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# building today

The recession-busting effort continues apace in the construction industry — or so we're told.
This month we feature a company that has proved that continued investment, combined with sound management in the lean times pays off, especially when the good times return.

Read about NALCO's business awards success and how the company is being managed through the recession on page 10.

We also talk to Jennian Homes' business development manager Dave Wilson, who claims the company's building activity has picked up dramatically in the past few months.

RMBF chief executive Warwick Quinn outlines the Federation's position on licensing, raising some very pertinent questions in the process, and president Brent Mettrick ponders what carbon emissions have to do with the construction industry — all good food for thought

Andrew Darlington Editor



cover story 10

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BUILDING TODAY is the official magazine of the Registered Master Builders' Federation.

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1-year subscription: \$56.25 (GST incl). ISSN 1171-0225

### chief's chat

by ceo warwick quinn

# RMBF takes a position on licensing

ith the Government announcing that builders will have to be a Licensed Building Practitioner (LBP) to undertake restricted building work in the residential sector from 1 March 2012, it is now timely to look in more detail at the current regime and the RMBF's position going forward.

Presently, the Department of Building and Housing (DBH) is consulting on two documents:

- Streamlining the Licensed Building Practitioner scheme, and
- The Licensed Building Practitioner scheme proposed minimum standards for three new licensing classes steel structure, concrete structure and foundations.

In addition to LBPs, there are also three site license classes and three design license classes. Classes one and two essentially deal with simple and more complex residential construction while class three is really aimed at commercial buildings (ie, more than 10m in height).

Our view is that given the Government's only need to intervene in a market is due to market failure or if the risk is high enough and, given that this Government has deemed the risk high enough to intervene in the residential sector only, then anything whatsoever to do with license classes or standards aimed predominantly



at the non-residential sector should be abandoned.

Therefore, site and design class three should be dropped, along with the consultation the DBH is undertaking when it is looking to introduce minimum standards for steel structures, concrete structures and foundations.

These are commercial buildings and the foundation risks associated with residential can be adequately managed through existing qualifications.

That still leaves two site license classes and two design classes. These should be collapsed into just one apiece, and practitioners should work within their sphere of competence.

It is too difficult and impractical to differentiate between the two classes. For example, many class one designs can become a class 1.5 or two very easily with variations to meet the owner's requirements.

What then becomes of the designer if they only have a

class one license? Do they hand the job over to someone else and the home owner renegotiate from scratch? Similarly, for the site license, contracts entered into at the start can change throughout the build, and even at the start a building can be a class one with a few "interesting" elements.

Does that make it a class two? Would that automatically make it a site two class? These are difficult questions indeed, and if not clear there is potential to cause confusion and misunderstandings.

Furthermore, if only restricted building work can be undertaken by an LBP from 1 March 2012 then does someone with a site license have to engage an LBP?

If so, why are there site licenses at all? Aren't the risks associated with restricted building work being mitigated by having to have that work carried out or supervised by the LBP(s)?

Why do you need another regime above that? Aren't they in conflict? Or can the holder of a site license also supervise and sign off restricted building work (just as an LBP can), even though it may not be done by an LBP?

We agree that implementing a licensing regime is overdue, but at the end of the day the system has to be understood by practitioners and the public, and be simple to operate.

It has to send the right messages to reinforce correct behaviours right throughout the building process, including decisions made by the home owner.

If the Government intervenes too much and tries to completely protect the property owner by implementing a fool-proof regime, then the system will fail. No system is that good.

Quality decisions based on quality information are imperative, and if individuals are armed with that knowledge then half the battle is won. We look forward to continuing to work with the Government to implement a licensing system that is simple and fit for purpose.



#### Watch out for RMBF's new look Nailing it Home e-newsletter for members

For an up-to-date look at what the team in Wellington are working on for our Master Builder members...

... check your email now and enjoy the read!!

#### REGISTERED MASTER BUILDERS



# Tested in more ways than one

ast year's national finalists in the Registered Master Builders Carters Apprentice of the Year found themselves physically and mentally challenged on an Outward Bound leadership programme — a tailor-made course that was part of their Apprentice of the Year prize package.

Waikato 2008 Apprentice of the Year Greg Thomson says the mental challenges were definitely the most testing part of his Outward Bound experience.

Greg, who works for Linmar Construction Ltd, attended the Outward Bound programme in September of this

year. He says the 21-day programme was action packed.

It included a separate two and three-day tramp, a two-day kayak trip and a three-day sailing trip, along with rock climbing, a high ropes course, and a three-day bush solo — "it was full on", Greg says.

He added that doing the course with a group of other tradespeople worked well as they were all like-minded and were keen to get a lot out of it. Despite the high fitness level of the group, the programme was still very challenging for them.

"Everyone had their own moments. For me it was the first day of sailing following a number of days of

kayaking. We had been rowing for five hours and, admittedly, I was pretty fed up. I realised then that the mental challenge was greater than the physical task," he says.

It was that mental challenge that Greg thrived on, and cites as one of his favourite elements of the course.

"I really did enjoy the mental challenge —

having the opportunity to push yourself, really turning up the dial. It's great," he says.

When asked what he and other "watch" members took away from the programme, Greg listed a number of things.

"You learn how to give and take constructive criticism and how to treat people better, but one of the best things I took away was the friends I made.

"I'm good mates with a number of the guys I did Outward Bound with — it's pretty hard not to make close bonds when you are out in the bush together for a couple of weeks!"

Greg finished his apprenticeship in December 2008 and has been running some "fairly decent"-sized jobs at Linmar Construction since then.

He spoke at the 2009 Waikato Apprentice of the Year event recently, and also took the opportunity to have a chat with this year's Waikato Apprentice of the Year Justin Clark.

"It's a great competition. You can get a lot out of entering it, and the Outward Bound course is just one of the amazing prizes up for grabs if you give it a shot."

A record 161 carpentry apprentices from across the country entered the competition this year, 26 more than in 2008, and more than any other year since the first competition in 2004.



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### rmbf news

# Carbon emissions — what's that got to do with us?

#### By RMBF president

**Brent Mettrick** 

hat has carbon and the Emissions Trading Scheme (ETS) got to do with

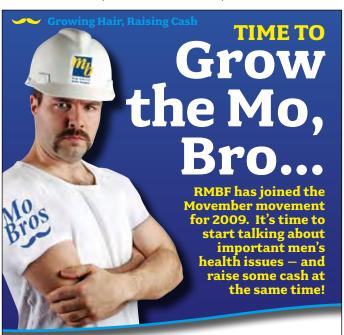
You might well say nothing, but think again! This scheme will be an expense passed on to us and, ultimately, our clients, if not this year then in years to come.

Not until we understand the impact of this scheme and its costs will we realise the significance of ever-reducing affordability our clients face every day.

Just 10 years ago the median house value was 167,000 — today it's more than 300,000.

A report by the Ministry for the Environment stated that construction and demolition accounted for 27% of landfill solid waste.\* We're kidding ourselves if we think there won't be a price tag attached to this going forward.

We need to know the impact of the waste our industry creates and how the



Join our team the 'RMB Mo Bros' and be in to win \$2000 worth of travel plus all the other great prizes through Movember.

We're challenging the other building trades to see who can raise the most cash – so get your workmates on board too!

For more info and to REGISTER NOW go to www.masterbuilder.org.nz or call Tracey Bree on 0800 269-119 Or go straight to Movember.com and join





Movember Foundation partnering with the Cancer Society for Prostate Cancer Research and NZ Mental Health Foundation's 'Out of the Blue' campaign.



potential cost of that risk can be mitigated for us as builders and, ultimately, our clients.

There are a lot of questions that we need to be asking around this concept of trading "carbon credits" or NZU (New Zealand Units) as they're called here.

For example, could we sell a home and keep the NZU, or could we sell them? Could a low or no carbon home be the ultimate in home affordability, both in cost price and cost to run?

I suggest the industry is ready to explore and prepare for the effects of the ETS. We need to look for the opportunities on how best to work with an inevitability facing our industry.

As president of the RMBF, I ask BRANZ, MoE, DBH, NZGBC and other like-minded parties to start to plan our way forward to address this issue before it addresses us.

#### **Apprentice of the Year**

In the past month I have had the pleasure of attending a number of Apprentice of the Year regional awards. This event has become, for me, one of the most rewarding events of the industry. It strikes at the centre of the industry's future, passing our skills on to the next generation.

In 10 regions, 10 finalists were selected. They were visited and put through their paces by regional judges who, once again, gave up their time willingly. The local winner is eventually selected and will represent their region at the national finals in Wellington on 22-23 October.

Registered Master Builders stands for building excellence, and that's exactly what these young people stand for too. Well done to all of you apprentices who stood up and allowed yourselves to be pitted against your peers — that's leadership in the making!

A special thanks to Carters, BCITO and DBH for their unwavering support to this programme. We all appreciate your commitment to the future.

- \* MoE Solid Waste Composition Environmental Report Card July 2009, based on four indicator landfill sites.
- For more information on the Emissions Trading Scheme go to www.climatechange.govt.nz.

the RMB Mo Bros team!

# Contracting with a Trust — things to note

By RMBF in-house counsel

Leoni Carter

often get calls from members seeking clarification of how to deal with Trusts. Usually the calls are about who has to sign the contract (all the trustees), whether personal guarantees are required (yes, if you can), and whether to agree with some of the Residential Building Contract's (RBC's) clauses that the Trust's lawyers want to delete.

A question we hope you never need to worry about in relation to this is whether this is a residential construction contract or a commercial one? A lot depends on the answer — the Construction Contracts Act 2002 treats them differently.

If it is a commercial contract, builders know they need to provide "residential occupiers" with additional information as specified in the Construction Contracts Regulations 2003, along with their payment claims.

This is to alert them to the fact that they have obligations too — they must either pay them (preferably!) or respond with a payment schedule. If they don't, the Act provides remedies such as the ability to stop work, or to get a charging order against the property to secure the money owing.

If it is a residential contract then the remedies above for securing payment are not available to you.

The Act defines a residential contract as "a contract for carrying out construction work in which one of the parties is the residential occupier of the premises that are the subject of the contract".

So basically, the question you need to ask is: are any of the members of the Trust going to be occupying the residence? If the answer is yes, the RMBF's advice has generally been that this is a residential construction contract.

However, recently there have been examples where this has not been the case in the eyes of the law.

In two cases before the District Court that examined the question of residential versus commercial, the contracting parties were Trusts. The Trusts refused to pay, and the builders used the adjudication provisions of the CCA and won.

The Trusts still refused to pay, so the builders took them to court to get the adjudicator's decisions enforced. This is where the difference is important.

If it is a commercial contract, the Act provides that the builder can get the adjudicator's decision "entered as a judgment".



The entry of judgment means that the debt is now a matter of public record, meaning the court has said that the debt is definitely owed.

The builder will still have work to do to enforce the debt—eg, garnishing wages, seizing goods, getting a charging order, bankruptcy of an individual or winding up of a company.

However, if the contract is a residential construction contract, the builder cannot have the adjudicator's decision entered as a judgment. These empowering provisions are found in Part 4 of the Act, and section 10 of the Act states that Part 4 doesn't apply to residential contracts.

The two cases referred to above had different outcomes.Both Trusts had a Mr and Mrs Trustee who intended to live in the house. Each had a third professional trustee who did not. In one case the contract was found to be a commercial contract and in the other was found to be residential.

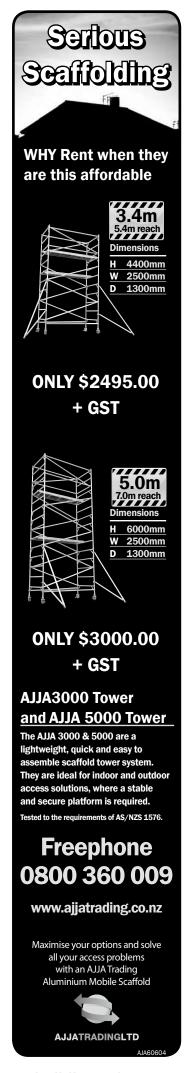
As useful as the first outcome would be to builders, the RMBF still confirms that if any of the trustees are going to live in the house then it will be a residential contract.

This is because of the basic fact that "a Trust" is not a legal entity of itself — it is simply a collection of people who make certain promises and are bound by certain rules of law as to how they treat the assets they are entrusted with.

Both decisions come from the District Courts, and while they do not create precedent it is hoped that there will be some discussion at that level to enable a consistent approach to the issue, as it will no doubt arise again.

The restriction of the application of Part 4 to residential contracts also applies with respect to the ability to stop work, and to get a charging order on the property.

This is where the Registered Master Builders Residential Building Contract (RBC1 — 2008) can help. It has clauses that reserve that right to the builder. So be careful when clients' lawyers want to delete them — they are there to protect you!



# RMB HOUSE of the Year COMMERCIAL Project Awards

in association with PlaceMakers



Above: The TP Builders Ltd property which won the 2009 Auckland Heart of the Home Kitchen Award.

Below: The Shaw Builders Ltd property which won the 2009 Mastercraft Tauranga Heart of the Home Kitchen Award.



# What's cooking?

Because it's often the most popular room in a home, creating an award-winning kitchen offers up a host of unique challenges for builders.

It's this that inspires the Heart of the Home Kitchen Award in the Registered Master Builders House of the Year, in association PlaceMakers.

The award is one of four Lifestyle accolades in the competition — and every year at regional and national levels these awards are hotly contested.

The Heart of the Home Kitchen Award is judged on workmanship, design, functionality and style, and is awarded to a kitchen that meets the lifestyle, family and entertaining needs of its owners.

Competition judge Bill Irvine says winning a Heart of the Home Kitchen Award is no mean feat.

"To be a contender for the award, the property has to have exceptional workmanship, along with all of the basics. The kitchen is the heart of the home, so it needs to have a good mixture of practical design elements, but also provide the whole home with a feel-good atmosphere," Mr Irvine says.

Award-winning kitchens come in all shapes, sizes and budgets, and it's worth considering ways to make a kitchen stylish and functional.

Going the extra mile to ensure the kitchen is well suited to the rest of the home but offers something special — from a skylight to a feature bench top — can really make a kitchen stand out.

Many of today's homes boast an open-plan layout, leaving the kitchen on display at all times. Adding in a scullery — anything from a generous pantry to a mini kitchen — behind closable doors can ensure that sinks, appliances, fridges and general kitchen mess can be hidden away in an instant.

Dave Borman, owner and operator of D R Borman, knows all about creating award-winning kitchens. Mr Borman was the proud recipient of this year's Wairarapa Heart of the Home Kitchen Award for a property in Carterton.

"It was a great surprise. It's always nice to pick up any award, not only for our team but also for the owners and the architect," Mr Borman says.

He believes that in order to create the perfect kitchen, a number of elements need to be taken into consideration. His winning Carterton property was designed to be completely solar powered, and this included the kitchen.

"Above everything else, an award-winning kitchen must meet the needs of the client's

HOUSE'S OF THE SYEAR.

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lifestyle. Keep this in mind and not only will you have happy clients, you'll also have a good shot at taking out the sought-after Heart of the Home Kitchen Award."



Above: The Metzger Builders Ltd (MBL) property which won the 2009 Canterbury Heart of the Home Kitchen Award. Below: The D R Borman Ltd property which won the 2009 Wairarapa Heart of the Home Kitchen Award.



# OCTOBER 2009 UILDING TODAY

### Managing their way through the recession

ALCO has won the Westpac Manukau Business of the Year Supreme Award. The award was presented to managing director Ron Holden by Prime Minister John Key and Westpac business banking general manager lan Blair.

A record number of entries made this the largest business awards event in New Zealand.

NALCO scored an awards hat-trick by also winning the Cogita Excellence in Innovation & Strategy Award for the work it has done in the development and commercialisation of unique aluminium window and door systems for Bradnams and Nulook.

Mr Holden says NALCO has developed and released more new products in the past five years than all its competitors.

"We have superior products and designs supported by the best people in the industry. Our recently released SovereignSeries Inline bifold is but one example of product innovation at the highest level," he says.

The judges were impressed that the company had seen opportunities rather than problems within their sector to develop new and leading edge products and services.



From left: NALCO managing director Ron Holden, Prime Minister John Key and Westpac business banking general manager lan Blair.

Despite the impact of the tough trading environment, the senior management team had the confidence to continue to invest in developing innovative solutions. Their goal is to create a strong position for the business when the market rebounds, the judges said.

NALCO's sponsorship with Nulook in the RMBF House of the Year is all about supporting and celebrating quality, Mr Holden says.

"By witnessing the success of the RMBF awards, I was encouraged to enter these business awards to benchmark NALCO against other businesses to see

Concrete Saver 60

how well we fared when judged.

"I never expected to win. I saw it as a learning opportunity for NALCO."

NALCO also won the EMA Excellence in Manufacturing Award for the development and achievements at Bradnams East Tamaki, one of five NALCO-owned window fabrication businesses.

Bradnams ET has led New Zealand fabricators in the use of NALCO's patented connection systems to significantly improve on the weathertight integrity of aluminium joinery.

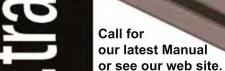
"The judges said this company uses lean manufacturing principles in their business with a high level of innovation. It has managed its way through the recession which has hit their industry hard by demonstrating strong financial management, with low debt levels, as well as quality manufacturing."

Mr Holden says these strengths led NALCO to invest in an independent quality assurance programme for Bradnams. "We proudly hold the mantle of New Zealand's only BRANZ Appraised aluminium joinery system.

Company gains from the patented technology have been enormous due to the leaky homes issues that have been so prevalent in the construction industry.

 For more info: Ph Mark Gilbert, 09 272 1700 On the web: www.nalco.co.nz Full story: www.buildingtoday.co.nz/news.aspx





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#### Another fishy winner!



Mark Wallbank from MW Builders Ltd (left) receives his prize pack from Dave Shattock of Rylock Waikato.

ongratulations go to Mark Wallbank of MW Builders, who has won another of Fletcher Aluminium's fishing prize packs.

Spending \$1000 on Fletcher Aluminium joinery puts builders into the draw to be part of The Great Marlin Chase. The prize includes getting out on the ocean with three friends fishing for the big one, and an all-expenses fishing weekend at the exclusive Kingfish Lodge on Whangaroa Harbour in Northland.

# NEW RANGER. PARK ANYWHERE.



### New house market taking off again

By Jenny Baker

ased on month on month increases in the company's sales figures, Jennian Homes management believes new house building activity is gaining positive momentum nationwide.

Jennian business development manager Dave Wilson says indications are building consent figures are starting to stabilise.

"We're seeing this reflected in the level of enquiries and sales at Jennian. June has been our best month this calendar year, with more than double the sales we've seen in the previous months.

"Activity has picked up, particularly in the regions, with Northland, Waikato, Nelson and Canterbury showing noticeable growth, and the metropolitan areas beginning to follow," he says.

Mr Wilson considers job security to have been a big factor that held people back from making significant financial decisions the past 18 months. However, the



Jennian business development manager Dave Wilson.

issue seems to be settling, with more people prepared to commit to longer-term plans.

"Our franchisees across the country report they're seeing less of the wait-and-see attitude of the past few months, and more people ready to build now.

"Now is, indeed, a good time to think about building a home as interest rates are low and land has become cheaper. We're seeing a noteworthy increase in enquiries from people who have already purchased land at a good price and are now ready to start designing their dream home," he says.

In addition, an apparent increase in net migration has been driving activity at Jennian from two perspectives.

Mr Wilson says in the first instance Kiwis planning to return from around the world are enquiring about building a home in preparation for coming back to settle down. In the second instance investors are seeing an opportunity to build rental properties to meet the increased demand for housing.

This demand results from immigrants and potential first home buyers who are delaying getting onto the property ladder as they save to meet deposit requirements.

While rental demand is causing Jennian's target market to diversify, Mr Wilson says the company's core business remains building the New Zealand family's dream home for them.

Jennian has 80 house plans designed over time and proven in practice during the 30 years the company has been in business. Mr Wilson says these plans are a good starting point for a family to choose the home that



BUILDING TODAY OCTOBER 2009

complements their lifestyle choices and to add the unique features and finishing touches that reflect their wish list.

But while focusing on delivering what the customer wants, the Jennian team also takes great care that the resulting building is completely future proof.

The company recently entered into a strategic relationship with Right House, a subsidiary of Meridian Energy, established in 2007.

According to the company's web site, Right House takes an integrated approach to ensuring newly built or renovated houses create a comfortable, healthy and energy-efficient environment. It advises builders and owners on products and systems to achieve this.

"What we're saying is yes, the house is energy efficient and sustainable and will keep its value in future, but the immediate effect is the home is better to live in today, it makes the most of the section, and it's a healthy and enjoyable home right here and now," Mr Wilson says.

He says this kind of attention to detail has positioned Jennian over the years as one of the most recognisable



Jennian agrees that home is where the heart is. This house is one of six the company built for the National Heart Foundation lotteries fundraising project this year.

builders in the country, and New Zealand's most awarded new home builder in the annual Registered Master Builders' House of the Year awards.

Jennian Homes won 87 awards in 2008, including three Gold Reserve national finalist awards. "Our philosophy is we should build all our houses to award-winning standard. Every home we build must be our flagship home."

He says Jennian's standards are about more than the house itself and good service to customers. It is also about industry-leading support to Jennian's 30 franchisees, which enables customers to trust the franchisees for security of supply, and ensures franchisees and customers are better protected during

difficult times.

This support comes in the form of Jennian Services which, amongst other services, assists franchisees to set up the robust financial practices required for a modern business to thrive.

"While Jennian Homes is pleased to see the increase in building activity, we shouldn't forget the difficulties the industry is currently still experiencing.

"As we start to come out of this downturn, there's much work to be done by the Government and industry to develop solutions to break the destructive and unsustainable boom and bust cycle of the building sector." Mr Wilson says.





### steel °°°

# A tall steel story: The mezzanine that came through the window

ow here is an amazing way to convert a "problem" inside space into an outstanding new office floor.

The brief may have seemed like "Mission Impossible" but all involved in the project found a solution with steel that sounds like a tall story. But it's not — it's an ingenious one!

The AMP Society building in Customhouse Quay, Wellington, is one of the city's most significant and distinctive historic buildings, and carries a Category One rating with the New Zealand Historic Places Trust.

Architects Stephenson & Turner had already designed an award-winning entrance to the building and refurbished the upper floors, terrazzo stairwells and lifts. The next challenge was a practical one: the need to create additional floor space for office accommodation.

This would help the building's inspiring 1920s classical features meet the future by catering inventively for modern office needs.

The problem to counter was the fact that the existing ground floor was

dominated by a double-height former reception area — so it was too imposing to be used as office space and too vast to be effectively air conditioned (you cannot blow air down six and a half metres).

The solution was creating a new mezzanine level —one which has turned out to be visually and structurally stunning,

appearing light and airy as it hovers in space yet with the extraordinary tensile strength of steel.

The mezzanine solution may seem an obvious one, but the limitations of a heritage site posed huge logistical challenges. How do you execute the heavy construction of a mezzanine floor when you cannot risk damage to heritage features, you cannot attach anything to ornate marble pillars, or spill or rip anything on original heritage carpet below?

Whilst the only solution is to hang a floor



Photo courtesy Stephenson & Turner

off the floor above using high tensile stainless steel rods, how do you bring core structures in when the front door is out of bounds because the outside façade and the central space is heritage rated?

The expertise required to solve these challenges was considerable. For example, the main feature, the bridge between the floors (an all-steel, three-dimensional truss) could not be adjusted on site.

As Troy O'Donoghue of Stevensons Structural Engineers Ltd pointed out,

> the only alternative was bringing it through a double-height window then erecting the mezzanine floor inside like giant meccano.

"Between Fletchers Interiors, the architects, Aurecon (previously Romulus Consulting Group) and ourselves, the whole team worked everything out exactly.

"The bridge between two floors just sneaked in the window with millimetres to spare", Mr O'Donoghue says. "We suspended it off the HIAB crane and poked it through at right angles to avoid hitting the tram wires."

Structurally, only steel could achieve the design objectives as Murray Robertson, architect from

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Continued page 16







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### steel °°°

#### A tall steel story

From page 14

Stephenson & Turner, pointed out.

"There are many different grades of steel. It has great strength, particularly when used in tension as we have on this project.

"We were actually able to create a lighter structure than we even thought possible when we started the project. The balustrade posts are only 50mm x 10mm and are at 1500mm spaces." Steel also provided opportunities to cleverly conceal services, leaving a cleaner ceiling with only light and sprinklers visible.

There is a lot going through the trusses and, unusually for a New Zealand office space, the new ceiling uses perforated steel tiles.

Integrated active chilled beams were also used. These contain the air supply, cooling and lights — all in one unit —

and threaded through the trusses.

From an aesthetic point of view, steel was a brilliant modern contrast. The architects put something very new in a 1920s classical space — and it worked beautifully.

"The light elegant glass and steel structure was designed to provide a contemporary contrast to the solid robustness of the marble stone and bronze surrounding space.

"While the new structure contrasted with the existing, it also had a rigid order that related to the classical columns and reflected the classical



Photo courtesy Stephenson & Turner

nature of the space," Mr Robertson says.

"Mission accomplished", with not a scratch on any heritage spot, or a spot on any heritage carpet.

Few would realise the lengths gone to achieve it — a testament to the expertise of all involved — and the versatility of steel.

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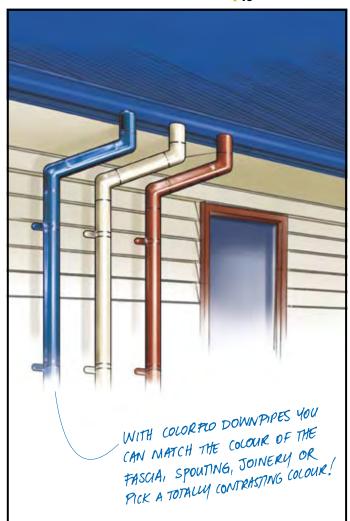




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### steel °°

# SCNZ conference enjoyed by all

teel Construction
New Zealand (SCNZ)
members and their
partners from around
the country converged
on New Zealand's
adventure tourism
capital Queenstown
for two days of
meetings and events in
September.



Rob Hamil with new SCNZ chairperson Chris Kay.

The Novotel Hotel situated on the lake front was the venue for the two-day gathering. Members and their partners were entertained and challenged by after-dinner speaker Rob Hamil with his humorous recounting of his Altantic rowing exploits.

Rob has a firm belief that with passion anything is possible. This inspiring message was intertwined into his presentation.

At the AGM the contribution to the organisation of outgoing chairperson Evan Kroll (Stevensons Structural Engineers Ltd) was recognised by his successor Chris Kay of New Zealand Steel

Congratulations go to Chris Kay and Mike Sullivan (D&H Steel Construction Ltd) on their election as SCNZ chairperson and vice-chairperson respectively.

The gathering afforded an opportunity for the steel construction industry to farewell SCNZ manager Clark Hyland, who is off to start his own specialist consulting engineering company.

He has played a significant role in establishing steel construction New Zealand as a well-respected professional organisation since its inception as an incorporated society in 2006.

Mr Hyland's involvement with the steel construction industry dates back to 1996 when he was employed as the HERA steel structures analysis services manager.

During the past 13 years his drive and technical ability has been instrumental in the improved market share enjoyed by structural steel in multi-storey construction in New Zealand, and the publication of many design guides and aids regularly used by local structural design practitioners.

The event concluded with a three-hour Dart River Wilderness safari experience, which consisted of a 4WD coach tour and jet boat ride on the Dart River, taking in the spectacular Central Otago scenery.

After the exhilarating ride a number of members and their partners stayed on to enjoy the spring snow on the various ski fields surrounding Queenstown.

### bcito news °°°

# New assessment model for carpentry apprentices begins



BCITO training advisors will now be assessing apprentices training for their National Certificate in Carpentry.

imes are changing with regard to the way the BCITO assesses the National Certificate in Carpentry.

Starting from their next session with their BCITO training advisor, apprentices completing the National Certificate in Carpentry will be assessed on their progress through the qualification by their training advisor, rather than by their employer, supervisor or company assessor.

BCITO chief executive Ruma Karaitiana says the change to the model is designed to streamline the assessment of the qualification, reducing time spent by employers on paperwork.

"With almost 4000 employers assessing apprentices throughout the country, the old assessment model made it difficult for us to achieve consistency across the board," Mr Karaitiana says.

"By using our team of 75 training advisors to complete assessment of apprentices, we can have greater control over assessment, and ultimately deliver a better qualification to the industry."

Additionally, Mr Karaitiana says feedback from employers indicated that many felt the time required to complete assessment for the National Certificate in Carpentry was taking away from time they could be spending coaching their apprentices and running their businesses.

"The new assessment model will allow employers to spend more time face-to-face with trainees, imparting their knowledge and skills, as well as freeing them up to spend more time on their businesses in these challenging times for the industry.

"While employers will no longer be required to formally assess their trainees, they will still play an important part in evaluating their overall skill level.

"Employers will continue to play a valuable role in teaching their apprentices the skills they need to succeed in the industry. They will still be best positioned to evaluate their apprentices' commercial competence as builders.

"The BCITO's team of 75 training advisors has undergone significant training to prepare for the change, and they are ready to begin assessing apprentices at their regular meetings."

For more information about the changes to the assessment model, employers and trainees can contact their BCITO training advisor, or phone the number below.

Training advisors will provide all employers and trainees with further information at their next meeting.

• For more info: Ph 0800 4BCITO (0800 422 486)





### products ° ° °

# Hiker boots morph into safety boots

enowned by hikers for lightweight strength and comfort levels, Hi-Tec footwear is now available as a safety boot with protective steel toe caps.

The leather Altitude and suede/ mesh Cape Trail models also feature wide fitting and waterproofed uppers.

Both styles have slip resistant soles, contoured removable sock liners and rubber compounds to reduce the risk of shock when working around high-voltage equipment.

The boots can be ordered at any Hi-Tec stockist.



The new Hi-Tec Altitude (top) and Cape Trail safety boots.

For more information: www.buildingtoday.co.nz/Product.aspx?id=70

# Protective plastic coating comes in a can

rayed rope ends, tool handles, garden implements or even old steering wheels can be sealed in plastic by simply dipping them in a can or spraying!

A new product called Plasti Dip can be used to cover just about any surface with a synthetic rubber coating that protects and insulates. And because it remains flexible and stretchy, it won't become brittle or crack.

Plasti Dip is the invention of an American company, and was originally developed to apply plastic coatings to replace worn grips on hand tools, such as pliers, wrenches and cutters.





But in recent years, customers in the US have applied Plasti Dip to a wide range of uses, including crutch handles, garden tools, metal grates, sealing rope ends to prevent fraying, glass edges, pulleys, rings and poles, and fabrics.

It's a unique product and because it can stick to most hard surfaces, including metal, wood, glass, masonry and other plastics, it is extremely versatile.

For more information: www.buildingtoday.co.nz/Product.aspx?id=69

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# Painting the town green-er

\$1 million R&D prize in Industrial Research Ltd's (IRL) What's Your Problem New Zealand? competition will be used to help locally-owned Resene make its green paints even greener.

Professor Peter Gluckman, chief science advisor to the Prime Minister, awarded Resene the winning prize in Industrial Research Ltd's (IRL) What's Your Problem New Zealand? competition recently.

The prize has earned Resene up to \$1 million in IRL R&D services, which will be used to develop premium water-borne paints based on resins made from up to 80% sustainable ingredients, breaking the long-term

reliance on gas and oil for high performance paints.

Resene managing director Nick Nightingale says this competition presented an amazing opportunity for Resene to team its commercial experience with world-leading science and revolutionise an industry.

"We're committed to sustainable developments and we took a bold idea to the judges and showed them how it can be realised with IRL," Mr Nightingale says.

"A large percentage of our R&D budget is spent on developing water-borne products to replace solvent-borne ones. The water-borne enamels we pioneered in 1996 now easily outsell traditional enamels," he says.

For more information: www.buildingtoday.co.nz/Product.aspx?id=68

For more product news: www.buildingtoday.co.nz/products.aspx

### Barefoot South Africa full of excitement

outh Africa was always going to be a destination full of excitement, adventure and amazing sights.

From the moment the Barefoot group arrived at The Palace of The Lost City at the Sun City Resort (about two hours out of Johannesburg) it did just that.

From the five-star opulence of the resort to the wilderness of the Pilanesburg National Park containing the majestic Big 5 animals (elephant, rhino, lion, leopard and buffalo), the group was ready to experience all that this country had to offer.

Right from the start, the aim of the trip was to enable everyone to enjoy encounters with wild animals, be they up close or observed from a distance. The welcome cocktails set the scene with the backdrop of the African sunset and the Barefoot group interacting with different animals.

The following day, courtesy of Clearlite Bathrooms and Fortress Fasteners, the group was able to get up close, touch and feed the majestic elephants — there is nothing quite as daunting and exciting as placing your arm into the mouth of an animal as large as an elephant.

Have you ever flown high above the earth like a bird? The Barefoot customers that were game enough jumped into a hot air balloon and pretended to do just that. An aerial safari is an incredible way to see the vastness of the National Park, but the group also enjoyed wildlife spotting, courtesy of their new James Hardie binoculars.

Carter Holt Harvey loves to throw a party, and for 2009 Indiana Bones and the Kingdom of the Barefoot Diamond was taking place at Sun City.

There were African warriors with spears, earthquakes and lava, but our brave Barefoot Explorers saved the day — and the Barefoot diamond!

A trip to South Africa is not complete without a stay in a game lodge. The group stayed at The Ivory Tree Lodge located in the Pilanesburg National Park where they enjoyed morning and afternoon game drives courtesy of GIB.

The wildlife they encountered meant that many ran out of space on their cameras, and there were incredible stories shared.

One night the group headed off for their safari. After several hours of game spotting they headed back for dinner, but to their surprise they headed to another part of the park where dinner was set up in a clearing.

From the sounds of the African choir to the roar of lions in the distance it was an amazing experience thanks to







Marley, Firth, Sika and The Laminex Group.

The African finale was an event to be celebrated, with traditional African face painters and a marimba band to keep the party going. It was the perfect farewell to an amazing week.

For 2010, Advantage customers get the opportunity to travel with Barefoot to Fiji or the newly launched Footloose to New York.

Carters Advantage would like to thank the suppliers that assisted in making the trip possible — Carter Holt Harvey Woodproducts, Winstone Wallboards, Tasman Insulation, James Hardie, Paslode, MiTek, Hurricane, Clearlite Bathrooms, Fortress Fasteners, Marley, Sika, Firth and The Laminex Group.



• For more info: Ph Carters 09 272 7200 On the web: www.carters.co.nz

# legal °°°

# The District Court and High Court consider the meaning of 'PC sum'

Tim Bates of Auckland law firm Legal Vision discusses a case where the court had to consider the precise meaning of a 'PC sum'.



n a recent High Court decision (G Mullany v TJ Brown & Another), the court had to consider the meaning of PC sum. This was, in fact, an appeal from a District Court decision.

The facts of this case were as follows:

• The house owner (Mullany) and the project manager (Brown) entered into a construction contract for the completion of a house at 212 Schnapper Rock Road, Albany, North Shore.

The contract contained specifications and materials, and also detailed work to be undertaken, together with a breakdown of the contract costs.

- There was a project management fee of \$18,000 plus
- It was a maximum cost contract, being \$333,750, based upon the approved drawings, the construction



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Principal: Timothy Bates LLB (Hons)

cost breakdown and specifications annexed to the contract. It included a PC sum of \$49,000 for kitchen, bathroom fittings, electrical, tiling and excavation.

· Should the client upgrade the specification or increase quantities then the maximum figure of \$333,750 was to be increased.

There was a specific clause to the effect that should the costs of the contract exceed the maximum cost where no written variations had been issued, then these costs over and above the \$333,750 would need to be met by the project manager.

#### **Oral agreement**

• There was an oral agreement between the parties that the owner was to purchase the items stated in the construction cost breakdown as "PC sums", allocated as follows:

**Appliances** \$15,000 \$14.000 Bathrooms

Laundry Included in bathroom Allowed for in other items Tiling

Flooring \$9000 Electrical \$12,000

\$50,000 (I note this is \$1000 higher than the figure set out above).

 The house owner entered into an agreement for sale and purchase of the house prior to completion.

He then advised the project manager of a number of items he had agreed to supply in the house, to the purchaser. The purchaser visited the site and specified specific colours and changes to the interior.

• The house was completed around 4 May 2006. The CCC was issued on 12 May 2006 and the agreement for sale and purchase settled on 17 May 2006.

The project manager brought a claim in the District Court seeking recovery of his project management fees and reimbursement for money paid on behalf of the owner, as well as seeking compensation for his

The project manager was successful in the District Court but the owner appealed to the High Court.

The District Court ruled that the PC sum clause in the contract was not subject to the clause that said the

owner was only liable to pay costs over and above the maximum contract prices, where written variations had

At paragraph 79 of the District Court's judgment, the judge stated:

"[79] The variation clause is clearly designed to protect the interest of the first plaintiff. It would be absurd and unjust for Mr Mullaney to be able to vary the terms of the project as he pleased when he admitted to having no project management experience in evidence, notwithstanding the wording of the agreement, while expecting Mr Brown to accept all risks relating to costs overrun when he had no effective control of the matters now in Mr Mullaney's hands. The defendant cannot therefore now rely on the wording of the agreement to shift the responsibility for the increase in costs for PC items to Mr Brown."

The critical issue on appeal concerns the meaning given to the term "PC sum".

Justice Stevens held that both parties understood PC sum to mean sums which were estimates only, for items that could not be determined at the time of the contract being entered into.

He said this meaning of PC sum could be implied into the contract through custom as it met the 5-stage test.

#### Conclusion

He concluded that the maximum price payable under the contract was \$333,750 including GST, plus any amounts above the estimated PC sums.

The owner, by his actions, caused the maximum price payable to increase by requiring the items to be supplied to be at a greater cost than the PC sums.

No doubt the demands of the purchaser impacted upon this, but the end result was that the cost of such items in excess of the PC sums could be recovered from the owner.

It was also ruled by the High Court judge that the requirement for all variations to be in writing had been waived by the owner.

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