The categories of buildings are found in the Schedule of the following Order:

- Category 1 is a sleeping single home, with a risk matrix score that does not exceed 12. (More about the risk score can be seen in Part 4 of the Order, or in E2/AS1 of the building Code, but it essentially refers to the complexity of the weathertightness envelope.)

- Category 2 buildings are defined as neither Category 1 or Category 3 buildings, therefore they are single homes where the risk score is greater than 12; or any other building (except for an ancillary building or an outbuilding) up to a height of 10m (the vertical distance between the upper surfaces of the building’s lowest and highest floors).
- Category 3 buildings are not single home, and the building height exceeds 10m.

RESTRICTED BUILDING WORK

RBW is defined as being the construction or alteration of the primary structure or the external moisture management system of a house or small-to-medium apartment building.

A small-to-medium apartment has a maximum height from the lowest point of the ground to the highest point of the roof of 10m.

This means that, as Category 3 buildings are not single home use and they’re over 10m in height (measured floor-to-floor), they do not contain RBW.

Further information regarding the above can be found on our website: [www.lbp.govt.nz](http://www.lbp.govt.nz)

CODEWORDS QUIZ ISSUE 112



- 4 Who can supervise general building work?

  - a) Only a trade licence holder.
  - b) Only a Site licence holder.
  - c) Anyone.
- 5 Can a Site licence holder supervise RBW?

  - a) Yes.
  - b) No.
  - c) Only on Category 1 or 2 buildings.
- 6 Can a Site licence holder be held accountable by the Building Practitioners Board for issues they are responsible for when supervising work that is not RBW?

  - a) Sometimes.
  - b) No.
  - c) Yes, this provides the client confidence that the LBP has been assessed as being competent in supervising building work.
- 7 Can a Site licence holder supervise RBW?

  - a) Yes.
  - b) No.
  - c) Only on Category 1 or 2 buildings.

The Codewords article above is republished verbatim. As such, neither PlaceMakers or Under Construction magazine’s publishers take responsibility for the accuracy of the article or its corresponding questions. Reading this article and answering the questions meets Skills Maintenance requirements.



CCA CHANGES – WHAT’S NEW?



The new amendment changes how retention money may be held. It will no longer be permissible to use “other liquid assets”, such as accounts receivable. As a result, it will no longer be possible to use the retention fund as working capital

Parliament has just passed legislation amending the Construction Contracts Act 2002 (CCA) – which applies to commercial construction contracts – to strengthen and clarify the retention money scheme. Legal experts Julia Flattery and Jonathan Forsey from Duncan Cotterill detail what you need to know about the changes

Businesses in the construction industry should ensure that their retention money processes comply with the updated procedures by 5 October 2023, when the new regime will come into force, and apply to commercial contracts entered into or amended after that date.

WHAT IS RETENTION MONEY?

Retention money is an amount held back from a payment made under a construction contract. It is usually a percentage of the amount payable of each instalment. It is generally held to

ensure that a contractor performs all of its obligations under the contract, and is then released either on practical completion or after the end of a defect's notification period.

WHAT ARE THE CURRENT REQUIREMENTS?

The CCA currently requires any party to a construction contract (party A) who is withholding retention money from the other party to the construction contract (party B), to hold that retention money on trust for the benefit of party B. The retention money may be

held in cash, “other liquid assets that are readily converted into cash”, or a financial instrument such as insurance or a payment bond.

WHAT IS CHANGING?

There are a number of key changes being made.

A) Funds deemed to be held on trust

As a result of some uncertainty in the original drafting, the CCA will be amended to explicitly state that a trust is

created automatically; there is no need for any explicit intention of party A to hold the money on trust.

The funds will only cease to be trust property when they are paid to party B, used to remedy defects (after notice of the intention to use the funds for that purpose has been given to party B), or party B otherwise gives up its claim to the funds.

B) Clarifying what is retention money

The CCA will also state that funds will be considered to be retention money, whether or not it has actually retained, and whether any amount has been paid to party B. This will resolve issues that have come to light where, if party A becomes insolvent, a partially paid subcontractor will be in a better position than an unpaid subcontractor.

Party A may choose whether to have individual accounts for each subcontractor’s retention money or to have one account which holds all subcontractors’ funds

C) How retention money may be held

Retention money will be required to either:

- Be held in a bank account; or
- Be the subject of a suitable financial instrument such as insurance or a payment bond.

It will no longer be permissible to use “other liquid assets”, such as accounts receivable. It will therefore no longer

be possible to use the retention fund as working capital.

As the use (and availability) of financial instruments is rare, most retentions will be held in bank accounts. There are specific requirements for those accounts, including that:

- The account must be used solely for the purpose of retention money; and
- Party A must ensure that the bank is aware that the account is a trust account for the purposes of holding retention money.

Any interest that accrues in the account will belong to party A.

Party A may choose whether to have individual accounts for each subcontractor’s retention money or to have one account which holds all subcontractors’ funds. If funds are mingled, then party A must ensure that it has accounting records in the form of separate ledgers, identifying each party B for whom money is held, and the construction contract to which it relates.

D) Regular reports on retention money

Party A will be required to give specified information to party B at the time that retention money is held (or as soon as practicable) and then at least every three months thereafter. This information must include:

- The most recent amount withheld, the relevant construction contract, and the date of the retention.
- The total amount of retention money held by party A for party B.
- If held in a bank account, the name of the bank and branch, the name of the account, the name of party B’s ledger (if the account has separate ledgers), and the total balance held for party B.

- If using a financial instrument, the name of the issuer, sufficient information to identify the instrument (such as a policy number), and the protected amount.

E) The effect of a receivership or liquidation

If party A is placed into either receivership or liquidation, the receiver or liquidator will hold the retention money on trust, and must deal with it in the same way as party A was required to do. Reasonable fees and costs may be met from the retention money account. The CCA will also confirm that receivers and liquidators will not be liable for any unlawful or improper action taken prior to their appointment. This solves the current position where receivers and liquidators are required to make an application to the court for directions.

If party A is a company, each director can also be personally liable for failure to keep retention money as required, with a fine of up to \$50,000 for each director

FAILURE TO COMPLY

For the first time, the CCA will include penalty provisions for entities who do not comply with the retention money scheme. These penalties include:

- For failure to keep retention money as required, a fine of up to \$200,000.
- For failure to keep proper accounting and other records of retention money, a fine of up to \$50,000.
- For failure to provide regular reports on retention money, a fine of up to \$50,000.



# LEGAL

## CCA CHANGES – WHAT'S NEW? CONT.

If party A is a company, each director can also be personally liable for failure to keep retention money as required, with a fine of up to \$50,000 for each director.

These penalties are cumulative for each breach, rather than a single penalty for a collection of breaches. This means that a director prosecuted for failing to properly hold retention funds for 10 different subcontractors could be liable for a fine up to \$500,000, not \$50,000.

Compliance with the Act will be monitored and enforced by the Ministry of Business, Innovation and Employment (MBIE), which will have powers to obtain information and issue warrants with offences created for obstructing investigation.

### WHAT ARE THE NEXT STEPS?

The Construction Contracts (Retention Money) Amendment Act 2023 will come into force on 5 October 2023. Businesses should start preparing for the change by establishing separate bank accounts for retention money, and ensuring there are proper records of who that money is held on behalf of. ■



The Construction Contracts Act – which applies to commercial construction contracts – is being strengthened and clarified to better protect subcontractors

*If you have any questions about this Bill, or about the retention money scheme generally, please contact a member of our Construction & Projects team ([duncancotterill.com](mailto:duncancotterill.com)).*

*Duncan Cotterill is a full-service law firm with offices in Auckland, Wellington, Nelson, Queenstown and Christchurch.*

*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!

- |  |   |  |
|--|---|--|
| <p>1) How must retention money be held after October 2023?</p> <p>a) In a bank account.</p> <p>b) Subject of a suitable financial instrument, such as insurance or a payment bond.</p> <p>c) Both.</p> | <p>2) What penalty provisions can be handed to entities that do not comply with the retention money scheme?</p> <p>a) Too bad, the CCA didn't account for that.</p> <p>b) The receiver or liquidator will hold the retention money on trust and must deal with it in the same way the contractor was required to.</p> <p>c) That creditor will be paid first.</p> | <p>3) What specific requirements are there of the methods used to hold retention money?</p> <p>a) The account must be used solely for the purpose of retention money.</p> <p>b) Party A (head contractor) must ensure that the bank is aware that the account is a trust account for the purposes of holding retention money.</p> <p>c) There are none – as long as the retention money is set aside somewhere.</p> <p>d) A and B.</p> |
|--|---|--|

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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\*To find out more about our 5-year guarantee against mould and mildew, please visit our website by scanning the QR code.





NAVIGATING PREMIUM INCREASES



One way you can reduce the risk of tool theft is to keep a register of your tools or engrave them with your contact details

**Weather events, inflation and supply constraints (among others) have increased the cost of reinsurance across New Zealand. If your premiums look likely to go up, these tips from BuiltIn’s in-house expert Ben Rickard could save you money**

The year 2023 has already seen the largest volume of weather-related insurance claims in New Zealand’s history, with claim losses exceeding 2022 – which itself was a record year. The increasing number and severity of weather events is one reason that insurance costs are rising. Other factors include inflation and supply chain constraints. Reinstatement work is taking longer and costing more. These factors are contributing to significant increases in the cost of reinsurance for New Zealand insurers, which will have to be passed on to customers.

An increase in the Earthquake Commission levy, taking the minimum on a residential house from \$300 to \$480 per year, is also continuing to flow through to customers’ overall policy costs.

While car windscreen cover remains free (no excess) from almost all insurers, the increasing sophistication of embedded sensors and other technology make replacing them more and more expensive. Longer lead times and greater costs for parts coming to New Zealand are also affecting repair costs. The market value of vehicles is also increasing

as prices in the second-hand car market get a boost following the recent floods.

The theft of trade tools has been a constant driver of losses on the tools insurance portfolio and there is no sign of this decreasing over the next few years.

ARE YOU UNDER INSURED?

As inflation increases, replacement costs rise and sum insured values need to increase accordingly to ensure that your assets are adequately insured. It may be worth re-evaluating these more frequently than just once

a year at renewal time. It is not advisable to underinsure your assets to reduce premium costs, as this could backfire big time in the event of a large or total loss.

NEGOTIATING RATE INCREASES

Our job is to get our clients the best possible cover for the best possible price. Where increases are required, we will work to keep these to a minimum and seek additional coverage benefits to offset them, as we prefer not to water down policy coverage in return for lower rates. As a member of the Steadfast Group, we benefit from the negotiating power of Australasia’s largest network of insurance brokers, with 53 brokers nationwide and over \$11.5bn of annual premium spend to negotiate with.

AFFORDABILITY

If you are experiencing cashflow issues, or want to manage your cashflow prudently in 2023, you may want to consider paying your insurance in monthly instalments rather than all at once. While this incurs an additional cost in the form of interest charged by the premium funding provider, it spreads the cost and can take the squeeze out of the renewal month. We are seeing a significant rise in this option being taken by customers.

We can also look to move policy renewal dates around, to spread them throughout the year rather than all being lumped into one period.

VEHICLES

Expected increase:

It would not be unexpected to see rises of 10-20% on vehicle insurance premiums in 2023, across both private and commercial vehicles. This is in addition to any rise from increasing sums insured.

Loss reduction:

- Consider installing security features such as an alarm or immobiliser. A steering wheel lock will deter potential thieves.

- Ensure vehicles are locked at all times and garaged overnight where possible.
- Install a GPS/GSM tracker, such as [www.black-int.com](http://www.black-int.com).
- Install towball locks and/or wheel clamps on trailers.
- Avoid distracted driving: don’t use your phone or other devices while driving.
- Keep a safe distance from the vehicle in front of you, especially in bad weather.
- Avoid aggressive driving: don’t tailgate, cut off other drivers or go too fast.
- Always be aware of your surroundings, use your mirrors.

**If you are experiencing cashflow issues, or want to manage your cashflow prudently in 2023, you may want to consider paying your insurance in monthly instalments rather than all at once**

Premium reduction:

- Request a named drivers-only discount.
- Downgrade to third party or third party, fire & theft cover.

LIABILITY

Expected increase:

There is likely to be a relatively modest, inflation-adjusted increase in liability premiums. However, insurers are also becoming more targeted in how they rate the risk from different occupations. This means that some trades may

experience a larger increase than others, as the claim losses coming from their profession are higher than other trades.

Loss reduction:

Visit our resource library/blog for claim examples and tips for how to reduce claims across various trades: [builtininsurance.co.nz/articles](http://builtininsurance.co.nz/articles).

Premium reduction:

- Reduce cover amounts (with caution).
- Make sure the estimated turnover (and number of staff) your premium is based upon is as accurate as possible.
- Look for deals available from trade associations or merchant loyalty programmes (eg, Placemakers Plus).

TOOLS AND EQUIPMENT

Expected increase:

An increase is likely, due to both inflation and the continued frequency and cost of claims. This could be in the region of 10-15%.

Loss reduction:

- Do not leave tools in vehicles overnight when they are parked in the open (eg, roadside or driveway).
- Lock your vehicle at all times.
- Install heavy security storage boxes, such as: [www.armorgard.co.nz/cat/equipment-and-tool-storage](http://www.armorgard.co.nz/cat/equipment-and-tool-storage).
- Install GPS/GSM tracking chips, such as: [www.black-int.com](http://www.black-int.com).
- Mark all your tools with a clearly identifiable brand/colour.
- Engrave your tools with your contact details (eg, mobile number).
- Keep a register of all your tools, including serial numbers, in case of recovery by the Police.



NAVIGATING PREMIUM INCREASES CONT.

Premium reduction:

- Install Armorgard lock boxes for a lower excess in the event of a claim (Builtin only).
- Look for deals available from trade associations or merchant loyalty programmes (eg, PlaceMakers Plus).

CONTRACT WORKS, PROPERTY AND BUILDINGS

Expected increase:

One insurer has flagged an average increase on house insurance of 32% and on contents cover of 26%. However, there will be a wide range of individual variations due to localised risk factors such as flood, earthquake, landslip and coastal inundation.

We expect to see a higher-than-inflation increase in contract works insurance premiums, perhaps in the region of 10-15%. This is due to the general market conditions outlined above, including construction cost inflation and reinsurance costs.

Loss reduction:

- Minimise delays during construction by scheduling the job in detail and ensure your subbies keep to their booked times. The longer the job takes the greater the risk of a claim.

**Make sure the estimated turnover (and number of staff) your premium is based upon is as accurate as possible**

**Look for deals from trade associations or merchant loyalty programmes (eg, PlaceMakers Plus)**

- Don't leave valuable items on site longer than necessary.
- Install a security alarm.
- Identify and eliminate hazards associated with electrical fires, such as from lithium batteries, cables,

- switchboards, control panels, lighting appliances and equipment. Have a maintenance programme and safety checklists, smoke alarms and fire extinguishers readily available.
- Ask neighbours and tradespeople working at nearby sites to keep an eye out for suspicious behaviour and to record vehicle details.
- Weatherproof the site and exposed materials.

Premium reduction:

Be as accurate as possible with your build timeframes – the longer the project takes, the more the insurance costs. Extensions to the policy cost money too and it is usually much more cost effective to add on an extra month or two when you first take it out rather than paying for extensions later on.

*The information presented in this article is general in nature and not intended to be advice for individual situations. You should speak to an expert about your specific circumstances and needs.*

Builtin is New Zealand's trade insurance expert. For more information and an instant quote visit [builtininsurance.co.nz](http://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!

- |   |   |  |
|---|---|--|
| <b>4)</b> What's a good way to reduce your vehicle insurance premium? | <b>5)</b> What's a good loss reduction strategy for your tools and equipment? | <b>6)</b> What's a good way to reduce your liability insurance premium?  |
| a) Request a name-driver's only discount.                             | a) Install tracking chips.  | a) Increase your cover amounts.  |
| b) Drive slowly and carefully.  | b) Engrave your tools with a contact number.                                  | b) Make sure the estimated turnover (and number of staff) your premium is based upon is as accurate as possible. |
| c) Upgrade to comprehensive insurance.                                | c) Keep a register of your tools.   | c) Cancel your liability insurance.  |
|   | d) All of the above.  |  |

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HANDS ON FOR H1



The changes regarding H1 compliance can be tricky to understand – which is why BRANZ has answered a few common questions in this article

With decades of research into thermal insulation, structural strength, internal moisture and related topics, BRANZ is well placed to give practical advice about some recent questions we've heard around H1 compliance

There is nothing revolutionary in the building materials and techniques required to comply with the new Acceptable Solutions and Verification Methods for Building Code clause H1 Energy efficiency. Houses have been designed, consented and constructed this way in Aotearoa New Zealand for years. What is different is that the materials and techniques are being brought fully into mainstream construction.

KEY PRINCIPLES TO FOLLOW

This means that more than a few people will be doing things they haven't done before. For any given project, following a few key principles will help:

- Choose the most appropriate compliance option for that project. Where using the schedule method seems fraught with difficulty, the calculation or modelling methods offer greater flexibility.
- Choose the right roof and wall framing options.

- Choose the right building materials or elements.
- Know where to find key information such as construction R-values.
- Know what's not in the new H1 documents that you need to be aware of.

CHOOSE THE RIGHT COMPLIANCE PATHWAY

The schedule method in H1/AS1 has been very widely used in the past, but under the new requirements, the calculation or modelling methods may be a more practical way to meet the needs of a particular project. In some cases, you may be able to choose between several compliance pathways.

With roofs, for example, using the schedule method of compliance, all roofs require a construction R-value of R6.6. If this is a challenge, say for a particular skillion roof, the calculation or modelling method could be used. These allow – with some limits – a lower

R-value in the roof if the R-values of other building elements are increased to compensate.

Mixed use buildings over 300m<sup>2</sup> that include housing and non-housing classified uses such as those with commercial spaces on the ground floor and residential above – multiple classified uses – may be consented using multiple pathways. The commercial space on the ground floor may be designed according to H1/AS2 or H1/VM2, and residential floors above may be designed according to H1/AS1 or H1/VM1.

Another interesting mixed-use situation is buildings that include industrial and non-industrial uses such as commercial. Here, only the non-industrial part of the building needs to meet the H1 Energy efficiency requirements. However, the total size of the building – the area of occupied space including the industrial part – determines whether to use H1/AS1 (VM1) or H1/AS2 (VM2). For example, for a large industrial



HANDS ON FOR H1 CONT.



warehouse with a small office, the small office would not be able to use *H1/AS1* or *H1/VM1* as the total area of occupied space of the entire building is over 300m<sup>2</sup>.

CHOOSE THE RIGHT FRAMING OPTIONS

90 x 45mm timber wall framing has been very widely used in New Zealand for a long time, and the new H1 allows this to continue as long as the framing ratio is less than 25%. But moving to 140mm wall framing allows space for a conventional insulation product of R4.0 rather than the R2.8, which is the maximum in 90mm walls. (With an R4.0 insulation product and 25% framing ratio, the construction R-value of the wall is R2.89.)

Using timber battens to frame a cavity for a secondary insulation layer to the internal face of the main wall framing is becoming more common. The 45 x 45mm – or similar – timber battens are spaced to suit the installation of insulation and mounting the interior lining. It is crucial to ensure that the interior wall lining is airtight to reduce the risk of moisture transfer. Wall bracing will need to be considered with this option. A secondary insulation layer can almost double wall construction R-value in some circumstances. (The BRANZ *House insulation guide* 6th edition has examples.)

A secondary layer of insulation is also a possibility with roofs.

Another way to achieve high insulation performance in a roof is using a raised heel (see Figure 1). This is a timber post incorporated at the outer edge of the roof truss between the top and bottom chords, increasing the heel height of the truss and therefore allowing a greater thickness of insulation to be installed. (For more choices, see H1 and sloping truss roof options in Build 191, pages 40–42.)

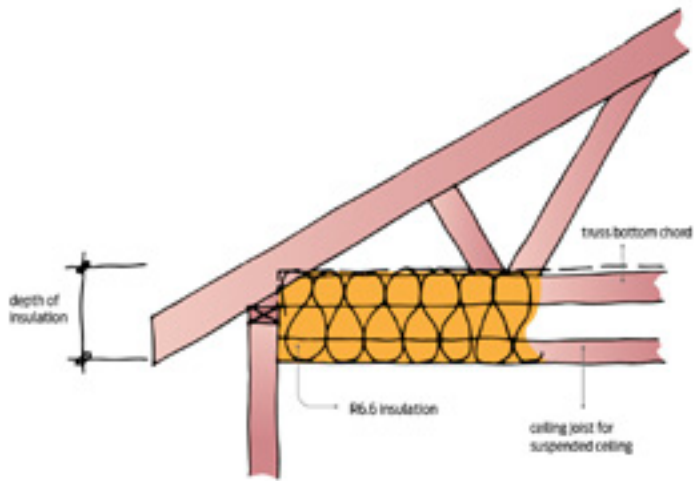


Figure 1

CHOOSE THE RIGHT BUILDING MATERIALS AND ELEMENTS

Industry suppliers have come up with a host of higher-performing materials and building elements to help with the new H1 compliance. Where the products that were used before no longer achieve the construction R-values required, new materials/elements will need to be specified.

These are some examples:

- There are high-performance thermal insulation products available such as rigid foams that have higher R-values for a given thickness. Although insulated glazing units (IGUs) have been used in mainstream residential construction for many years, they have very often had no thermal break in the frame, no thermally improved spacer, and just dry air in the space between the panes. Today, thermal breaks, thermally improved spacers, low-E coatings and argon gas can make considerable improvements in their performance.
- New products such as structural insulated panels (SIPs) may be a good option for some projects – they are already being used in residential construction here.

FIND THE RIGHT INFORMATION

For roofs and walls, construction R-values can be calculated using NZS 4214:2006 *Methods of determining the total thermal resistance of parts of buildings* or looked up in the BRANZ *House insulation guide*.

For windows and glazed doors, you can use Appendix E in *H1/AS1* (Table E.1.1.1 in *H1/AS1* can only be used for housing), calculate their R-values using *H1/VM1*, or use proprietary software programs such as WINDOW or flixo. For skylights, Appendix E in *H1/AS1* and *H1/VM1* gives guidance (but not tables) for calculating construction R-values. The table for vertical windows cannot be used for skylights.

For slab floors, you can use the tables in Appendix F in *H1/AS1* or calculate using Appendix F in *H1/VM1*. The BRANZ *House insulation guide* includes the same slab floors plus some additional ones. For example, it includes slab floors that have topper insulation on top of the slab. These additional scenarios are helpful for those that struggle to find a slab that achieves the required R-value within the *H1/AS1* look-up tables.

For other floor types, including suspended floors, you can use the

BRANZ *House insulation guide* or calculate using NZS 4214:2006.

**The schedule method in *H1/AS1* has been very widely used in the past, but under the new requirements, the calculation or modelling methods may be a more practical way to meet the needs of a particular project**

WHAT'S NOT IN THE NEW H1 DOCUMENTS

The new Acceptable Solutions and Verification Methods take a big step in the right direction in keeping our buildings warm, but they haven't fully considered the risk of buildings overheating. (The need to consider overheating and tips for how to do this are briefly referred to in *H1/AS1* section 2.3 – future Building Code changes are likely to address this in much more detail.) Overheating is a risk that BRANZ scientists are very aware of – in fact, several BRANZ research projects have found this is already a serious problem. Designers need to think carefully about reducing the risk of overheating and the increased energy costs and occupant discomfort this brings. Avoiding overheating

requires careful attention to:

- Shade devices – particularly considering the northern and western side of houses.
- Ventilation – ideally cross-ventilation, but other types such as stack ventilation are also useful. Glazing – the size and location of windows and glazing specification, including the solar heat gain coefficient (see *Solar heat gain coefficient for windows* in Build 189, pages 36–37).

Another big concern of BRANZ scientists is internal moisture, especially the risks of moisture passing from the living areas in a house through to the wall assembly or roof space. Condensation in these areas can lead to mould, rot and corrosion, which can be bad for occupant health and material durability. BRANZ scientists have encountered this in several relatively new homes. The risk increases as our buildings become better insulated. It is crucial, therefore, for design and construction to be carried out in a way that stops moisture from living spaces – airtightness is a key parameter. *H1/AS1* section 2.2 (comment 2) touches on this.

THE GAINS ARE WORTH IT

There is no doubt that the changes

being introduced will be a challenge for practitioners who have in the past aimed for Building Code compliance on their project, without going much further. For example, the roof construction R-values are twice or more the previous requirements. The benefits in the changes are substantial too. MBIE modelling indicates that the new insulation requirements will reduce the heating energy requirements in new homes by 30–50% depending on the housing type and climate zone. That's an achievement the industry can be proud to be part of.

Other BRANZ resources to help with H1 compliance include:

- A suite of bulletins, including bulletins focused specifically on H1 and roofs, floors, windows and the calculation method.
- Schedule and calculation method tools.
- Previous webinars on the calculation method and windows, doors and skylights under H1. The online H1 Hub at [www.branz.co.nz/energy-efficiency/h1-hub](http://www.branz.co.nz/energy-efficiency/h1-hub).

Find these resources by visiting [www.branz.co.nz](http://www.branz.co.nz) and typing H1 in the search box. ■

Article by David Hindley, Freelance Technical Writer. This article was first published in Issue 195 of BRANZ Build Magazine. [www.buildmagazine.org.nz](http://www.buildmagazine.org.nz). 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!

- |  |  |  |
|--|--|--|
| <p>7) Using the schedule method of compliance, what R value do roofs require?</p> <p>a) 6.6.</p> <p>b) 5.6.</p> <p>c) 4.6.</p> | <p>8) 90x45mm timber wall framing can be used as long as the framing ratio is less than...</p> <p>a) 30%</p> <p>b) 25%</p> <p>c) 20%</p> | <p>9) What is BRANZ concerned about with the latest H1 changes?</p> <p>a) The risks of moisture passing from the living areas in a house through to the wall assembly or roof space.</p> <p>b) The risks of moisture passing from the living areas in a house through to the wall assembly or floor space.</p> <p>c) The risks of external moisture entering the living areas.</p> |
|--|--|--|

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BUILDING LEVY FEES COULD DROP



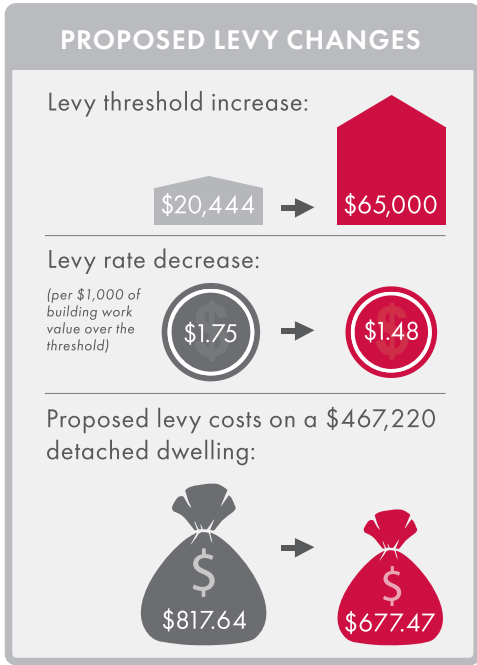
MBIE says the proposed changes to the building levy will eliminate building levy costs for 36% of consents

Consultation has now closed for three proposed changes to the building levy that could reduce fees for builders. Interested parties had until May 29 to have their say. For those who missed out, here’s an in-depth look into what changes were discussed

The Ministry of Building, Innovation and Employment (MBIE) has closed feedback to the changes which increase the building levy threshold and reduce the levy rate. The building levy is a charge calculated on the cost of building work and is paid by building owners or developers on successful building consent applications for projects worth more than the threshold (currently \$20,444, including GST).

The three proposed changes will increase the levy threshold, reduce

the levy rate and increase investment in MBIE’s building regulatory function. MBIE’s proposal would increase the levy threshold from \$20,444 to \$65,000 and reduce the levy rate to \$1.48 from \$1.75 per \$1,000 of building work value over the threshold. MBIE says that if the proposed changes become law, on a \$467,220 detached dwelling, the levy costs would reduce from around \$817.64 to \$677.47. For a \$20m commercial build, the levy costs would reduce from \$35,000 to \$29,000.



Any revenue the building levy collects is used to fund MBIE functions and activities, as stipulated in the Building Act 2004.

**MBIE’s proposal would increase the levy threshold from \$20,444 to \$65,000 and reduce the levy rate to \$1.48 from \$1.75 per \$1,000 of building work value over the threshold**

Shore Build director Ash Hare believes that the building levy pays its way, thanks to the work it does in the background.

“I think the building levy is appropriate. If you look at the work councils and organisations like BRANZ do to provide us with a framework to work within, plus research on methods and products, then I believe the levy is a worthwhile price to pay. They’ve got to be funded somehow!”

FIVE AREAS TO ADDRESS

As well as increasing the levy threshold and reducing the levy rate, the proposed changes want to address five issues with the current levy.

1. The current levy has generated a significant surplus, which is undesirable in terms of good practice.
2. The current levy threshold does not reflect current building costs, as it hasn’t been adjusted for 30 years.
3. MBIE’s digital and other engagement channels do not fully meet the needs of its stakeholders.
4. MBIE is facing increasing costs in delivering better compliance pathways to the building sector.
5. MBIE is facing increasing costs in delivering building for climate change regulation.

The consultation is a result of the 2021 Building Levy Baseline Review, in which MBIE sought to assess the performance of MBIE’s building system regulator function and to measure the current cost base of the system and likely future funding needs.

The review also recommended opportunities for continuous improvement, in response to which MBIE developed an uplift programme which identified:

- MBIE’s digital and other engagement channels do not fully meet the needs of its stakeholders.

“To strengthen the quality and volume of the information, education, and guidance provided, MBIE is now looking to progress a programme of work to lift its digital capability and better support its information, education, and operational policy functions to deliver through improved digital channels,” stated the Building Levy Review.

- MBIE is facing increasing costs in delivering better compliance pathways to the building sector.

“MBIE’s regulatory reform programme is identifying a range of improvements that can be made to enhance the performance of the sector, including improving guidance to support greater compliance, and improving the safety and resilience of our built environment to the benefit of New Zealanders,” the review stated.

- MBIE is facing increasing costs in delivering regulations around building for climate change.

ACCOUNT SURPLUS

However, the good news for tradies is that the building levy memorandum account has a \$71.6m surplus. In part, this is due to the levy threshold not being changed to reflect inflation for 30 years – aside from a small increase from \$20,000 to \$20,444 to reflect the GST change from 12.5% to 15%.

In an attempt to eliminate the surplus, it is proposed that the levy threshold increase and the levy rate reduce. An increase in the levy threshold will eliminate building levy costs for 36% of consents, said MBIE.

To further reduce the surplus, MBIE “is keen to improve effectiveness through the delivery of fit-for-purpose services and support to the building sector to improve efficiency and lower costs for the sector and consumers”.

PROPOSED CHANGES

MBIE sets out its arguments for each proposed change in the Building Levy Review and details how it considered setting the levy threshold at \$40,000. However, it argues: “while adjusting the threshold to \$40,000 is a feasible option, MBIE does not consider this option achieves the policy intent of reflecting inflation over the period since the threshold was first set”.

It also states that the levy rate and threshold will be reviewed every three years.


**MBIE says that if the proposed changes become law, on a \$467,220 detached dwelling, the levy costs would reduce from around \$817.64 to \$677.47**

It will increase investment in MBIE services, at an estimated cost of \$6.3m per annum, from the surplus that currently exists.

Under the proposed scenario of increasing the threshold to \$65,000 and reducing the levy to \$1.48, the surplus would “trend towards zero” over three-and-a-half years.



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AEWV – WHAT YOU NEED TO KNOW



Employers who want to employ migrant works through the AEWV must prove that no New Zealand citizen or resident can take the job

The opening of New Zealand’s international border in July 2022 ushered in a new immigration pathway for skilled migrants called the Accredited Employer Work Visa (AEWV)

The AEWV replaced almost all other work visa categories and changed the way employers interact with Immigration New Zealand (INZ). Construction employers interested in bringing in overseas workers can use the EAWV pathway, although certain conditions must be met.

Firstly, the business must be accredited. There are four levels of accreditation that can be applied for:

- Standard accreditation, which allows a business to employ up to five migrants (\$740).

- High volume accreditation, which allows a business to employ six or more migrants (\$1,220).
- Franchisee accreditation, with no limit on migrant employment numbers (\$1,980).
- Controlling third party accreditation, with no limit on migrant employment numbers (\$3,870). Note, this accreditation is for businesses which place migrants with third parties, such as labour hire organisations.

To become accredited, employers must

show they are genuinely undertaking business, provide evidence that they are financially viable and undertake ‘settlement support activities’.

INZ recommends that you supply the following information to new migrant employees:

- Accommodation options.
- Transport options.
- Cost of living.
- Accessing health care services.

- Citizens Advice Bureau services.
- Relevant community groups.
- Obtaining an IRD number from Inland Revenue.
- Industry training and qualification information and options.
- Specific job or industry hazards.

Detailed information on each of these is available on [immigration.govt.nz](https://immigration.govt.nz).

Finally, migrant and key employer staff must complete online learning modules with Employment New Zealand.

JOB CHECK

Once accredited, employers have to undertake a job check, which can be done for any role that pays over \$29.66p/h. This means that employers have to advertise the job for at least two weeks on a national platform (Seek, TradeMe) to ensure no Kiwi citizens or residents are available for the job.

Once accredited, employers have to undertake a job check, which can be done for any role that pays over \$29.66p/h

However, if the vacancy the employer is trying to fill is on the ‘Green List’, they do not need to advertise for it, providing the candidate meets the qualification, experience or pay requirements. At the time of writing, construction project manager and site foreman roles are currently on the Green List.

The job check is also not required if the employee is to be paid more than twice the median wage (\$59.32 p/h).

MIGRANT CHECK

Once the job check has been completed, the migrant will be able to submit an AEWV. The candidate is then checked to ensure:

- They are of good character.
- They meet an acceptable standard of health.
- They meet the minimum qualification, experience and/or income requirement listed in the job check application.

The worker needs to pass all three checks. Once they do, they can take up the job offer.

VISA INFORMATION

Most AEWVs will be issued for three years; however, the Green List visa for Construction Project Manager and Project Manager (including Building Project Manager and Site Foreman) are eligible for a straight to residence visa.

Business accreditation lasts for 12 months, which can be renewed for an additional 24 months. In total, the accreditation can last for 36 months.

If an employer already employs migrants on existing work visas, accreditation is not required for them to continue with their employment. However, it will be required if the employer plans to apply for new work visas for your workers.

For example, if the employer has a worker on an Essential Skills Work Visa, once the current visa expires, the employer will need to gain accreditation and move them to an AEWV.

OTHER VISA OPTIONS

For businesses who don’t want to pursue an AEWV, they can still employ some overseas workers, including the partners of AEWV

holders who are on open work visas, the partners of New Zealand citizens or residents who hold open work visas, Working Holiday work visa holders and Post Study Work visa holders.

If an AEWV isn’t right for your business, then you can still employ some overseas workers [such as] Working Holiday work visa holders and Post Study Work visa holders

“While most employers who urgently required overseas workers have already engaged in the process, new applicants will need to ensure they file their applications in good time,” said Martelli McKegg associate Mathew Martin. “INZ is still working through a significant backlog of work, which means delays in processing times are inevitable. We recommend employers, who are looking to engage overseas workers, apply for the Employer Check as soon as possible.

“There are also many potential hazards when it comes to the application process, which has tripped up even well-resourced employers. These hazards can delay the processing of applications and can lead to declined applications. There are only very limited rights of appeal or review of declined decisions, so it is critical to get things right the first time around.” ■



## ASBESTOS FLOORING DANGER

WORKSAFE



While asbestos removalists are a part of the ecosystem, Worksafe wants everyone on site to be able to identify and manage asbestos

### WorkSafe is reminding businesses and their customers of the very real risks that can exist when refurbishing, following a case of poorly handled flooring containing asbestos

**A**sbestos is a naturally occurring mineral containing strong fibres invisible to the eye. When asbestos is disturbed or removed, the fibres can become airborne and be inhaled, which can pose a significant health risk.

Inspired Enterprises Limited, trading as Harrisons Carpet and Flooring Christchurch West, was hired to replace the flooring in a house in the suburb of Broomfield in June 2021.

A subcontractor, Lawrence Gannaway (trading as Simply Floors) uncovered old vinyl and disturbed its backing

during removal, then disposed of it in an unsafe way. Testing of the broken vinyl later returned a positive result for chrysotile asbestos.

Both Inspired Enterprises and its subcontractor Mr Gannaway have now been sentenced in the Christchurch District Court for health and safety failures. A WorkSafe investigation found neither identified at the outset that asbestos was likely to be disturbed. An asbestos management plan should have been in place but was not, and the customer's quote made no mention of asbestos.

"This unfortunate incident shows how even well-known operators like a Harrisons franchisee can be caught out on the basics of asbestos safety," says WorkSafe's General Inspectorate head Simon Humphries.

Buildings constructed or renovated before 2000 are likely to contain asbestos materials.

"It's not OK to assume there is no risk and you are in the clear. Businesses have a duty to identify and manage risks associated with asbestos, and management plans are required for workplaces where asbestos or asbestos-

containing material has been identified or is likely to be present. WorkSafe has comprehensive information on its website to help businesses and people understand the risks of asbestos and how to manage them," said Humphries.



**Businesses have a duty to identify and manage risks associated with asbestos, and management plans are required for workplaces where asbestos or asbestos-containing material has been identified or is likely to be present**

- WorkSafe General Inspectorate Head Simon Humphries

#### BACKGROUND

Inspired Enterprises Limited (trading as Harrisons Carpet and Flooring Christchurch West) was sentenced at the Christchurch District Court on 16 February 2023.

A fine of \$52,500 was imposed.

IEL was charged under sections 36(2), 49(1) and 49(2)(c) of the Health and Safety at Work Act 2015.

Being a PCBU having a duty to ensure, so far as reasonably practicable, the health and safety of other persons is not put at risk from work carried out as part of refurbishment works in the kitchen/dining area at [withheld address] Broomfield, Christchurch did fail to comply with that duty.

The maximum penalty is a fine not exceeding \$500,000.

Lawrence Gregory Gannaway (trading as Simply Floors) was sentenced at the Christchurch District Court on 16 February 2023.

A fine of \$1100 was imposed.

Simply Floors was charged under Regulation 26 of the Health and Safety at Work (Asbestos) Regulations 2016.

Being a PCBU who was carrying out refurbishment of a home on or about 21 June 2021 failed to ensure that all asbestos that was likely to be disturbed by the refurbishment is identified; and so far as is reasonably practicable, that the asbestos was removed before the refurbishment was commenced.

The maximum penalty is a fine not exceeding \$10,000.

#### MORE MUST BE DONE TO MANAGE ASBESTOS RISKS

Three organisations dedicated to reducing and eliminating asbestos exposure are calling on businesses and tradies to do better and keep themselves, their workers and others safe following Asbestos Awareness Week (1-7 April).

WorkSafe, the New Zealand Demolition & Asbestos Association (NZDAA) and the Faculty of Asbestos Management of Australia and New Zealand (FAMANZ) have come together to encourage better asbestos management.

"It's our number one work-related killer, with around 220 people dying each year from preventable asbestos-related disease," said WorkSafe Chief Executive Phil Parkes.

"What we're seeing today is the legacy of past exposure to asbestos, often while at work. But action must continue to prevent future illness and death through proper asbestos handling and management."

When kaimahi (workers) are required to work on asbestos-containing material they must be trained to do the work safely. This means understanding the risks involved and controls used to suppress or contain any asbestos-containing dust that is generated and how to dispose of

asbestos waste safely so that others are not exposed to the dust.

"The dangers of asbestos exposure have been widely known for decades, and it's important that businesses and tradies manage the risk appropriately. All kaimahi have the right to be kept healthy and safe at work," said Parkes.

"Lung diseases caused by asbestos, such as lung cancer, mesothelioma and asbestosis, have taken a dreadful toll robbing many of their health and time with their whānau. Businesses must manage the risks from asbestos to keep people healthy and safe."

#### CONTRACTORS REMAIN AT RISK

NZDAA President Helina Stil says the amount of work being carried out in the construction industry, combined with aging residential and commercial buildings, means it's not a 'yesterday problem' – asbestos exposure continues to be a risk.

"The proliferation of asbestos-containing materials in houses, buildings and machinery until the 1990's, combined with the fact these are progressively deteriorating and are approaching or have exceeded their design life, means there remains the potential for accidental exposure by workers, DIYers and others," said Stil.



**When kaimahi (workers) are required to work on asbestos-containing material they must be trained to do the work safely. This means understanding the risks involved and controls used to suppress or contain any asbestos-containing dust**

"Asbestos removalists are one part of the ecosystem, but it also begins with kaimahi on any site knowing how to identify and manage asbestos. This includes



WORKSAFE

ASBESTOS FLOORING DANGER CONT.



homeowners, landlords and property managers as well. Asbestos should be identified and appropriately addressed in similar fashion as a business would any other health and safety risk.”

FAMANZ is calling on businesses who need to remove asbestos to make sure they’re using quality professionals who belong to an industry body.

“Unsafe levels of asbestos exposure are happening every day because of poor work practices, insufficient identification of hazards prior to works, and a blatant disrespect for health and safety,” said FAMANZ Director Bridgette Jennings.

“Cost is cited as being more important than quality in the eyes of businesses

when choosing qualified people to survey, remove, and assess asbestos. This attitude of price over competence needs to change. Quality must come first to ensure all reasonably practical steps are taken to protect people now and prevent more deaths in the future.” ■

PROVE YOUR KNOWLEDGE

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

- 10) What is the maximum penalty for failing to ensure all asbestos is identified and removed?

  - a) A fine not exceeding \$10,000.
  - b) A six-month prison sentence.
  - c) A fine not exceeding \$5,000.
- 11) Who needs to be trained to work safely with asbestos?

  - a) Site foremen.
  - b) All workers who are required to work on asbestos.
  - c) Qualified builders.
- 12) When does asbestos pose a significant health risk?

  - a) When disturbed or removed and the fibres become airborne.
  - b) When touched in situ.
  - c) At all times.

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.

PRODUCT NEWS

PAINTING PRE-PRIMED WEATHERBOARDS

Are you installing new pre-primed timber weatherboards at a client’s house? Make sure to read this handy guide, prepared by Master Painters New Zealand

PlaceMakers is a major supplier of Garrison pre-primed timber weatherboards to the New Zealand building market. These weatherboards have an advanced primer undercoat paint system applied to them before leaving the factory.

Claymark NZ has published guidelines for topcoat painting of these weatherboards, which can be found at [www.claymark.co.nz](http://www.claymark.co.nz). A synopsis of these guidelines can be found below.

However, before any painting of weatherboard takes place, check to see what the weatherboard supplier’s painting requirements are for the weatherboard to be painted.

CLAYMARK NZ GUIDELINES

- It is imperative that the weatherboards are checked with a moisture meter to ensure the moisture content is below 15%. (This is likely to be extremely difficult during the cooler months and in some locations around NZ. It is also at the very bottom of the range as prescribed in AS/NZS2311:2017, which is 14-18%).
- Do not use sealants or glues between

the boards, particularly in the horizontal laps, as this may inhibit natural seasonal board movement.

- If weatherboards have been exposed to weather for any length of time without two quality coats of topcoat and/or the primer adhesion looks unsound, it is recommended to re-prime in accordance with AS/NZS 2311:2017.

- Remove all dirt, chalk or other contaminants before painting. All nail holes should be filled with exterior grade wood filler, then spot primed with two coats of premium topcoat exterior paint.
- Apply two full coats of 100% acrylic premium quality exterior paint with tannin-blocking properties as per paint manufacturer’s label instruction. You must use a paint with an LRV (light reflectance value) of greater than 45%. A matt finish or low sheen is recommended rather than gloss finish.
- The combined dry film thickness of the two topcoats should exceed 50 microns. A third topcoat of paint may need to be applied to ensure



the minimum dry film thickness has been achieved across the entire weatherboard surface.

- Topcoats can be applied using a brush, roller or spray units. Spray may be either conventional or airless sprays. Ensure full coverage to specified film thickness is achieved. Ensure that the final coating is evenly applied on all surfaces of the boards.

Always remember that all preparation and painting works should be in accordance with AS/NZS 2311:2017 Guide to the Painting of Buildings. ■

PROVE YOUR KNOWLEDGE

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

- 13) Preparation and painting works should be in accordance with?

  - a) AS/NZS 2311:2017.
  - b) AS/NZS 2311:2018.
  - c) AS/NZS 2412:2017.
- 14) What is the acceptable range of moisture content for weatherboards?

  - a) 10-15%.
  - b) 15-20%.
  - c) 14-18%.
- 15) Why should you not use sealants or glues between boards?

  - a) It may exaggerate natural seasonal board movement.
  - b) It may inhibit natural seasonal board movement.
  - c) It weakens the structure of the boards.

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# THE SUCCESSFUL BUILDER

## DON'T BE A POSSUM



Instead of feeling overwhelmed, take action before it's too late – or your business might not survive any challenges

When times are tough and you're staring down the barrel, Graeme Owen from The Successful Builder says the worst thing you can be is a possum

When I was growing up, it was not unusual to run over a possum when driving on a country road at night. It would stop, fixed in the headlights, get hit by the car and die on the spot. Breakfast for the hawks!

Its problem wasn't that it crossed the road, nor that a car was coming. Its problem was that it froze, rigid with fright!

Inquest: inaction killed the possum (all it needed to do was take a couple of leaps).

Inaction can have dire consequences, but actions change things.

Recently, I have spoken to several builders who have faced dramatic setbacks: significant jobs cancelled; cost blowouts; staff resignation and supplier accounts put on hold.

Challenges so big that they seemed almost insurmountable. Initially it is paralysing – frightening even!

But it need not be fatal (for your business).

If you find yourself in a situation where your business is severely threatened, it's tempting to just freeze. It can feel like the end of everything.

But it need not be. You are a builder, and builders are people of action. So, it is possible that applying my Massive Action Strategy (MAS) may be right for you.

Here are the steps I have worked on with several business owners facing overwhelming threats.

### 1. IDENTIFY THE THREATS

The first step is to make a list of all the challenges you are facing. Do it

If the main challenges are outside your control, then you need to start thinking creatively about actions you can take to pivot your company

dispassionately and as accurately as possible, but don't spend too much time worrying about it. If possible, list them in order of priority with the biggest threat at the top.

### 2. FOCUS ON THE FEW

Once you have listed each challenge your company is facing, settle on the top two or three. Estimate the cost that each one of these is likely to have on your company over the next year and combine them. This combined figure is likely to be the worst possible outcome.

After that, take a few moments to tantrum! Then get on with it.

### 3. HARD STUFF

Now to get to the really hard part! Take the first challenge and decide if it can be fixed. If not, move to the second, and the third.

Make notes of any actions you could take to fix (or partly fix) the things that can be fixed. This is challenging work and you may benefit from getting someone outside your company to help you, as they may be able to see things you can't.

If the main challenges are outside your control, then you need to start thinking creatively about actions you can take to pivot your company: a change of market perhaps; a change of geography; a change of products or services.

If you have not experienced a downturn before, this may just seem too hard. But remember, there was a time when you first saw an opportunity and started your company. There are always opportunities available to those who look. Again, it may help to get some help from someone else here.

But don't sit around. Come up with possibilities!

Note: If you think that you may need to wind up your company, then talk to your legal and accounting advisors immediately. It is better to do so early than to grow a bad debt.

### 4. PLAN

Once you have some possibilities, choose just one and build a plan to make it happen. Note the outcome you want and list three to five steps that you would need to take.

Do this for a maximum of three.

### 5. MASSIVE ACTION

This is the key! Once you have your plan together, commit to putting it into action with Massive Action. Do this for no longer than a week at a time and review. Have I made progress? Is it still a good plan? If not, quit it and move onto the next plan. Almost everything else can wait a week. Take a short break and then do another few days of Massive Action. Do it as if your life depends on it. If it starts to work, do more of it. Your goal is to find what works for you and do it.

### 6. REVIEW QUICKLY

The purpose of the Massive Action Strategy is to get results quickly so you can determine if it was a good plan or not. Not every plan will work out. But better to learn that quickly.

### EXAMPLES

A builder I worked with determined that his biggest challenge was the continual late payment from his biggest repeat commercial customer, putting undue stress on him and on the company's finances. So, he quit that company and pivoted to residential. His Massive Action strategy was his team spending half a day delivering 3,000 pamphlets in his local area. Within 48 hours he had four jobs and enough work for 2-3 weeks – which kept his crew together while he decided the next steps.

Another builder built a Massive Action 90 Day Plan, comprising three key goals and 10 action steps. At time of writing, he had achieved two of these and a third was well under way.

### TAKEAWAY?

Don't be a possum! ■

Graeme Owen is a builders' business coach at [thesuccessfulbuilder.com](http://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](http://thesuccessfulbuilder.com/book-15-min-sales-call) or join Trademates and connect with builders who are scaling too: [www.facebook.com/groups/TradeMates](http://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!

- |  |   |   |
|--|---|---|
| <b>16)</b> What's the first thing you should do after suffering a business setback?<br>a) Identify the threats to your business.<br>b) Lay off workers.<br>c) Apply for a business loan. | <b>17)</b> How long should you apply Massive Action for at a time?<br>a) One week, then review your progress.<br>b) Two weeks.<br>c) A month. | <b>18)</b> How can you pivot your company toward success?<br>a) Change market.<br>b) Change geography.<br>c) Change products or services.<br>d) All of the above. |
|--|---|---|

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INDUSTRY FEATURE

MULTI-UNIT HOMES BUCK DOWNWARD TREND

While consents for new homes saw a decrease for the year ended March 2023, the trend in multi-unit home consents moved in the opposite direction

In the year ended March 2023, 27,256 multi-unit homes were consented, up 6.6% over the same period last year. However, there was a 23% drop in the number of stand-alone homes consented, down to 19,668, during the same 12-month period.

Overall, there was a 7.9% reduction in the number of new homes consented (46,924) compared with the year ended March 2022.

"The decreasing number of stand-alone houses consented has been largely offset by the growing number of multi-unit homes for most of 2022," said Construction and Property Statistics Manager Michael Heslop.

"However, slower growth in the number of multi-unit homes consented in 2023 has contributed to the overall annual decrease."

For the month of March 2023, there were 3,970 new homes consented – a drop of 25% compared with the month of March 2022.

However, the number of homes consented in the month of March 2022 was the highest on record, and the number of homes consented in March 2023 is still the third highest ever for a March month.

Out of the 3,970 new homes consented in March 2023, there were 1,586 stand-alone houses, 1,820 townhouses, flats and units, 327 apartments and 237 retirement village units.

The seasonally adjusted number of new homes in March 2023 was up 7% after falling by 9.2% in February 2023.

**MORE SNAKES THAN LADDERS**

Every statistical region in New Zealand experienced a decline in consents. Auckland (-5.4% to 20,312), Canterbury (-4.5% to 8,171) and the rest of the North Island (-17% to 6,275) consented the most new homes.

Waikato (-14% to 4,511) experienced the greatest drop in consents.

Canterbury consented the highest number of homes per 1,000 residents for the year ended March 2023 with 12.5 (down from 13.1 in the year ended March 2022).

Auckland (12; - 0.7) consented the second-highest number of homes, while Tasman (11; +1.6) – which is included in 'the rest of the South Island statistical region' – consented the third most.

West Coast (7.5; +0.5) and Marlborough (5.9; +1.5) – also grouped in with Tasman – both experienced gains.

Gisborne (3.3), Southland (3.9) and Hawke's Bay (4.3) consented the least.

**NON-RESIDENTIAL RISES**

In the year ended March 2023, non-residential building consents totalled \$9.6bn, an increase of 11% compared to the year ended March 2022. The building types with the highest value were:

- Offices, administration and public transport buildings – \$1.7bn (+53% compared to the year ended March 2021).
- Storage buildings – \$1.5bn (+20%)
- Education buildings – \$1.5bn (-3.8%). ■

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PROVE YOUR KNOWLEDGE

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JUN / JUL 2023

For ease of record keeping, use this coupon to collate your answers from within this issue of *Under Construction* and then sign and date it as proof of your own learning.

Signature	Date

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MT WELLINGTON 570 8300  
NEW LYNN 825 0088  
PAKURANGA 538 0200  
PUKEKOHE 237 0020

SILVERDALE 424 9000  
TAKANINI 268 2950  
WAIHEKE ISLAND 372 0060  
WAIKATO / BAY OF PLENTY  
WAIKATO PARK 444 5155  
WARKWORTH 425 8444  
WESTGATE 815 6800

## WAIKATO / BAY OF PLENTY

CLARENCE ST 838 0716  
HUNTLY 828 2000  
MORRINSVILLE 889 8057  
MT MAUNGANUI 575 4009  
ROTORUA 347 7023

TAUPO 376 0220  
TE KUITI 878 8149  
TE RAPA 850 0190  
THAMES 868 0130  
WHAKATANE 306 0320  
WHITIANGA 867 2000

## CENTRAL NORTH ISLAND

HAWERA 278 6013  
NAPIER 843 5816  
HASTINGS 842 2925  
NEW PLYMOUTH 755 9040  
OHAKUNE 385 8414

PALMERSTON NORTH 353 5777  
WANGANUI 349 1919  
**WELLINGTON**  
EVANS BAY 387 8692  
HUTT CITY 568 5042  
KAIWHARAWHARA 472 1616  
KAPITI 296 1086  
LEVIN 366 0960  
MASTERTON 377 7504  
PORIRUA 237 9189

## UPPER SOUTH ISLAND

BLENHEIM 520 6030

MOTUEKA 528 8164  
PORT NELSON 548 9069  
SAXTON RD 547 9111  
**CHRISTCHURCH**  
CRANFORD STREET 375 4119  
HORNBY 344 8950  
KAIAPOI 327 5860  
RICCARTON 348 2039

## CANTERBURY

ASHBURTON 308 9099  
TIMARU 687 4035  
TWIZEL 435 3133

**SOUTHERN**  
ALEXANDRA 440 0198  
CROMWELL 445 9202  
DUNEDIN 466 4617  
GORE 209 0055  
INVERCARGILL 211 0366  
MOSGIEL 466 4617  
OAMARU 433 0460  
QUEENSTOWN 450 9000  
TE ANAU 249 7774  
WANAKA 443 0080  
WINTON 236 8262