

# BUILDINGTODAY



THE OFFICIAL MAGAZINE OF THE REGISTERED MASTER BUILDERS ASSOCIATION

VOLUME 26 NUMBER 1  
FEBRUARY 2016

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**FROM THE EDITOR**

We at *Building Today* trust that you, our readers, had a safe and relaxing break, and that you're ready to hit the ground running on fully re-charged batteries.

Prime Minister John Key's recent "State of the Nation" speech would have been music to the ears of many in the construction industry, with the Government's decision to fund the Auckland City Rail Link two years earlier than planned.

Mr Key also outlined the Government's commitment to a range of infrastructure initiatives — in particular, vital transport projects — in his address to the nation. Read what industry heads have to say in this issue.

Also inside is the return of our "Meet the Execs" feature, with Carters CEO Mike Guy the subject of this month's Q & A.

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ISSN 1171-1264 (Online)



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# More than just good weather ahead for RMBA

## Chief's Chat

By CEO David Kelly

Welcome back to work to everyone, after what has been a pretty good summer of weather for most of the country so far.

And it has also been brightened up even further with the results of the Black Caps. Here's hoping to further great results in the tests against Australia!

For Registered Master Builders the year starts with plenty on the go.

The entries for the Commercial Projects Awards nearly doubled from the previous year, and the judges are now diligently working through the entries.

Last year the Supreme winner was Clyde Quay Wharf in Wellington, headed by L T McGuinness Builders and Athfield Architects.

This year we look forward to equally stunning projects as the NZCPA goes from strength to strength.

The House of the Year awards are also now getting into full swing, with entries open for the 11 regional competitions and the local organising committees putting plans in place.

So if you haven't already done so, get your projects in for New Zealand's premier residential housing showcase. Entries close on Monday, February 29.

And not too far down the track, of course, employers should be thinking about encouraging their apprentices to put their names forward for the Apprentice of the Year.

Remember that this is open to all building apprentices who meet the criteria, no matter who they work for.

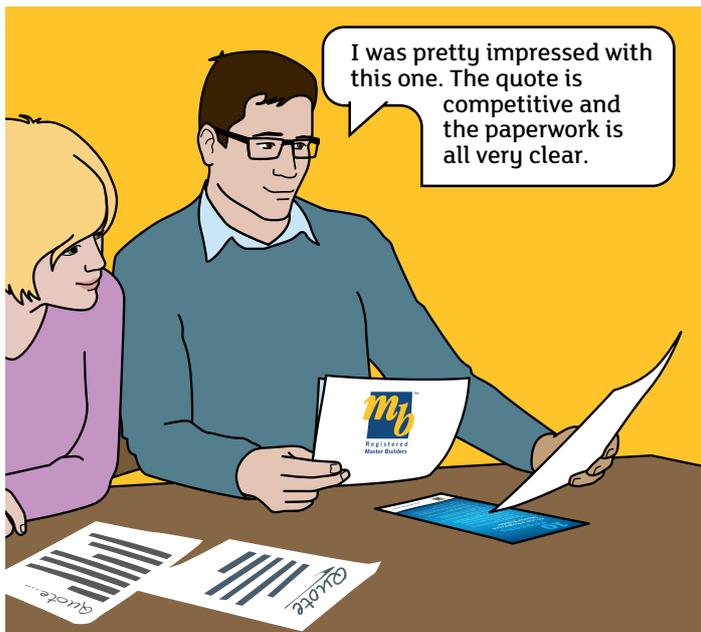
It is an important recognition of encouraging and celebrating excellence in New Zealand's future builders.



But wait, there's more. Following strong feedback from our members we have been thinking hard about the future of our conference.

In the next few weeks we expect to make an announcement on significant changes that we are confident will make it more relevant to this industry. Watch this space!

# Trading Up



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# A monumental rebuild

It was one of the early rebuilds after the devastating Christchurch earthquakes and stands monumental — a unique arrow pointing north-west reaching beyond the city towards the mountains.

Situated on a narrow corner site on Christchurch's Montreal and Salisbury Streets, with Victoria Street cutting through at an approximate 45° angle, the Norwest on Victoria's site is hardly typical.

But rather than despairing at the challenging space, the team from MAP Architects saw it as an architectural opportunity, making the most of the triangular nature and interesting geometry.

The completed four-storey triangular building, featuring a sharp façade and aluminium louvres which accentuate the corner (and control the sun's heat), consists of a basement, a restaurant on the ground floor, and three levels of offices with a steel frame and metal deck floors.

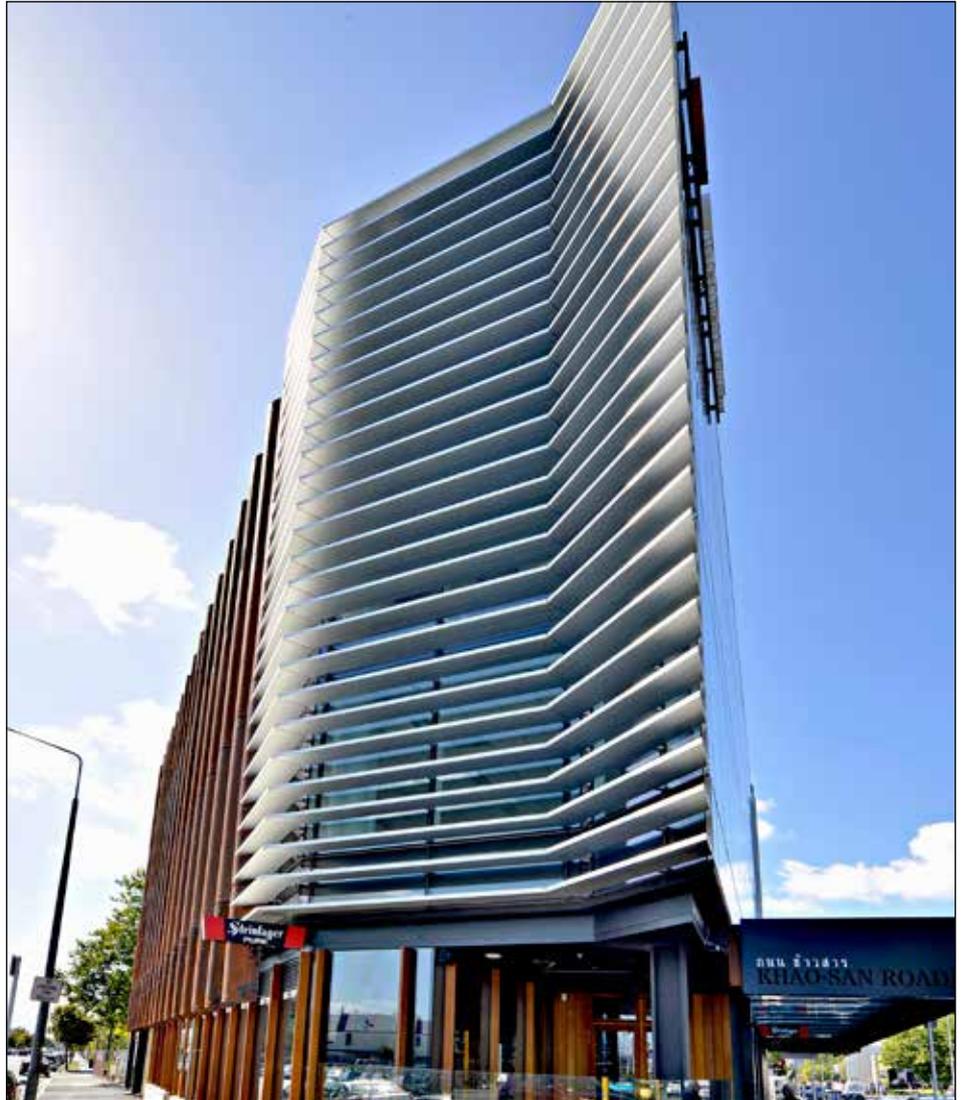
Designed to bring some of the Canterbury Plains feel into the city, the combination of glass panels, limestone, recycled timber and naturally rusted steel ensure the building takes pride of place in the Victoria Street precinct.

Where possible, materials are locally sourced — the limestone at the base of the building is from Mt Somers, inside the entrance foyer to the offices is Canterbury Plains black beech from Oxford, Canterbury-grown Eucalyptus nitens and southern beech from Fiordland. Timaru bluestone from Pleasant Pt and Mt Somers limestone link the exterior with the interior.

Glass panels on one side of the building reflect the heritage-listed Victoria Clock Tower and provide uninterrupted views of the tower and Hagley Park below.

Winning the Commercial and Civic category at last year's New Zealand Commercial Project Awards, judges praised the construction team's perseverance, overcoming the huge challenge of construction on one of the busiest intersections in the city.

"With no room for any of the normal construction areas — and with the extensive traffic management required and up to five cranes operating at a time — this project



required exceptionally good management skills," the judges said.

"This building is a testament to the skills of the architect, engineers and build team."

Fletcher Construction's Jack Harris described the build as challenging, with around-the-clock traffic management needed on site.

"We had a permanent traffic manager set up onsite, and on the big days we'd bring in extra traffic control. We learnt a lot from the project, and would take many of those lessons forward to other projects."

Another issue facing the team was the location of the basement — situated below the water table so that pumps were required to continuously dewater the site.

"First we sealed the water off and then set up four pumps on an alarm system that were used to cull the water back 24 hours a day," Mr Harris says.

"At the end of the day, it was challenging because of the location, but it was completed on time with very positive feedback from the client. A happy client means we're happy."

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## Bright future for young apprentice

**B**ryce Pemberton of Fletcher Construction was amazed when he was awarded third place at the Registered Master Builders 2015 Apprentice of the Year competition.

The 22-year-old from Lower Hutt said the overall experience of the competition was incredibly rewarding, and it was great to have all the support from his work and family.

“It was really cool to meet all the other apprentices and the judges. I’d definitely recommend Apprentice of the Year to other builders,” he says.

“You get really well looked after, and people notice that you have put yourself out there in the competition.”

Bryce was encouraged to enter the competition by his bosses at Fletcher Construction, who aim to enter a couple of apprentices every year.

“My bosses were encouraging me to put my name forward, but I was heading over to Europe at the exact same time as the submission. Fortunately, I was able to do an early submission, and came home just a few days before the regional event,” he says.

Bryce knew he wanted to become a builder from a young age, crediting his father and his desire to work in a hands-on job.

“My dad is also a builder and he built our house around us, so seeing that was pretty cool when I was younger. I studied workshop and graphics at school, and figured that I wanted to have a job where I could work outside, and not be stuck behind a desk.”

Bryce says building is a great trade to get into, and he definitely recommends it to other students who are thinking about what to do after school.

“Nothing beats working outside in the sun with your mates all day. It’s a really enjoyable job and, in my opinion, it’s the best trade to get into.

“There’s always going to be a big demand for builders — it’s a growing industry,” he says.

The judges were impressed with Bryce, and said he achieved consistently high marks

across all disciplines in the competition — his submission, the interview and the practical challenge.

“He is passionate about his company and about building, and this came through throughout the competition. He has a great future ahead of him,” they said.

Bryce is moving over to work with a residential building company in Sydney, and credits the Apprentice of the Year competition and the exposure it gave him.

“I wasn’t actually looking at going to Sydney, so it’s pretty exciting! My mate was telling his brother, who has a construction company over there, how well I did in the competition and that I got third in New Zealand.

“His brother then offered me the job so I was pretty stoked. I just jumped at the opportunity.”

Bryce credits the Registered Master Builders Association for expanding his knowledge of the building industry.

“The RMBA has magazines, newsletters and a lot of things that come out that keep you up to date with the whole building industry. They are really helpful — you constantly receive information from them which is great.”

Apprentices, employers and young people aspiring to be a part of the construction industry are encouraged to join the Facebook page at [www.facebook.com/apprenticeoftheyear](http://www.facebook.com/apprenticeoftheyear), or follow us on Twitter: @AOY\_NZ.

For more information, visit [www.apprenticeoftheyear.co.nz](http://www.apprenticeoftheyear.co.nz).

Owned by the Registered Master Builders Association, the Apprentice of the Year Competition is made possible thanks to principal sponsor Carters, the Building and Construction Industry Training Organisation (BCITO), and supporting sponsors the Ministry of Business, Innovation and Employment (MBIE) and APL through its Altherm, First and Vantage brands.

*Right: Bryce Pemberton at the national Registered Master Builders Apprentice of the Year 2015 practical challenge.*



*Bryce Pemberton and Rob Watson at the Registered Master Builders 2015 Apprentice of the Year Awards.*



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## Quality control and 100% accuracy

Mark Metzger of Metzger Builders was blown away when he found out his new build in Clearwater, Christchurch, was awarded the national category winner in the Carters New Home \$1 million - \$2 million category at the Registered Master Builders 2015 House of the Year.

Mr Metzger says it was a surreal experience to win the extremely competitive category, in which 26 other entries were competing for the title.

"We were up against some absolutely amazing homes in the competition. We had high hopes, but you can never assume that you are going to do well. We just had to hope for the best," he says.

"We were also awarded the Builder's Own Home Award and the Platinum Award — it was just unbelievable."

The Platinum Award recognises the achievement of winning five national titles. Mr Metzger says he's thrilled to have won such a renowned award in the building industry.

"I don't think the public fully understands the significance of the Platinum Award — it's much more of an industry acknowledgement. It's great to win such a respected title within the building and construction sector."

Mr Metzger says there were some stand-out features in the winning home, and credits the design and owner's choice of finish.

"The kitchen and living areas are really impressive, with vaulted ceilings and exposed steel work. Even now when I enter the room, I think 'wow'," he says.

However, these impressive design features were also the main challenge during the build, Mr Metzger explains.

"There was absolutely no margin for error in anything due to the exposed steel work. If something didn't fit perfectly, there was no covering it up. The challenge right from the start was you had to be 100% accurate as you never had a second chance."

Judges were impressed with the Queenstown-inspired home, and called it a fine example of the builder's pride and passion.

"Vaulted cedar ceilings, a wood burner and a stunning double stainless exposed flue are featured alongside a state-of-the-art kitchen with connecting outdoor living options. The expansive views over the golf course and the adjacent lake, complete the home. A fine example of the builder's pride and passion," they said.

Mr Metzger is looking forward to entering again in 2016, and already has a couple of homes lined up. He credits the significant public awareness of the competition and Registered Master Builders.

The Awards are made possible through the support of PlaceMakers, Master Build Services, GIB, Nulook, Future-Proof Building, Carters, Plumbing World, Resene and Bunnings.



Metzger Builders won the Carters New Home \$1 million - \$2 million category at the Registered Master Builders 2015 House of the Year with this Clearwater, Christchurch, entry.



From left: Ali Metzger, Mark Metzger and Rick Leftly of Metzger Builders at the Registered Master Builders 2015 House of the Year Awards.

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# Revival of English-style country home wins top award

**D**urham Mossman of Mossman Construction said he was rapt when he found out his house in Palmerston North was awarded the title of National Winner in the Master Build Services Renovation Award up to \$250,000 category at the Registered Master Builders 2015 House of the Year competition.

Mr Mossman said it was rewarding to win the category and gain acknowledgement of their hard work.

“The award gives us good marketing, especially amongst high-end renovation jobs. It’s something that we now have backing us to show that we can do that work and do it well,” he says.

Mr Mossman explains one of the key challenges of renovation work is attempting to make the new work look like it is part of the existing house.

“The challenge was to make it not look like it was a renovation, and that the additional building was always there — making the old tie in with the new in a seamless way,” he says.

“There was a lot of steel work involved in this job that had to be precisely lined up with the original building. It took quite a bit of working out to get things right, but the hard work paid off.

Mr Mossman credits the original house, and said the complex nature of the build made it a stand-out renovation.

“It was a beautiful house to start with so we had a pretty good canvas to work with. It was just in need of an update and an extension.”

“This was a fantastic project, and really stood out to all that worked on it,” he says. “The technical side of it was a lot more complicated than your standard extension project. The house also required a very high-end finish.”

Judges were impressed with the revival of the English-style country home.

“A new roof and supporting structure was built to provide a new grand entrance. Dark, box-like rooms were removed, and the home now features a new sense of space, light and functionality,” they said.

“The adjacent outdoor area has been enhanced to provide luxury indoor/outdoor living all year round, with the total renovation transforming the home.”

Although Mossman Construction will not be entering the 2016 House of the Year awards, they do have projects lined up for the 2017 competition.

Mr Mossman credits the reputation of the Registered Master Builders brand and the benefits their company receives.

“Being a Registered Master Builder not only means a lot to the client but, as a member of the association, it is great that we are kept up to date with the building industry,” he says.

The Awards are made possible through the support of PlaceMakers, Master Build Services, GIB, Nulook, Future-Proof Building, Carters, Plumbing World, Resene and Bunnings.



Mossman Construction won the Master Build Services Renovation Award up to \$250,000 category at the Registered Master Builders 2015 House of the Year competition with this Palmerston North entry.



Jayne and Durham Mossman at the Registered Master Builders 2015 House of the Year Awards.

# New staff at RMBA

The Registered Master Builders Association is pleased to announce two new roles at the Association. They are:

## Brian Rosenberg — Head of Business Services and Membership

Mr Rosenberg was formerly the chief executive of Visique, a co-operative of independent optometry practices, where he was instrumental in developing a range of business services that resulted in membership growth.

The purpose of his new RMBA role is to develop strong branch and

regional relationships, as well as retaining existing members and to acquire new members. A key element of the role is to develop a range of high value services that have significant value to members.

"I look forward to meeting with members and contributing towards building the incredible brand members already have in the RMBA," he says.

Mr Rosenberg has a strong background in business consulting for the SME market, with specialist skills in ascertaining a client's requirements and determining what they value.

This experience will be critical to building a suite of benefits and services that will tangibly enhance RMBA members' businesses.

He holds a Bachelor of Accounting from the University of Witwatersrand, he is an Associated Chartered Accountant with the New Zealand Institute of Chartered Accountants, a Chartered Director of the Institute of Directors and a registered mentor with Business Mentors New Zealand.

An immigrant of 23 years' standing, he is a keen supporter of the Blues, and looks forward to the return of their glory days.

## Matthew Aileone — Policy and Advocacy Manager

Mr Aileone brings 15 years' experience as a New Zealand diplomat, and policy and legal advisor at the Ministry of Foreign Affairs and Trade.

This includes diplomatic postings to Europe and temporary assignments to the Pacific. His most recent posting was at the NZ High Commission in Canberra where he was responsible for engaging the Australian Government on regulatory issues relating to the Closer Economic Relations (CER) agreement.

This role will provide a high level of qualitative analysis, insights into trends affecting the building industry, and compiling reports and submissions, as well as building networks to help facilitate the Association's objectives. The role will be an essential part of delivering the influencing and advocacy outcomes for the RMBA.

"It's an exciting time to be joining the Registered Master Builders Association — a brand that is synonymous with integrity. I'm looking forward to working with members to promote their interests with the Government, and contributing to a prosperous vibrant sector," Mr Aileone says.

He holds an LLB and BA from Canterbury University. He was admitted to the roll of barristers and solicitors of the High Court of New Zealand in 2004. He has also completed executive management training at the Mt Eliza Melbourne Business School.

Born and bred in Christchurch, Mr Aileone makes no bones about his fondness for the Crusaders, although the lack of titles in recent years has been a worry. Other interests include trying not to look completely lost on a surfboard.

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# Government's CRL announcement on the right track

The Property Council has welcomed the Government's announcement to fund Auckland's proposed City Rail Link two years earlier than initially planned.

Chief executive Connal Townsend says the announcement is a significant victory for Aucklanders.

"The CRL was initially outlined in the Auckland Plan, and we are pleased to see it move closer to being materialised. An underground rail link that connects to the wider network in Auckland has been debated for a century now," he says.

"The CRL provides much needed certainty for planned and ongoing public and private sector projects, which will grow and regenerate the CBD. It sends a positive signal internationally and nationally that Auckland is open for business, after decades of significant underinvestment in its transport network," Mr Townsend says.

The city's population is projected to grow rapidly over the coming decades, putting unprecedented pressure on housing and infrastructure.

"We know that transport infrastructure is intrinsically linked to housing, and the two must be planned and delivered in conjunction.

"The CRL will provide additional capacity, network resilience, and service reliability to the existing network. It will also future-proof it and provide real time savings for people.

"It is critical to ensure the Proposed Auckland Unitary Plan (PAUP) aligns with transport network plans and allows a strategy that produces desirable and well-connected communities with access to amenities."

The past 10 years has seen a deliberate approach to intensified residential development near public transport interchanges, with more than 1200 apartments built in Newmarket, Manukau, Kingsland, and New Lynn.

According to the 2013 Census, the total population of Aucklanders living within a kilometre of the rail network sat at about



*An artist's impression of the Aotea Station entrance to the Auckland CBD underground Central Rail Link.*

330,000 — a substantial increase from 80,000 in 2006.

"These figures clearly demonstrate that if the PAUP enables greater intensification along the rail network, combined with the tangible time-savings of the CRL, more people will choose rail as their first choice of transport, alleviating congestion on our roads.

"This would allow greater mode choice, and even possibly reduce the need for expensive retrofitting of existing road networks to meet private vehicle and bus demand," Mr Townsend says.

The Employers and Manufacturers Association (EMA) also says the earlier start is a positive development.

However, the pressure to deal with Auckland's growth issues and unlock the city's economic development potential has to be maintained," according to chief executive Kim Campbell.

"Auckland, and New Zealand, needs to see central and local government working together to deliver better outcomes for the country's largest commercial centre.

Prime Minister John Key outlined the Government's commitment to a range of infrastructure initiatives in his recent "State of the Nation" speech.

"While the Prime Minister's speech firmed up

government's willingness to support vital transport projects, we need to find other ways to harness global capital to allow future investment in infrastructure.

"This is vital if we want to continue building Auckland's capability," Mr Campbell says.

The Prime Minister confirmed that the Government considers the East-West Connection a project of national significance, and will streamline the consenting process to bring forward the start date on construction.

"This is good news for our road freight industry. It can't come soon enough. We have advocated long and hard on behalf of our members to get traction on this project. We look forward to understanding the detail.

The Prime Minister also confirmed its funding for the main works component of the Central Rail Link, given the increasing demand for the service.

Mr Campbell says the work of Auckland Transport to grow patronage of the train network was commendable.

"The Government's threshold of 20 million users will be reached well before the expected 2020 date. Therefore, the timetable for the completion of the business plan by the end of this year is excellent news for the development of downtown Auckland."

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# Coming across asbestos? Play by the new rules

Are you running a business (for example, building, roofing, plumbing or demolition) with workers who may disturb or remove asbestos or asbestos-containing material (ACM) Here's a heads-up about changes to asbestos-related work coming into effect in April.

Asbestos regulations are being updated to bring New Zealand into line with other countries. With more than 170 New Zealand workers dying each year from asbestos-related diseases, our work practices need to improve.

Under the new regulations, coming in on April 4, 2016, a licence is required to remove more than 10sq m of non-friable (bonded) asbestos or ACM in one job, or any amount of friable asbestos.

The licence will be issued by government health and safety agency WorkSafe New Zealand.

You can register now with WorkSafe New Zealand to get up-to-date information on the new licensing process, including when and how you can apply. Please note that registration is not a licence application.

### Licence or no licence?

Some common examples of building, plumbing or electrical work, with a guide to whether you'll need an asbestos removal licence are:

Work which may involve the removal of non-friable asbestos:

- Soffit removal
- Removing cement roofing sheets
- Removing external wall cladding or textured ceilings
- Replacing lino flooring.

The above work will require a Class B licence from April 4, 2016 if you're removing more than 10sq m of non-friable asbestos containing material.

Maintenance and servicing work which may involve ACM:

- Repairing or replacing sheets of cement roofing that are damaged or deteriorated
- Replacing damaged or deteriorated cement water pipes
- Drilling or cutting into soffits or wall linings.

Building maintenance or servicing is allowed without a licence under the new regulations. However, if it involves removing more than 10sq m of non-friable asbestos or any amount

### New nationwide licensing system for asbestos removal

The new licensing system for asbestos removal is aimed at ensuring people removing asbestos have the necessary skills and experience to keep themselves, and others, safe.

NEW LICENCES	WHAT ASBESTOS CAN BE REMOVED?	WHO WILL NEED THIS LICENCE?
<b>Class A</b>	Any type or quantity of asbestos or ACM, including: <ul style="list-style-type: none"> <li>- Any amount of friable asbestos or ACM</li> <li>- Any amount of asbestos contaminated dust or debris (ACD)</li> <li>- Any amount of non-friable asbestos or ACM</li> </ul>	This is the licence you will need if you are removing any amount of friable (powdery or has potential to become powdery) asbestos.
<b>Class B</b>	Any amount of non-friable asbestos or ACM  ACD associated with removing any amount of non-friable asbestos or ACM	This is the licence you will need if you are removing more than 10m <sup>2</sup> asbestos.
<b>No licence required</b>	Up to and including 10m <sup>2</sup> of non-friable asbestos or ACM, cumulatively over the course of the removal project for the site.  ACD that is: <ul style="list-style-type: none"> <li>- associated with removing 10m<sup>2</sup> or less of non-friable asbestos or ACM</li> <li>- and any associated minor ACD.</li> </ul>	

of friable asbestos then a licence is required.

Removal of friable asbestos:

- Removal of insulation materials, including lagging
- Any removal task where the asbestos is in a powder form when dry, or able to be crumbled or reduced to a powder using your hands.

The above work will require a Class A licence, because the asbestos fibres are friable. This means you could be exposed to larger quantities of airborne fibres.

**Note:** All removal work needs to be performed safely. Suitable controls need to be in place to ensure the risks of asbestos have been minimised.

These include correct use of Personal Protective Equipment (PPE), Respiratory Protective Equipment (RPE), safe methods of work, decontamination facilities and the disposal of all asbestos waste in an approved landfill.

### What do I need to do?

If your business is likely to require an asbestos removal licence it's a good idea to register your interest with WorkSafe.

You can register online, and find more information on changes to work involving asbestos, at <http://business.govt.nz/worksafe/asbestos>.

### I have a Certificate of Competence for restricted asbestos work. What do I need to do?

If you have a current Certificate of Competence, you don't need to do anything yet.

Your certificate will allow you to work under the new asbestos regulations (under the categories listed on your certificate), until your certificate expires.

At that point you will need to apply for one of the new licences or to work on another business' licence.



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**BUILDING TRUST**



# Works begin on Airfields housing site in Hobsonville Point

Enabling infrastructure works are underway on an Auckland Council-owned site in Hobsonville Point in advance of more than 400 homes to be built there.

The 20 hectare site — formerly part of the Hobsonville Air Force Base — was purchased by Waitakere City Council more than a decade ago with the intention for it to become a Marine Industry Precinct.

After a lack of market interest and a recent unsuccessful bid for it to be a Film Precinct, Auckland Council adopted a masterplan last month that will see it used primarily for housing.

The Airfields master plan has been developed by Panuku Development Auckland in conjunction with the Government-owned Hobsonville Land Company.

It will provide a diverse residential community

with a minimum of 10% being affordable housing.

The plan also incorporates up to a 6 hectare mixed use zone, while retaining an existing New Zealand Air Force hangar which is being refurbished over the next six months.

## \$8 million roads

In preparation for the transformation of the Airfields site, building work started in December 2015 on the \$8 million roading contract that will see key infrastructure roads being built, along with the subdivisions of the first superlots.

Panuku Development Auckland director of development Allan Young says it is fantastic that the first stage is now underway.

"While it may be grass now, this greenfield site

with its great sea views will soon be home to the next wave of residents set to discover the wider benefits of the lifestyle at Hobsonville Point.

"The key infrastructure roads are a critical first part of connecting the site with the surrounding area and, along with other supporting infrastructure such as stormwater ponds, will lay the foundations for the next stages of the delivery of the Airfields masterplan," Mr Young says.

Work is expected to get underway on the first tranche of 80 homes as part of the masterplan.

The houses will be located along the site's southern edge bordering the Catalina Precinct, where construction is already well underway by the developer AV Jennings and its building partners.

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 **FUSO**

# Significant supplier sponsorship backs boost in quality of training for tradespeople

A newly-developed Continuing Professional (CPD) Development model and collaborative support from a significant industry supplier is set to lift the overall quality and consistency of training for some trades within the construction sector.

The Plumbers Gasfitters and Drainlayers Board announced a new partnership with Mico Plumbing & Bathrooms to provide continuing professional development training for the plumbing, gasfitting and drainlaying trades during the 2016-17 financial year.

Board chairman Peter Jackson says working with such a significant supplier to the industry makes good sense.

"We are absolutely delighted with the partnership we have formed with Mico Plumbing & Bathrooms. The Board appreciates this strong support and values the benefit that their backing will provide to the industry," Mr Jackson says.

"The partnership will mean that the cost to our practitioners will reduce from approximately \$75 per practitioner to \$30. As well as reducing the cost, this initiative will help to ensure the overall quality and success of our industry training."

The Board conducted a review of its CPD training scheme as a result of widespread dissatisfaction of the current model expressed by the industry, and has resolved to change the way it will be delivered from April 1, 2016.

## Consistent delivery approach

Now, instead of relying on product manufacturers to produce courses that the industry can choose from, the CPD training will move to a more resourceful and consistent delivery approach.

Each practitioner will now have key topics that they will cover by attending either a half-day

training course sponsored by Mico Plumbing & Bathrooms, or by completing the topics online.

"This new approach will help ensure the industry stays abreast of key issues, and that there is a better overall quality of the content and delivery of CPD training," Mr Jackson says.

"The Board is very excited to be introducing this form of CPD which it believes will better meet the needs of practitioners, and this strong support from Mico Plumbing & Bathrooms for the industry will help to ensure the success of the new mode."

The Board expects that many existing product manufacturers will continue to hold their own courses to promote their products.

However, those courses will be optional, and industry practitioners will only need to complete the mandatory topics set down by the Board.



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## Canterbury's build and design event highly anticipated

In less than six months' time one of the South Island's largest industry trade events, Canterbury buildnz | designex (CBD), kicks off.

Already highly anticipated by exhibitors and visitors, more than 70 national and international industry suppliers have already confirmed they'll be showcasing the very latest technologies, products and services.

In addition, a dedicated Made In Germany pavilion will feature a number of premier German manufacturers showcasing the very best in German innovation and design.

CBD 2016 aims to capitalise on its 2014 award-winning inaugural event, shaping up to be the leading event for sourcing innovative new ideas for the region's construction, building and design industries.

The latest technology and innovative equipment will be showcased at the Horncastle Arena, Addington, Christchurch, from August 4-6 this year. Companies such as Buzon, David Trubridge, Palazzo Kitchens & Appliances, Laminex, Zenith Heaters and many others will be bringing to the event the very latest design edge products and technology.

A range of energy-efficient products from ECO Heating Ltd will feature this year, including central heating wood burners, solar, gas condensing boiler and ventilation units from German and Austrian suppliers Wolf GmbH, Austria Email and Gerco GmbH.

With a global presence and local knowledge, Sto New Zealand is committed to the Sto philosophy "Building with conscience". Sto's innovative systems are designed to be sustainable and have environmentally-friendly construction methods.

Manufactured in Germany to maintain high quality assurance, the Branz-appraised Sto Systems are expected to exceed expectations.

Besides nails, screws and bolts, EDL Fasteners will also be showcasing nail guns and drill bits, brackets from Pryda, silicones and adhesives, as well as safety gear. And for storing all builders' hardware components, the Stock Box is an on-site inventory solution.

A strong theme of Connecting Construction and Design Communities will be showcased through live product demonstrations, special features and a very full schedule of free industry-led seminars.

The programme will cover a variety of topics from industry leaders and keynote speakers, many of which will provide valuable CPD and LBP points for advancing professional skills and development.

"As the residential rebuild nears completion, 2016 has seen a strong move into commercial development which, I believe, provides a great opportunity for industry suppliers to the region, CBD sales manager Rob Lavender says.

"As the city of Christchurch and the wider Canterbury area grows, we are seeing business confidence adopting a more positive outlook, and this is where CBD 2016 presents the perfect environment for the industry to showcase, educate and sell the very best products and services from across New Zealand.

"With world-class seminars, the cream of suppliers, a myriad of opportunities to network and do beneficial business, this is the not-to-be-missed event for 2016."

Industry professionals wishing to attend can register free of charge at [www.canterburybuildnz.co.nz](http://www.canterburybuildnz.co.nz).

To see a full list of CBD 2016 exhibitors, visit [www.canterburybuildnz.co.nz/visitor-information/exhibitors](http://www.canterburybuildnz.co.nz/visitor-information/exhibitors).

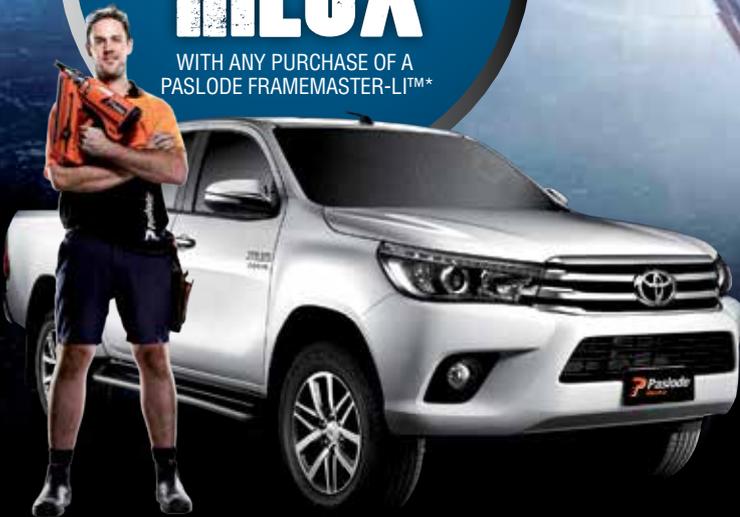
To exhibit, phone Rob Lavender on 09 976 8381 or email [rob@xpo.co.nz](mailto:rob@xpo.co.nz).

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# Customer input helps provide smart solution

New Zealand Steel subsidiary Steltech has launched Vertebeam, a cost efficient, lightweight nested box beam solution for portal frame buildings.

Providing a smart solution to a genuine problem, the design and development phase involved considerable input from customers, construction professionals and key stakeholders.

Vertebeam is manufactured using 6-10mm New Zealand Steel plate folded into two tapered C sections that are nested inside one another.

Designed to meet New Zealand's structural standard, AS/NZS4600:2005, the design methodology was verified by the Heavy Engineering Research Association (HERA).

The drive behind the development of Vertebeam was to produce a product that offered a more robust design solution for medium span buildings compared to cold-formed sections. And with a lighter weight option versus hot-rolled sections, other cost-saving benefits are apparent.

With a 10% lower weight than hot-rolled sections, initial design calculations predicted

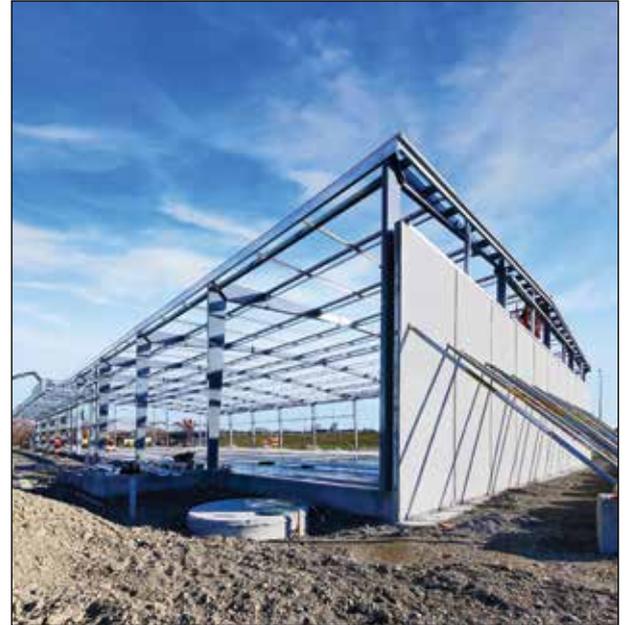
cost savings would be due to weight savings.

However, the simple box-shaped external geometry of Vertebeam contributes to significant reductions in fabrication time and cost during the painting process. The box shape also provides good torsional stiffness that can eliminate some bracing elements from the portal system.

Project comparisons have demonstrated a 10% reduction in time to occupancy for Vertebeam projects when compared to a cold-formed portal frame solution.

Another, unexpected, benefit comes from the product's ability to have a flush layout design of the beams, purlins and grits, which makes it almost vermin-proof, ideal for the food manufacturing and/or storage industries.

This eliminates the cost of complicated bird-proofing of beams and rafters, and



provides cleaner work spaces.

Vertebeam is ideal for medium span projects — 18 to 35m — but has also been specified on projects featuring 65m clear spans. And it is expected that spans up to 70m would be possible.

# Labour on right track with procurement policy, steel industry says

Steel Construction New Zealand, the representative body for the country's structural steel industry, has welcomed the Labour Party's recently-announced government procurement policy, but says the key to its success will be in ensuring public sector agencies apply the policy when tendering contracts.

Steel Construction New Zealand manager Alistair Fussell says Labour is on the right track.

"The structural steel industry will support any policy that benefits our industry and the economy as a whole, especially if it helps improve productivity and competitiveness, and creates more skilled jobs," Mr Fussell says.

## Desired outcomes not being produced

"We're looking forward to seeing more detail, but it certainly seems Labour is adding more substance to the current framework, and that's a very positive move."

Mr Fussell says the existing procurement framework, particularly the five Principles of Government Procurement, are not producing

the desired outcomes.

"For example, the fourth Principle regarding balanced decision-making is supposed to ensure agencies seek the best value for money over the lifetime of the goods or services, and make balanced decisions by considering the social, environmental and economic effects of the deal.

"But there's been no guidance given to government agencies on exactly what the Principle means and how it should be applied," he says.

"The inevitable outcome is that local industry is disadvantaged because many government agencies remain solely focused on achieving the lowest upfront cost — which usually favours overseas suppliers.

"So we'd encourage Labour to factor the provision of clear guidance in to their policy."

Mr Fussell notes Labour's plan to bring subcontractors into the framework by reversing Rule 22 in the Government Rules of Sourcing was good for the wider construction industry.

"Rule 22 currently exempts subcontractors

from the Rules, but this makes absolutely no sense because 80% to 90% of the work done in the industry is, in fact, performed by subcontractors."

Steel Construction New Zealand also welcomes Labour's inclusion of a transparent reporting framework to hold public sector agencies to account for their procurement decisions.

## International trade obligations

Mr Fussell says while he's clearly looking to boost opportunities for the local structural steel industry, he remains mindful of New Zealand's international trade obligations.

But he says other governments, such as Canada's, are taking a more progressive approach to procurement.

"We understand the Canadian government — also a Trans-Pacific Partnership Agreement signatory — is seeking to include provisions in its procurement policy which reward sustainable practice, and provide opportunities for Canada's first nation peoples. That's the direction New Zealand should be heading in."



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# Company's quality and service mantra remains some 50 years on

Pacific Steel has been manufacturing high quality reinforcing steel rod and bar products for more than 50 years, for New Zealand and overseas markets.

Producing around 250,000 ton per year of manufactured steel, Pacific Steel is the only New Zealand manufacturer of reinforcing steel made to meet the local standards.

Reflecting Pacific Steel's mission to provide the New Zealand market with continuous improvement, last year's NZ\$60million investment into state-of-the-art steel billet casting technology means Pacific Steel not only meets New Zealand's stringent standards, but is continuing to invest in its market in the utilisation of 100% locally-sourced materials and 100% local manufacturing.

This recent investment facilitated the company's transition from a scrap-based raw

material to instead use virgin ironsands feed from its sister company, New Zealand Steel — resulting in greater controls over the steel-making process.

### Stringent standards

Pacific Steel market development and accounts manager Chad Van Zyl says the company's products are manufactured to meet one of the most stringent standards for reinforcing steel in the world.

"The previous process relied upon the use of recycled product which meant mixing batches of scrap types to meet the required chemistry," Mr Van Zyl says.

"With the use of ironsand steel billets and the new casting facility, we are able to utilise a purer input material and eliminate the

possibility of any potential inclusions in the finished product.

"The greater consistency will allow for improved product performance whilst continuing to retain the strength and ductility required of the local standards."

Pacific Steel recognises the importance of producing a high quality product that will consistently meet the specified standard and be fit for purpose no matter the application — so builders, engineers and developers should all ensure they are familiar with Pacific Steel's unique branding and marking.

Some 50 years on, Pacific Steel's mantra of providing the highest levels of product quality and service support still remains — and these qualities will continue to be reflected in Pacific Steel's commitment to the New Zealand market.



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# Expanding your toolkit: The building blocks of navigating change

“It would seem the only thing that is certain in the building and construction sector is change” — John Green, Building Disputes Tribunal.

The building industry is transforming, facing issues including the housing crisis, quality control and constant regulatory changes.

The NZ Building and Construction Law Conference seeks to help practitioners navigate through this change, understanding updates in regulation and new responsibilities in the current climate.

This year's hot topic is the Health and Safety at Work Act, which features in the conference programme and post-conference workshops.

Marcus Nalter from WorkSafe is opening the presentations with an official insight of the legislation which takes effect on April 4.

Sarah-Lee Stead follows this presentation, helping practitioners understand how to

incorporate risk management into organisational culture.

For a more practical approach, Susan Rowe will be facilitating a post-conference workshop, enabling practitioners to enhance their toolkit of safety management practice.

## Industry specialists presenting

A range of industry specialists will be presenting on the Construction Contracts Amendment Act (CCAA) 2015 on the first day of the conference.

These sessions are designed to help practitioners understand the new definitions assigned by the updated legislation, and how the changes will affect daily practices.

The morning will be finished with a masterclass and question clinic which ensures no stone will be left uncovered for those needing to apply

this new legislation.

Marcus Beveridge will also be facilitating an intensive and focused post-conference workshop on integrating the CCAA 2015 into everyday practice.

The conference also features several case studies to help delegates understand applications of law and innovative building methods.

Jon Williams and Dave Ebbett will be presenting on best practice Building Information Modelling (BIM), highlighting its innovative application in Tauranga.

Other case studies will show interesting applications of risk management and NEC3 contracts.

For more information visit [www.conferenz.co.nz/conferences/2016-building-and-construction-law-conference](http://www.conferenz.co.nz/conferences/2016-building-and-construction-law-conference).

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# Estimating for house builders in the 21st Century

By Exactal principal product specialist  
Tony Shaw

The digital age is upon us and never more so than in construction estimating.

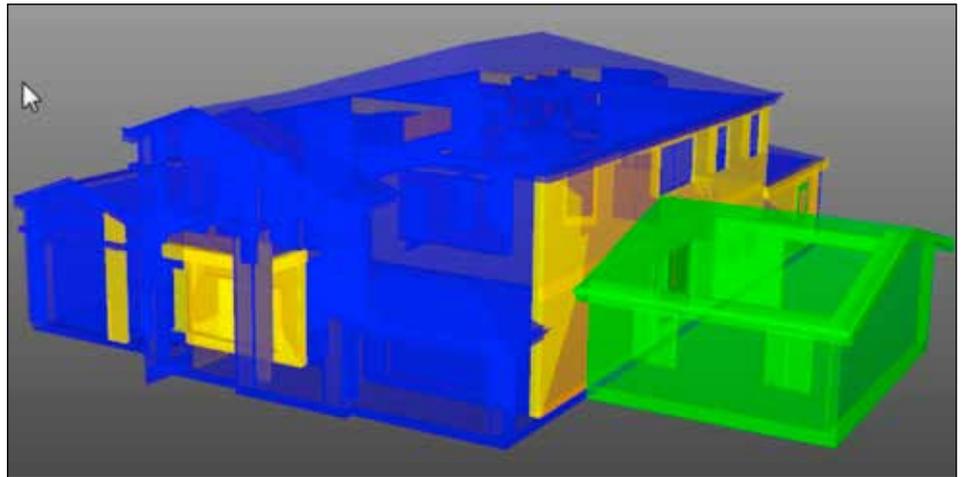
Fading fast are the days of scale rules and even digitisers as, nowadays, digital on-screen measurement can be undertaken from a home or office PC.

There are a number of packages available but one of the most popular is CostX by Exactal. This software uses in-built technology to load the majority of drawing files, and incorporates features that take advantage of information in the drawing to enable single click measurements, saving time whilst maintaining and even improving accuracy.

Measurements from the drawings are then linked directly to cost estimates which can themselves be linked to the latest merchant and subcontractor pricing.

This live-linking of measurements means costs are updated in real time, so the estimate "grows" as measurements are taken from the plan.

It also means that the estimate automatically updates if measurements are revised to account for alterations to the drawings.



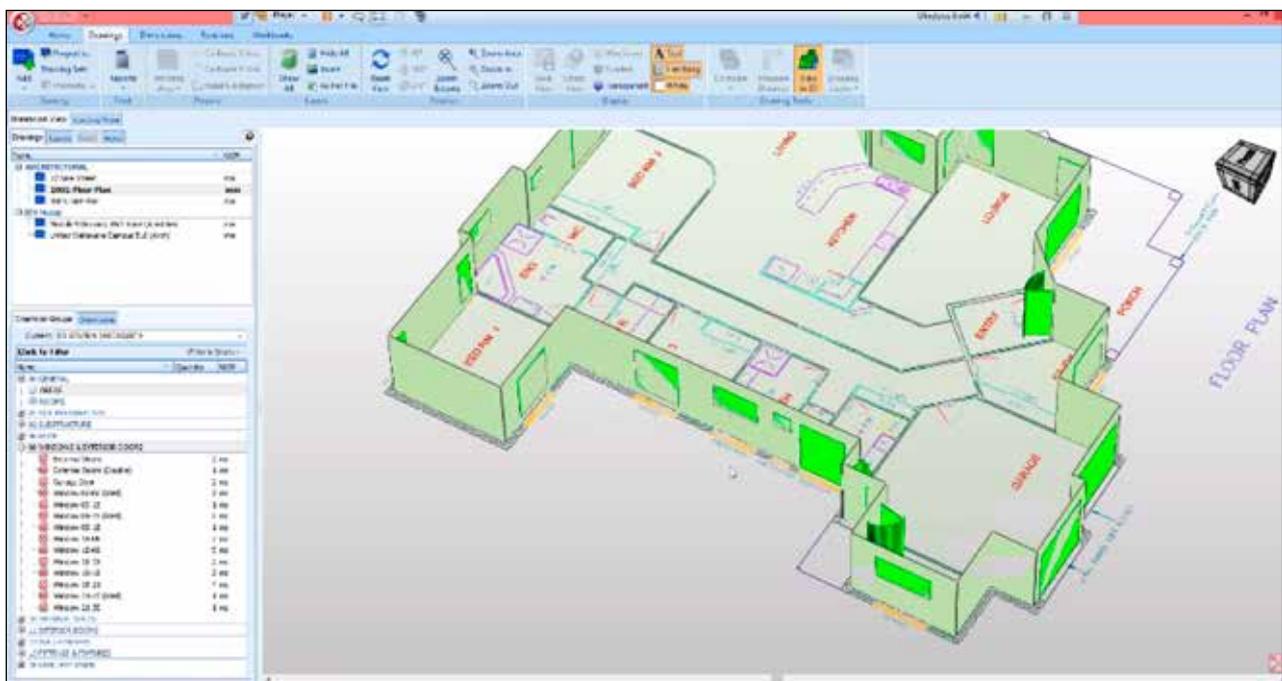
For larger volume builders' or franchise operators' standard plans, measurements and associated estimates can be held in a central database and linked to each site, region or franchise's specific pricing.

As required, the standard plans can be called up and any site-specific measurements added to produce a final estimate. Client-derived alterations can quickly be adjusted, altering the estimate in real-time — allowing the implications of "what-if?" scenarios to be costed.

For smaller builders or one-off architectural projects, industry feedback suggests that an estimate done using manual methods alone is three times slower and less accurate than one done digitally.

With time saved, you can complete three times as many estimates or, alternatively, you could recoup two thirds of the time currently spent estimating down at the beach.

As such, if you haven't yet looked at digital on-screen measurement, now is the time to ensure you're not being left in the past!

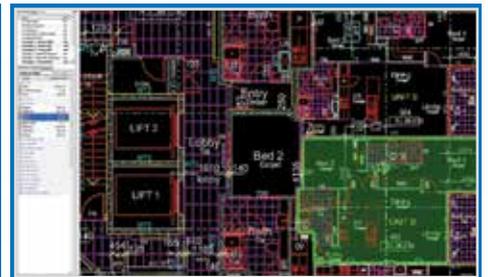
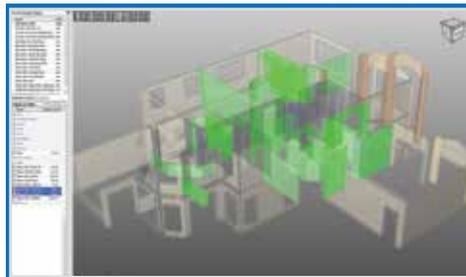
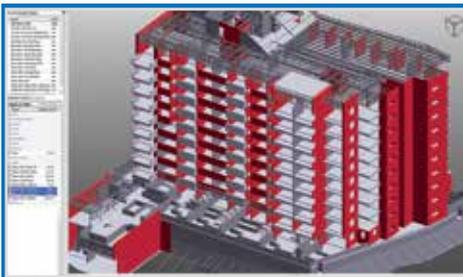


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Brickwork	m <sup>2</sup>	500	40	20000
Roofing	m <sup>2</sup>	1000	20	20000
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Profit				285000
Total				570000



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# Open, honest and direct: Meet

*Building Today's* exclusive Q & A with the country's most influential construction industry leaders continues. Kicking off 2016 is Carters chief executive Mike Guy.

## When and where were you born and raised?

I was born and raised in Tauranga in the sunny Bay of Plenty.

## What schools and tertiary institutes did you attend, and what relevant qualifications did you obtain?

My teenage school days started at Otumoetai College. I gained a Bachelor of Commerce from Otago University and am currently a member of the New Zealand Institute of Chartered Accountants.

In my view, education is ongoing, whether it is learning on the job or ongoing professional development. For me, learning is constant, so I like to set aside time every day to catch up on key industry information.

## What were your previous career positions held, going right back to your first job after completing your education/studies through to any senior management/chief executive roles before moving to Carters?

My first job after my studies was as a chartered accountant for Murray Crossman and Sons. From there I went to Carter Holt Harvey (CHH). I've gained significant experience as I've moved around CHH subsidiary businesses in a wide range of senior executive roles.

As a qualified chartered accountant, I made my start specialising in finance, and moved to lead the finance team as commercial manager of the packaging division and then, ultimately, as financial controller of the CHH Panels division. It was in this role that I oversaw the ambitious acquisition of Australian company CSR Panels in 2000.

I then moved from CHH Panels to CHH Corporate as general manager of performance improvement.

My next challenge was CHH Forestry, ultimately ending up as HR director for CHH Pulp, Paper and Packaging across Australia and New Zealand.

With a desire to move away from HR, I spent five years leading the CHH Multiwall Bag Division.

With the culmination of an extensive and successful 23-year career history with CHH, I relished the chance to take up the position of chief executive of Carters. It's been a tremendous two years, and a time of change, both culturally and organisationally.

## How long have you been at Carters and what was it that most attracted you to the CEO position at the organisation?

I joined Carters in 2014. The thing that most attracted me to the position was the opportunity to be part of a business that has a deep history and heritage in a market that has served the building industry for more than

150 years, and how I could add value.

I am extremely proud to work with our people who are passionate about building lasting partnerships with our customers and suppliers for all New Zealanders.

## How would you describe your management/communication style? How do you manage conflict, how do you reward excellent work performance and how do you manage poor performance?

I would like to think I have a collaborative and communicative management style. At Carters we are very much "one team".

From our senior lead team to our customer-centric employees we all have a part to play in being our customer's chosen building partner.

I have high standards when it comes to our team's professional competency. But I am also aware different skills and knowledge allow for independent, cross-functional thinking, and I like people willing to challenge my thinking as this gives us far better results and better buy-in as we have all provided feedback from different angles.

You could say I also have a very consultative approach. This provides far better results and we are all working together to achieve each goal.

I tend to be open, honest and direct, and that organisational and personal performance comes from having a shared set of expectations at organisational and individual levels.

Having a shared understanding with our wider team provides a worthwhile investment as it motivates high performance and accountability, and also creates a platform to discuss performance issues. It also allows us to share and celebrate successes together.

## What do you think is your most important trait/commodity? What do you attribute your success to?

I think my most important trait is that I have a driven desire to constantly improve. Our customers are the most important driver when it comes to service excellence. I am constantly asking myself and my team "is there a better way to service our customers' needs?"

The most important asset is our people. Having the right team on board and having close relationships with our customers allows us to be right at the coalface in a constantly changing building environment.

I have visited every store and have met every staff member. Without good people servicing great customers we can't make a positive difference to building and constructing our country.

## What is your personal work ethic, and how do you think this affects

# Carters' Mike Guy

## **the organisation's culture?**

Productivity is the name of the game for me. You lead from the top and certainly don't set expectations of others that you wouldn't be comfortable with yourself. My ethos is that all our staff, and customers for that matter, should be entitled to a work-life balance.

## **What is your priority for Carters in the context of the current state of the New Zealand construction industry? What is the biggest challenge you feel your organisation faces, and how do you inspire your employees to meet it head on?**

Carters operates in a highly competitive market, and we are acutely aware customers have many choices on where to purchase.

We are very clear on who we serve in our marketplace, and Carters is "100% for the trade".

Customer intimacy is where we get our best feedback to outperform the market place. Our customers lead our change management operationally and in innovation.

We have a very clear strategy, all our people have been part of the strategic journey, and our customers have driven the insight for that strategic change. We are full steam ahead in implementation.

## **If you could instantly change any aspect of doing business in the New Zealand construction industry, what would it be?**

My only comment would be simplification and improved productivity. I've got a few other thoughts but I'd like to keep those up my sleeve, a bit like Steve Hansen.

## **What are your family/other interests/hobbies away from the workplace?**



*Carters chief executive Mike Guy.*

My family is my main focus when I am not working. We have three children that are heavily involved in sports, so if we're not supporting on the field you can usually find me pounding a pavement as I have a passion for running and cross fit (yes even at my age).

In addition to sports, my wife and I have a lifestyle property, so there's always something around the house my wife likes me to fix or change — and then there's the ongoing maintenance of our property. Once the work is done, nothing beats a cold beer by the pool.

# Great tip for a small business

New Look Landscapes director Andrew Perry needed a workhorse that had more capacity than his ute, but which he could still fit down clients' driveways. A narrow cab Canter tipper proved to be the answer.

The versatile Canter FEA55T1 offered Andrew "the ideal balance" between payload (2.5T) and around-town agility for his thriving Dunedin landscaping business.

"I mainly operate in the suburbs, where narrow cul-de-sacs and tricky slopes such as Maori Hill are tough to access in a big vehicle," he says.

The tipper is the perfect in-between. I can fit a lot more on the back than I could in my ute, and the ability to tip it off saves a lot of work!

Andrew usually starts his day collecting a full load of aggregate from Blackhead Quarry, 5km south-east of St Clair Beach, or picking up machinery from a local hire depot. The Canter is comfortable doing both and, because it doesn't require an HT licence to drive, he can send any of his staff to pick up a load.

"Sometimes we work further afield, heading down south or into Central Otago. The Canter scoots along the open road, handles nicely, quickly gets away from the lights, and



doesn't suck too much gas."

As a seasoned endurance athlete, Andrew appreciates having dependable gear that will go the distance.

"I've learnt that if you can buy new, you should. I've been stung by repair bills on used vehicles in the past, so Fuso's three-year warranty gives me that extra peace of mind."

Having spent plenty of time behind the wheel

running delivery routes up and down England's M1 during an extended OE, Andrew has some firm beliefs about what good value means when picking a vehicle.

After eight years away, he returned to New Zealand in 1997. Initially working for a larger firm, he branched out on his own when he spotted an opportunity to do so.

"I think landscaping is often undervalued. A property can get more at resale if the landscaping is already done. A well-presented outdoor area will give you a much greater return than installing a new kitchen, because it helps form the first impression."

When he isn't adding value to his clients' properties, you'll probably find Andrew out training.

"It's not a bad way to spend my afternoons. The half ironman is long enough for me. If I put in the time required for the full ironman, I reckon I'd be divorced!"

**At a glance:**

**Canter Tipper FEA55T1**

**Wheelbase (mm)**

**2500**

**GVM (kg)**

**5500**

**GCM (kg)**

**9000**

**Max power (kW/PS)**

**110/157**

**Max torque (Nm)**

**370**

**Transmission**

**5sp manual**

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# Smart choices can reduce delays

Building houses and apartments is generally full on, from go to whoa, with a thousand and one things to think about and do. It is very easy to forget, or ignore, what delays in the building programme are actually costing your business, not to mention what it's costing the client.

It's not difficult to highlight just some of these delay costs, often as a result of wet bottom plates on timber framing.

These include rescheduling work, hiring of heaters and dehumidifiers, time spent straightening framing after the drying process, re-inspection fees, holding costs on total outlay, delays in receiving progress payments, keeping staff engaged, additional rent and mortgage payments — and so on.

Minimising delays and ensuring the critical path is right on programme should be an absolute top priority in any building business. Therefore, keeping moisture low in bottom plate framing timbers is critical in preventing and reducing delays.

As major New Zealand housing companies are discovering, the installation of Hiandri bottom plate packers on all their framing translates into huge savings, and a build programme with minimal delays — it's a simple common sense solution to a major industry problem.

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# Make this year your most profitable year yet!

*Building Today* columnist and industry stalwart Mike Fox shares 18 principles he says will help make your business more profitable.

By adopting the following simple but smart ways to work more efficiently, reduce waste and make better returns without increasing your prices, this year could be your most profitable yet.

It'll result in a win for all involved, and you'll find that they apply, no matter what size your business is.

## 1 Don't take on risky, low-margin projects

If you are doing work of a high-risk nature, or below your normal margins, you are probably better off not to do it. Remember, the more difficult or high risk the project is, the margins and contingencies will need to be set accordingly.

I have seen many builders come unstuck thinking they can do demanding projects on slim margins. It always ends in tears.

Do work that you are competent in and that consistently returns a fair margin. Increased volume at lower margins never translates into increased profit.

## 2 Don't give things away

Every time you include something at no cost or low margin you have to work that much harder to catch up financially. Put upgrades into your specification as options with a cost, and let the client decide if they wish to incur the extra expense.

## 3 Design and build product for your customer — not yourself

One of the biggest mistakes builders make is that they think customers want a home and options that the builder would like. This often leads to design and construction costs that may be beyond the client's budget and, consequently, put pressure on the builder's margins. Survey your customer's needs and build to their needs, not yours.

## 4 Eliminate waste and excess material usage

If you evaluate your construction techniques, significant savings can usually be made. Make sure you check delivery quantities for error (yes, many mistakes are made) and always



Mike Fox

return excess material for credit and not to your yard.

Failure to do so quickly can end up with damaged material that is only fit for the skip. If you could reduce the number of waste skips on each site from three to two, consider the savings over a year.

## 5 Develop clear scopes of work and checklists

Train your onsite staff and sub-trades on the scope of work they are expected to complete. Check sheets help eliminate oversights which, in some cases, could be very costly. Call backs and maintenance will also reduce significantly.

## 6 Don't start until you have detailed drawings and all product selections are made

Accurate, detailed and complete working drawings, along with completed colour and product selections, are a must if you are expected to work efficiently. You are better off delaying the start of the project until these are available. Commencing on less than full information will cost you through delays, rework and cost overruns.

## 7 Value engineer the drawings

If you're in a design-build situation or are given the opportunity early in the design phase, significant savings can be made by builders

analysing the drawings for construction inefficiencies. New or alternative materials can be considered along with different construction techniques, saving time and money for the home owner with the added bonus of increasing the opportunities for you to have better margins.

## 8 Keep a tight control of budgets

Implement a formal purchase order system with good descriptions and quotes on all orders. This controls cost slippage and makes checking your monthly accounts so much easier.

Don't be frightened to negotiate hard with trades and suppliers because if you don't ask, they are not likely to offer a better deal for loyalty or volume.

I have seen many builders work a lifetime with little return, whilst all those trades down the food chain have done handsomely from the work he has provided — all because the builder remained loyal to those sub-trades and forgot to periodically check if those trades prices were still competitive.

## 9 Improve your estimating

If your estimates are not accurate, how can you ever expect to know how much margin to charge or if you are making a profit? Detailed back costings should be kept against the original estimates.

You do this as a check against the accuracy of your estimating. Failure to do this correctly means you're in the dark, and it's a sure way to end up going broke.

## 10 Programme your work

The more efficiently you work, the more you can achieve, and your earning potential increases accordingly. For example, if you consistently build four homes in any one year and through good programming you increase that to five homes using the same resources, your income increases and your overheads reduce.

This message is simple — get yourself and your trades organised and with the cloud-based technology now available, it's becoming easier to communicate programme dates, purchase

orders and variations without even having to pick up the phone.

### 11 Standardise and systemise procedures wherever possible

Wherever possible make construction details and work administration practices consistent from job to job. Train your staff and sub-trades fully in these systems.

Efficiency will increase through repetition, and you will have peace of mind knowing it is a tried and true reliable detail or system.

You cannot expect to grow your business efficiently unless you put systems in place that can be followed and replicated between projects.

### 12 Watch staff levels

It is important that staff levels maintain a balance with onsite work and sales volumes.

Builders tend to be eternal optimists when it comes to that next job starting, and often leave hard decisions of reducing staff until it's too late. This point has never been more pertinent with the residential construction boom in Christchurch now past its peak.

### 13 Keep an eye on your sales volumes

As I've mentioned in earlier articles, you are better to do less work at higher margins than lots of work on smaller margins.

Do not discount your prices to increase your volume — it's a sure one-way ride to the builder's scrap heap. Always look six months ahead, and if enquiries are down now, then there's nothing surer — you will be quiet in six months' time.

Some builders fall into the trap of being so busy trying to complete their current work load that they lose sight of where the next projects are coming from. Keep an eye to the future.

### 14 Monitor advertising and promotions

Advertise and promote yourself in boom times and while you are busy for two good reasons. First, you will be able to afford it and, second, because the gestation period for new projects is so long, if you wait until you need the work it could be too late.

### 15 Actively develop your referrals

We all know the value of a referred client. They come to you on recommendation and, on the strength of this, a sale is likely to occur.

Not many builders actively work on getting referral business, but this can be done very cost-effectively with outstanding results.

### 16 Look at your management systems

It may be time to upgrade your computer system to a fully integrated estimating, ordering, back costing and accounts system. Monthly accounts with profit and loss, along with accurate back costings on each project, is a must in our line of business.

Get your accountant to set your system up so you can produce monthly management accounts in house. You are better to invest in quality systems before hiring more staff — it is so easy to become top heavy.

### 17 Always get paid in full before allowing clients to take possession

One of the biggest financial traps for a builder is to allow a client to take possession of a new home prior to getting payment in full.

Mark my words, if you allow this to happen you will end up either not getting a portion of your final payment or it will take you a very long time to get it, with ever-changing reasons or building faults that seem to appear as reasons why you are not getting paid.

### 18 Build the project right the first time

This, out of all of the above, is probably the most effective way of improving your bottom line. Rework, call backs and maintenance all cost money, time and resources, the cost of which will come from your company's profits.

It affects you in two ways — first, the direct cost of fixing the problem and, second, the loss of earnings while you carry out the remedial work.

Really, it's a no brainer — put the time and effort into getting it right first time so that you don't need to return. The client will be happy, and so will you with increased earnings and lower hassles.

I hope these tips help make a difference to your business in 2016. Also, I really appreciate all the kind messages of support and encouragement for the articles I have written over the past year, and hope that in some small way they have a positive impact on your business in what is a very hard industry to operate within. It is an honour to be able to write these for *Building Today* readers.

• This article contains the author's opinion only, and is not necessarily the opinion of the Registered Master Builders Association, its chief executive or staff.

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# It pays to train — it's proven!

**B**CITO research proves that training apprentices generates profit. The organisation recently conducted an in-depth research project showing that for every \$1 spent on training a carpenter, a business will benefit by \$4.70 in increased profit up to a 10-year period.

This is the first time this exercise has ever been undertaken in New Zealand, and the BCITO is delighted to be able to share these findings with the construction industry.

There's a misconception held by some that training an apprentice costs a business money, with little or no return. This research proves that in the long run, that's wrong.

Investing in industry training is not just a cost to be minimised — it's an investment that can grow your business.

Obviously the return on investment doesn't kick in immediately. The break-even point is three to four years — about the same time as completion of an apprenticeship — when the cost of training is offset by the extra profit generated by training.

This extra profit keeps increasing the longer the trained person remains with the firm. So, yes, staff retention is a factor in this equation — the longer an employer keeps trained staff, the more profitable they become.

"During the past two years, the BCITO has experienced unprecedented growth in new apprenticeships, but the construction industry still

remains woefully short on skilled tradespeople," BCITO stakeholder engagement group manager Greg Durkin says.

"We need more businesses to come on board and train our young people. With this research completed we can clearly prove that training an apprentice is a positive investment for employers."

As part of the project, carpentry business owners were asked about their firm's structure, in terms of the number of people working there and what roles they were in. From this information a model of an average firm in the industry was developed.

While the payback period for trained and untrained workers appears similar, the positive return from training is sustained well into the future, increasing the cumulative benefit each year.



Other findings of the project show that when compared with a business that doesn't invest in industry training, a carpentry firm that trains all staff will:

- Grow 6% faster.
- Charge \$0.44 more per hour per person.
- Estimate work 3% more accurately.
- Do 2% fewer hours to complete the same task or project.

"It is such a worthwhile expense for every business to invest in training apprentices," BCITO chief executive Ruma Karaitiana says.

## Fantastic news for industry

"Not only does having skilled workers improve your reputation and benefit your business overall, but this research now shows that, over time, your business' bottom line is significantly improved. It's fantastic news for industry training as a whole," he says.

The methodology used in this project works back from a measure of economic return such as cumulative firm profits over time. The drivers of profitability were broken down to identify individual attributes of a firm's performance and evaluate the relative importance of these.

The impact of a team's trade and management proficiencies on these attributes was then considered. Finally, the contribution of training to an individual's proficiency was weighted relative to the contribution from experience.

Most business owners involved in the research project agreed that, on average, trained workers become fully proficient between six and 10 years after starting work in the industry.

On average, untrained workers take a much longer time to be fully proficient, and will only ever be 60% to 70% proficient, whereas trained workers become "fully billable" in a much shorter period of time.

In terms of the cost of training an apprentice, the research has taken into account BCITO fees, Government's subsidy for industry training, an apprentice's salary, and the cost of supervising and training an apprentice.

**BCITO**  
building people

**My Secret to Training Legendary Apprentices...**

As our industry grows, along with the demand for skilled trades, it's our job as employers to get the right people trained up and ready to make a difference.

Since starting my own business at age 30, I've been passionate about training; I wanted someone young and fresh to help me out; who would grow to become a valuable member of both my team and the construction industry. So I took on an apprentice through the BCITO.

Seven years and six apprentices later, I'm reaping the benefits.

Not only do I now have a team of guys with the skills that my business needs, but I've got some great mates to work with too.

Finding the right apprentice isn't easy, but once you've found someone you can get along well with, is eager to learn and not afraid of a bit of hard work, you're sorted.

It's then up to you to mentor that person until they've got the skills you both need.

At the beginning, it's all about investing your time, skills and energy. Being a good mentor means giving your apprentices a chance to excel and pushing them to be their best.

Seeing the potential isn't enough; you have to provide opportunities for your apprentice to reach that potential.

After a couple of years of training and hard work, they hit that magic moment and all of a sudden you've created a fully competent tradesperson.

Through training apprentices, I've had excellent opportunities to foster great talent. One of my first apprentices, Willie de Gruchy, went on to win the Auckland 2013 House of the Year. Bill Harkness (pictured), who's still working with me now, won the RMB Carters Apprentice of the Year title in 2013. I'm so proud of what these guys have achieved, and it's so rewarding to know I have been a part of their career.

The bottom line is that there aren't any downsides to supporting your apprentices to be their best. When your apprentices succeed, so does your business. Who wouldn't want a top class tradesman to work alongside everyday?

**For me, training apprentices just makes sense.**

Ben Redmond  
Redmond Builders & Construction

**BCITO**  
building people

If you reckon Ben knows what he's talking about and you want to get involved with training **CALL THE BCITO ON 0800 422 486.** We may even be able to help find you the right apprentice.

# BT's Back in Time

## 20 years ago:

- The NZMBF condemned the rise in employers' ACC levies, describing them as tinkering aimed at propping up an accident corporation system that had totally lost its way.

Chief executive Trevor Allsebrook said it was no surprise that employers were threatening to withhold payment of increased amounts — and, in some cases, their entire levies — in protest at the Government's failure to undertake a total revamp of the ACC system, including serious consideration of privatisation.

"Their concerns continue to fall on deaf ears. Instead, the Government has taken up an unthinking, short-term option of whacking up the levies — an option which will only exacerbate the financial plight of ACC because pouring in more employer money does not address the fundamental problems," Mr Allsebrook said.

## 15 years ago:

- Associate Minister of Finance Laila Harre announced details of proposed new legislation aimed at widespread payment problems in the construction industry.

Since the Statutory Liens and Wages Act was repealed in 1986, subcontractors had been exposed to a high degree of risk when it came to getting paid by operators at the top of the contractual chain.

"Pay when paid and pay if paid clauses have been the financial downfall of many small subcontractors, and more recently we have seen larger companies forced into bankruptcy or liquidation because of this legal loophole," Ms Harre said.

## 10 years ago:

- The RMBF introduced changes to the 2006 House of the Year competition to ensure greater judging transparency and to provide feedback to all entrants.

Key changes included the replacement of local residential judging panels with four to five national panels who were to each judge three to four categories throughout the country.

Panel membership was also changed, and comprised only two judges — one builder specialist and one architect. Judging criteria was to reflect the importance of workmanship — at 65% of the total marks available, with design, functionality and style comprising the remaining 35%.

## 5 years ago:

- Recent research undertaken by the Commerce Commission showed there was a low level of understanding in the construction sector of what kinds of conduct and communications between competitors may be unlawful.

The research showed that many businesses were not aware of the consequences of breaching the Commerce Act, nor what the Commission's role was.

Aware that anti-competitive conduct in construction industries was prevalent overseas, the Commission was taking a proactive approach to improving understanding of the Commerce Act.

This included helping businesses that compete in the construction industry to understand their obligations, and to change behaviour that may have been putting them at risk of breaking the law.

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# Professional indemnity insurance — limitations to cover

Timothy Bates, principal of Auckland law firm Legal Vision, takes a look at the limitations that come with professional indemnity cover.



In this first article for 2016 I'll look at the recent Court of Appeal decision of *JCS Cost Management Ltd v SR Johnson & QBE Insurance (International) Ltd*, which shows the limitations that come with professional indemnity cover.

## Facts

In this decision, which was an appeal from a High Court decision in favour of QBE, the QS (Mr Johnston) attended an open home in Takapuna with an existing client, Mrs Johnson.

His evidence was that he had attended this open home only in the expectation that he might project manage the renovation as he had done similar work for this client in the past.

The Takapuna house turned out to be a leaky building and, in turn, Mr and Mrs Johnson issued proceedings in the High Court against the council. The council, in turn, joined in *JCS Cost Management* and Mr Johnston as third parties to the High Court claim.

The council alleged that Mr and Mrs Johnson had purchased the house in reliance upon the QS's advice that the house was weathertight.

The third party claims against the QS failed at trial, the court ruling that Mr Johnston had not provided any advice as to the condition of the house as alleged by the council.

However, in defending the High Court proceedings, Mr Johnston was left with \$52,960.50 of defence costs to meet once collecting the costs order in favour of him from the council.

In turn, *JCS* and Mr Johnston brought a claim in the High Court to recover these losses as against its professional indemnity insurer, QBE.

At first instance, Mr Johnston failed in the High Court. This article focuses upon the Court of Appeal decision as to insurance cover.

## Court of Appeal decision

The majority in the Court of Appeal upheld the High Court's finding that there was no cover for defence costs (albeit for different reasons).

The issue at stake was whether, in fact, there was insurance cover for the defence costs incurred by Mr Johnston.

In particular, the insuring clause at stake only covered costs and expenses "incurred with the written consent of QBE in the defence or settlement of any Valid Claim."

The court held that, in order to determine whether an insured is entitled to defence costs, two questions arise:

- If the claimant succeeded what is the factual basis on which the insured would have been liable?
- Having regard to the true nature of the claim, would the claim against the insured have fallen within the scope of the policy?

In respect of the first question, the court ruled that in order for the council to have succeeded against him it would have had to have shown that Mr Johnston attended the open home in the capacity to give advice on the condition of the house.

The council claim failed because he did not attend on this basis, and gave no weathertightness advice.

In respect of the second question, the court went on to hold that even if it could have been shown that Mr Johnston had attended the open home to give advice on the condition of the house and, in turn, had given negligent advice, there would have been no cover under the policy.

The reason for this was that providing such advice would not have fallen within the

definition of Mr Johnston's "Professional Business Practice". At paragraph 64, the court states:

"[64] Whilst Mr Johnston's marketing efforts to obtain project management work can be viewed as being connected with *JCS*'s business, any liability could only have arisen from pre-purchase advice. Such advice would not have fallen within the definition of 'Professional Business Practice', which identifies very specific parameters."

"Professional Business Practice" was defined in his policy as the business of quantity surveyor and project manager.

Ultimately, the Court of Appeal ruled there was no cover in place to meet the defence costs of Mr Johnston. Whilst it would have been a disappointing result for the QS, the decision does seem to be correctly based upon the policy wording.

So, keep in mind the following regarding professional indemnity insurance:

- It will only cover liability arising from the core business/services you provide, so once you step outside your core services, you are likely to be operating in an uninsured position.
- You will only get defence costs where you are being claimed against for breaches of your core business services.
- Always fill in insurance proposals carefully as well as any claim forms. Failure to disclose full facts or answer correctly the questions outlined in the policy/claim form can result in declination.
- There will always be in place limitations to the insurance cover provided.
- With the current litigious mindset across all aspects of the construction industry, you cannot trade safely without liability cover.

**Note:** This article is not intended to be legal advice (nor a substitute for legal advice). No responsibility or liability is accepted by Legal Vision or *Building Today* to anyone who relies on the information contained in this article.



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# Knee jerk reaction

Architect Don Bunting reflects on why media are so quick to decide on cause and effect.

You can be sure that as soon as there is any sign of a likely early summer dry spell in the South Island, the media will immediately blame a future El Niño.

There may be any number of reasons for such dry weather but the media, like many of us, is always quick to decide on a reason and then just as quickly assign it a simple, recognisable label. Job done, move on.

Where does this term come from? In the late 17th Century, along the coasts of Peru and Ecuador, local residents noticed an annual warming of the ocean surface. They called this El Niño (The Child) because of its proximity to Christmas.

The derivation of the opposite term La Niña (my little girl) is less clear but is usually referenced by unusually cool water occurring in the central Pacific. These terms have now become the “go to” answer to our notoriously unpredictable summer climate.

I tip my hat to any meteorologist brave enough to predict the weather in New Zealand over any time frame. Our long, skinny country, surrounded by the largest body of unoccupied ocean in the world, makes it difficult, if not impossible, for anyone to predict what might or might not happen even a few days ahead.

## Which to choose?

Architect David Mitchell recently commented that all too often those selecting a designer for a future project will base their selection on the safest and most predictable path.

Apparently, requests for proposals (RFP) for public commissions usually contain major weightings against “track record” and “company resources”. This inevitably leads to the selection of the safest pair of hands rather than the designer best suited to the job.

That on its own is understandable. What is not is the growing tendency to select different consultants for each phase of a project — concept, preliminary design, developed design, contract documents. Why?

The answer is found in the project phase that is missing from the previous list — contract observation and administration. This is now considered too difficult for architects and engineers to undertake, and has been taken over by so-called project managers.

What chance would a Frank Lloyd Wright or Le Corbusier have in today’s world of the knee jerk selection of the safest and not the best. Fine architecture is, by its very nature, risky, something that is an anathema to any self-respecting project manager. The results of this approach are all around us.

## First appearances

It perplexes me how universities and other research institutions get funding for research projects that end up being published in the news rather than in scientific journals.

The University College of London’s School of Management recently proposed that among men, good looks indicated intelligence, but for some unstated reason the opposite was the case with women.

Researchers believed that this extremely dubious research was being used by companies in selecting candidates, but in the opposite manner.

The lead researcher stated that “organisations don’t want to select someone who is better than them”, and “managers make hiring decisions to serve their own self-interests”.

So based on some very thin and unconvincing research the researchers then concluded that managers are prejudiced against handsome men.

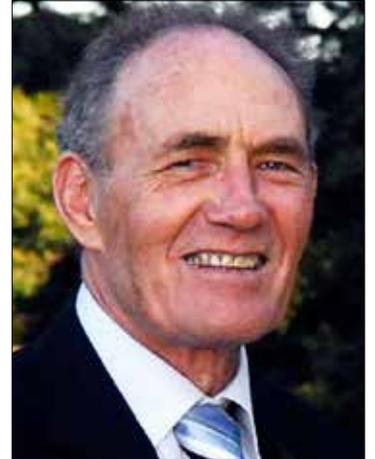
Why a company would want to preclude the best candidates from selection is simply too far-fetched to be true, except of course to the University College of London.

## Nobody wants to be the boss

Bloomberg recently reported that the professional staffing web site Addison Group had determined that “millennials” (those born between 1946 and 1994) are less interested in management than previous generations.

The research, based on fewer than 1500 responses and only from millennials, indicated that few now wanted to be responsible for others, as it restricted their ability to concentrate on being best at their existing role.

The grandly named Work/Life/Integration project by the Wharton School, has supported this conclusion, believing that “management had developed a bad reputation”. So what’s new in that?



Yet another university researcher, from the University of Michigan School of Business, has noted that some leading tech companies are “ensuring that career paths now run parallel to management paths”. That’s management-speak for equal pay for those not wanting to be a manager.

Again, what’s new? Companies have always been prepared to pay key specialists much more than management level employees because they are good for the business.

## Stating the bleedin’ obvious

Closer to home, a Treasury analyst has concluded that there is evidence of a “significant employment rate reduction” among those suffering a stroke, brain injury, coronary heart disease or cancer.

I’m sure that this conclusion will be of real use to an employer who is concerned that an employee is not producing the same sales results while lying in hospital.

## The year ahead

Now that the silly season is behind us we can look forward to selecting a new flag, the USA presidential elections, politicians deciding how they can avoid implementing the 2015 Paris climate protocols, and the election of a new mayor for Auckland, our largest city.

I think it was Tim Shadbolt who once said, “I don’t care where, as long as I’m mayor”. But I’m not sure even he would be prepared to take on the impossible task of getting into line a group of disorganised, single-issue councillors.

Rodney Hide should be ashamed of foisting such a dysfunctional political structure onto Auckland.

## Round and round the mulberry bush . . .

Terry Sage of Trades Coaching New Zealand plumbs the murky depths of time to remind himself of a nursery rhyme he says is quite relevant to businesses at the moment.

There's a kid's nursery rhyme that starts, or maybe ends, or has it somewhere in the middle, the words "round and round the mulberry bush". Remember the one?

Haven't got a clue how the rest of it goes — my dear old gran always took her teeth out when she sang so I couldn't understand most of the words. A very deprived childhood I had.

Has this got anything to do with business, I hear you say? Absolutely not — apart from the fact those six words pop into my mind every time I hear a business owner complain they're in a rut, or life's a struggle, or they blame the world for their inabilities blah blah blah.

*TCNZ apologises to any Building Today reader who has attempted to email us without success, or who has not been replied to, as the address has experienced intermittent technical difficulties.*

*Please re-email us at [terry@tcnz.net.nz](mailto:terry@tcnz.net.nz). Thank you.*

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THE BUSINESS SIDE OF CONSTRUCTION

They're going around the "bleep" bush because that's the way they choose to run their business and can't see what's on the other side of the bush.

Well, merry go rounders, stop, take a breath, prune your bush (in an arboristic way of speaking) and take a look at why you keep getting the same results year after year.

We have discussed this issue in the past, and the reason I bring it up again is because this time of year is the most common for getting lost in a field of bushes, mulberry or otherwise.

Christmas is a thing of last year, your holidays are all but forgotten, the kids are back at school, the bills are piling up and life is back to normal. Arrrrrr, how nice. No, no, no! Not nice. Ahhhhh life sucks.

So who's out there that can make "life sucks" into "would you like a straw to suck up that Margarita" — while sitting on a tropical beach, of course

You're now expecting me to jump out of a telephone box with red undies and a cape and say "never fear, super coach is here to save you".

Well, not this time — the cape and undies got ruined on New Year's Eve (don't ask) and even if I wanted to be seen in public with them on, a Trades Coach or anybody else for that matter should not be number one on your list of saviours.

#### You're it buddy . . .

Number one is much closer to home — in fact, you're it buddy. You can hire the best advice in the world, cape and undies included, but if you are not ready to leave the mulberry bush then you'll be wasting your time and money.

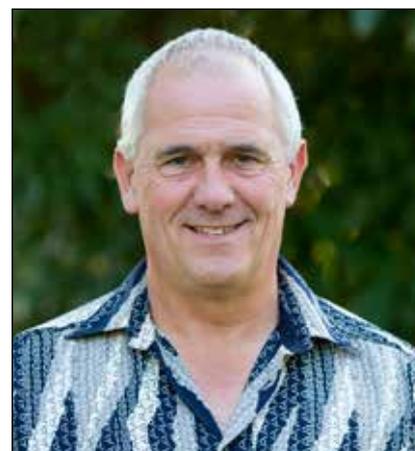
It's an attitude shift that's needed, a mindset reshuffle, call it what you like. Just recognise that the leaves have left the bush and so must you.

Once the light bulb has exploded in the grey matter then look for help and find somebody who you click with (because it always helps to like the person who's telling you you're a loser).

Someone who has hands-on experience, who has been there done that, and not just a book regurgitator. Someone who does not make promises or guarantees, as you're the one who makes the changes, not them. If you can get someone who has been recommended, even better.

So there we have my opening pitch for 2016 — none of this Happy New Year baloney but more, stop being a moaning Myrtle (sorry kids, I watched Potter the other day), and become the person and business owner you deserve to be.

It doesn't matter that you don't know how — there are people to show you the way. You just have to be ready to ride the Hogwarts Express (kids shouldn't be old enough for Mad Max just yet!)



## Building Consents Information

For All Authorisations, December 2015

Dwellings	\$1,002,188,000
Domestic Outbuildings	\$15,122,000
<b>Total Residential</b>	<b>\$1,017,310,000</b>
Non-residential	\$555,407,000
<b>Total All Buildings</b>	<b>\$1,572,717,000</b>
Non-building Construction	\$38,506,000
<b>Total Authorisations</b>	<b>\$1,611,223,000</b>

### Number of new dwellings consented

	Dec 2015	Nov 2015	Dec 2014		Dec 2015	Nov 2015	Dec 2014
Far North District	19	25	13	Horowhenua District	16	9	4
Whangarei District	41	51	38	Kapiti Coast District	17	22	28
Kaipara District	19	14	8	Porirua City	16	20	18
Rodney District	103	75	46	Upper Hutt City	5	18	30
North Shore/Albany Wards	299	277	243	Lower Hutt City	17	105	12
Waitakere Ward	31	44	43	Wellington City	41	148	74
Auckland Wards	350	269	145	Masterton District	3	4	3
Manukau/Howick Wards	72	117	33	Carterton District	2	6	4
Manurewa-Papakura Ward	55	112	52	South Wairarapa District	5	5	2
Franklin Ward	37	72	68	Tasman District	27	30	26
Thames-Coromandel District	16	31	17	Nelson City	10	15	12
Hauraki District	142	7	9	Marlborough District	12	15	14
Waikato District	64	57	35	Kaikoura District	2	0	2
Matamata-Piako District	16	15	6	Buller District	2	1	3
Hamilton City	142	100	68	Grey District	3	1	3
Waipa District	50	45	26	Westland District	4	1	3
Otorohanga District	4	4	0	Hurunui District	6	8	10
South Waikato District	4	6	3	Waimakariri District	44	53	94
Waitemoa District	3	2	2	Christchurch City	358	337	485
Taupo District	26	17	26	Selwyn District	108	135	109
Western Bay of Plenty District	39	35	24	Ashburton District	13	19	9
Tauranga City	123	176	80	Timaru District	20	16	17
Rotorua District	4	9	10	Mackenzie District	8	4	4
Whakatane District	8	7	5	Waimate District	5	0	1
Kawerau District	0	0	0	Chatham Islands Territory	0	0	0
Opotiki District	2	0	3	Waitaki District	5	6	3
Gisborne District	1	9	5	Central Otago District	17	16	17
Wairoa District	0	0	0	Queenstown-Lakes District	62	88	39
Hastings District	20	20	13	Dunedin City	37	28	28
Napier City	9	13	7	Clutha District	2	9	6
Central Hawke's Bay District	4	1	1	Southland District	4	9	11
New Plymouth District	26	30	52	Gore District	2	6	4
Stratford District	0	1	1	Invercargill City	11	7	8
South Taranaki District	8	10	2	Area Outside TA	0	0	0
Ruapehu District	3	0	2				
Wanganui District	6	7	7	<b>Total</b>	<b>2538</b>	<b>2831</b>	<b>2199</b>
Rangitikei District	3	2	3				
Manawatu District	11	9	4				
Palmerston North City	23	19	15				
Taranaki District	5	2	1				

• Based on 2006 census areas

• Each dwelling unit in a housing project is counted separately

• Figures in these tables may differ from published statistics

Source: Statistics New Zealand

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