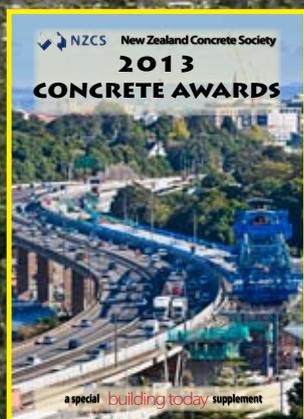




building today

THE OFFICIAL MAGAZINE OF THE REGISTERED MASTER BUILDERS FEDERATION

LVR: What impact will it have on the industry?



Inside: NZCS 2013 Concrete Awards supplement

- Apprentice of the Year contenders
- HoY Gold Reserve National Finalists
- Global market worth \$15 trillion by 2025



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OCTOBER 2013 | VOL 23 NO. 9

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The Reserve Bank's Loan to Value Ratio (LVR) policy kicked in at the start of the month, but will it really curb property price rises and protect home owners and banks from a property collapse?

Building companies have already lost potential clients who had the certainty of mortgage finance taken from under their feet thanks to the new policy. RMBF chief executive Warwick Quinn discusses the issue in this month's column.

Meanwhile, the annual awards season is approaching, and we profile the nine contenders for the Registered Master Builders Carters 2013 Apprentice of the Year.

Also in this issue we name the 87 Registered Master Builders 2013 House of the Year Gold Reserve National Finalists.

Finally, on page 24 check out news of an extra special *Building Today* issue being published for the first time ever in January 2014.

Andrew Darlington
Editor

cover story 4



The Reserve Bank's Loan to Value Ratio (LVR) policy — will it really curb property price rises and protect home owners and banks from a property collapse?

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chief's chat

by ceo warwick quinn

LVR — more than just a risk to banks

The Reserve Bank's Loan to Value Ratio (LVR) policy came into force on October 1. You will recall this is where no more than 10% of a bank's lending can exceed mortgages of more than 80%.

There has been plenty written and commented on about it, and whether or not it will curb property price rises and protect home owners and banks from a property collapse, should one ever occur.

We will have to wait and see whether the policy works, and only time will be able to tell us that.

In the couple of weeks leading up to October 1 we started getting calls from members (and non-members) concerned that they were feeling the effects of the LVR policy on their construction businesses.

Some had lost potential contracts and clients were walking away from discussions as they no longer had certainty of mortgage finance, so couldn't proceed.

This was a direct result of the banks withdrawing pre-approvals and not entertaining any more high LVRs in order to get their lending books in order — or face the wrath of the Reserve Bank and have their banking registration withdrawn.



We undertook a very quick survey to see what the impact might be across the membership and potential effect on construction in general.

Some members had seen no change, and they have never been busier. Others had been affected significantly, and expected to continue to be as a high proportion of their business were clients with low deposits.

We were aware of one company whose exposure is around 50%, and others in a similar position. Lenders, too, had seen enquiries dry up, and sales of completed new home enquiry was also affected as potential buyers disappeared from the market.

It is very difficult to get good quality data on the percentage of high LVR mortgages for new builds but, anecdotally, it seems to be somewhere between 10% to 15% of all new construction sales.

Extrapolated out, that means some 2000 to 3000 homes a year, based on our current construction numbers for 2013 (which will see about 20,000 new home consents issued) are at risk due to the new policy. Clearly, not all will be affected, but a number of things worry us.

Reduction in new house supply is counterproductive to the success of the LVR initiative and cooling house price increases. Indeed, increasing supply is the long-term answer as bringing new homes to market faster to meet demand when it spikes balances the demand/supply equation and reduces rampant value growth.

This relies on land being available first, and until that happens we will continue to fail to address the underlying problem.

The other thing that concerns us is how the banks will treat construction lending under a high LVR scenario. We know high LVR mortgages are more complex than loans on existing homes.

Funds are released as the home is constructed. It takes a long time, and clients can be exposed more than normal because they're often paying rent and other costs during the construction period.

From experience, banks tend to back off somewhat when the market is weak. They're concerned about over-exposure during periods of negative property values or no growth, and I guess this is understandable.

So we are concerned banks might prefer lending high LVRs on existing homes, at least in the short term, and until things settle again. This will put further pressure on supply and building firms who have gone through five years of recession.

It has been said to me that these firms will have to change client types, but at the end of the day there is still up to some 3000 homes at risk that were not at risk before.

We have spoken with the Reserve Bank and the Treasury and, in conjunction with BRANZ, are undertaking an industry survey to try and better understand the impacts of the LVR policy on new builds.

So when you see the survey (if you haven't already) please fill it out as we believe there are real grounds for new homes to be exempt from the policy if the effects are too significant.

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The demand for skills

By RMBF president

David Fabish



The New Zealand economy is now in a sustained upturn, and GDP growth for the next five years is forecast to be around 3% per annum on average. This is in stark contrast to the average 1.3% GDP growth per annum over the past five years.

Nett migration figures, which have been in the negative for the past two years, are now forecast to swing to a nett increase of 8000 to 10,000 people per annum for the next five years.

These key indicators are reflected in the Infometrics graphs at right.

This forecasts just how rapidly the construction industry's workloads will increase, and that by 2014-15 will have exceeded the previous peak reached in 2007.

We are quite obviously facing a dramatic increase in demand, particularly in the Canterbury and Auckland regions. The need for skilled labour to be trained is imminent, and it's hardly a surprise that carpentry apprentice numbers have jumped by 20% already this year.

This strong growth in apprentice numbers is expected to continue over the next three years, and will help us deal with the increased workload pressures.

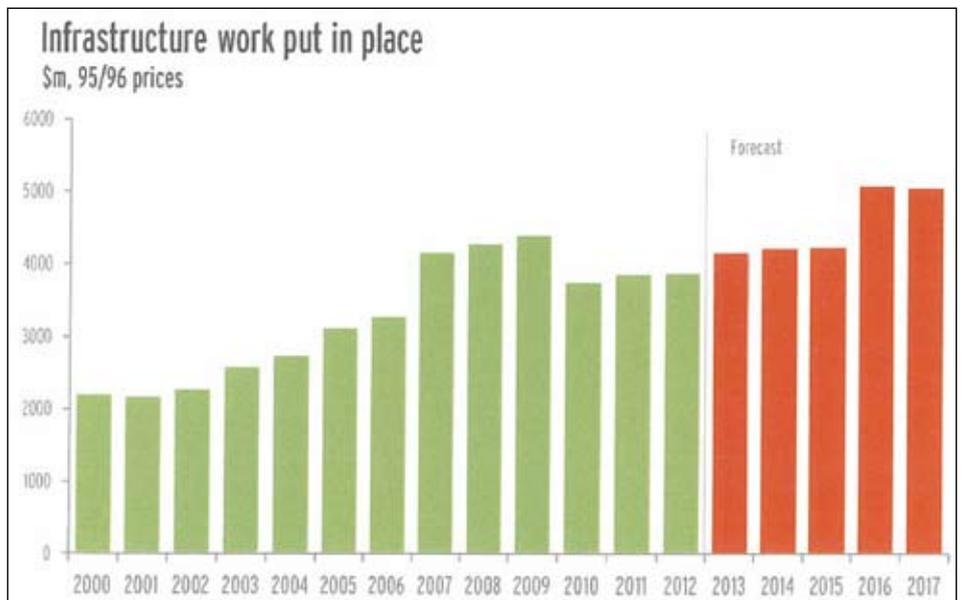
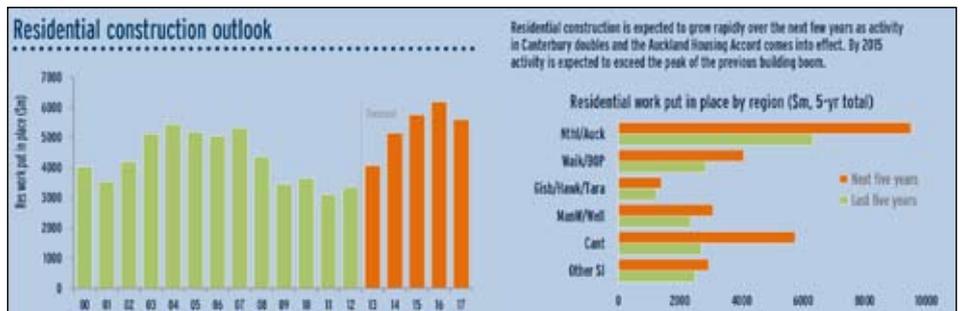
Undoubtedly, training our current tradespeople and especially the LBPs in supervisory skills will be essential in dealing with this growth in a planned and considered way.

Some polytechnics offer classroom-based supervisor training which is probably better for lesser-experienced tradespeople.

The BCITO offers a very good National Certificate Supervisors course which is self-paced, computer-based, and can be completed in three to nine months, depending on the time put in.

This qualification covers modules such as decision making, job planning, conflict resolution, understanding work and administration procedures, managing other trades, and providing guidance and motivation to others.

At \$1200 including GST, and a with a \$100 discount for prompt payment, it is very affordable and has no lost time off the job. For more information call the BCITO on 0800 422 486.



• Graphics courtesy of Infometrics

This graph shows how strong the forecast for employment growth will be over the next five years.

NATIONAL FINALISTS REVEALED IN NEW ZEALAND'S PREMIER RESIDENTIAL BUILDING COMPETITION

One hundred homes built by 87 New Zealand builders have been announced as Gold Reserve National Finalists in the Registered Master Builders 2013 House of the Year.

Representing the top entrants in this year's 11 regional competitions held in July and August, the Gold Reserve National Finalists will now contend for the country's top residential building honours. The national awards will be announced at a gala dinner in Auckland on 16 November.

With each home, finalists have the opportunity to win one of the 12 national categories, which include renovations, new builds, show homes and builders own homes, as well as four Lifestyle Awards and the two ultimate accolades – the Supreme Awards for the House of the Year and the Renovation of the Year.

Registered Master Builders Federation Chief Executive Wendi Gyles says the House of the Year is a wonderful opportunity to celebrate the excellent work undertaken by its members.

"Building excellence is at the heart of everything Registered Master Builders stands for, and this is exhibited through the 100 new homes and renovations built by our members that have been recognized as Gold Reserve National Finalists this year," he says.

"Our builders take huge pride in their work and bringing their clients' dreams and aspirations to life. We are proud to recognize and celebrate that."

The National Gold Reserve Finalists' properties will now be re-judged over the next few months before the National Category, Lifestyle and Supreme Award winners are announced in November.

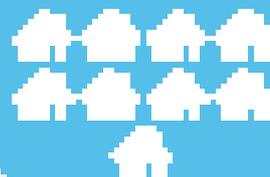
The Awards are made possible through the support of FloorMakers, James Hardie, GIB, Halco, Ministry of Business, Innovation and Employment, Future-Proof Building, Carters, ITW, Plumbing World, Resene and Whitpac.

For more information about the competition, visit the Registered Master Builders website at <http://www.masterbuilder.org.nz>.

**GOLD
RESERVE
NATIONAL
FINALISTS BY
REGION**

9

**BAY OF PLENTY
CENTRAL PLATEAU**



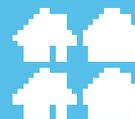
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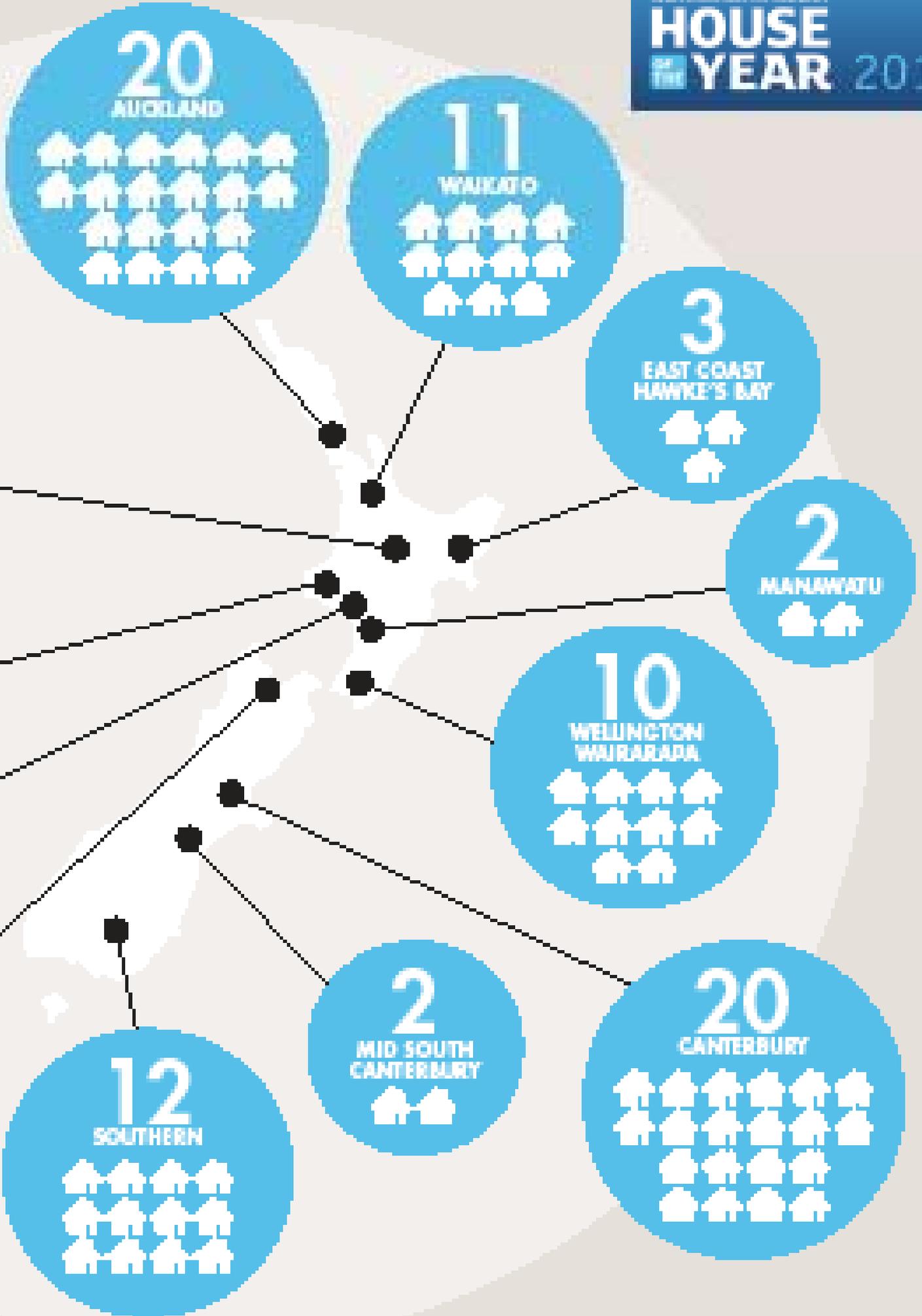
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6

**NELSON MARLBOROUGH
WEST COAST**





2013 Gold Reserve National Finalists by region

AUCKLAND

Future-Proof Building Renovation Award over \$500,000

Barton Builders Ltd for a renovation in Westmere
Steve Haycock Construction Ltd for a renovation in Leigh
Allan Wallace Builders Ltd for a renovation in Kumeu
H D Building Ltd for a renovation in Herne Bay

PlaceMakers New Homes \$250,000 - \$350,000

Jalcon Homes, JAL Construction for a home in Warkworth
Sentinel Homes Ltd for a home in Riverhead

Nulook New Homes \$600,000 - \$1 million

HAMR Home Building Contractors for a home in
Whititanga

Carters New Homes \$1 million - \$2 million

Solid Dream Homes Ltd for a home in Milford
TP Builders Ltd for a home in Devonport
Box Construction Ltd for a home in Tairua
House of Nautica Ltd for a home in Omaha

Westpac New Homes over \$2 million

WG de Gruchy Construction Ltd for a home in Herne Bay
Lindesay Construction Ltd for a home in Saint Mary's Bay

GIB Show Home Award

Frame Homes Ltd for a home in Hingaia, Karaka
Harbourside
Faulkner Construction Ltd for a home in Karaka Harbourside
Cranston Homes (Auckland) Ltd for a home in Orewa
Eden Homes Ltd for a home in Karaka Harbourside
Earth Homes Ltd for a home in Karaka Harbourside Estate
Falcon Homes for a home in Karaka Harbourside
H D Building Ltd for a home in Albany

BAY OF PLENTY CENTRAL PLATEAU

ITM Renovation Award \$250,000 - \$500,000

Todd Grey Builder for a renovation in Royal Palm Beach,
Tauranga

PlaceMakers New Homes \$250,000 - \$350,000

David Reid Homes (Taupo) Ltd for a renovation in Kinloch,
Taupo
Fowler Homes for a home in Te Kauri Estate, Katikati
Harwood Homes NZ Ltd for a home in Papamoa, Tauranga

Nulook New Homes \$600,000 - \$1 million

Haimes Building Ltd for a home in Taupo
Harwood Homes NZ Ltd for a home in Bethlehem,
Tauranga

Carters New Homes \$1 million - \$2 million

Peter Richards Builders Ltd for a home in Taupo
Haimes Building Ltd for a home in Taupo
Shaw Builders Ltd for a home in Te Puke

CANTERBURY

ITM Renovation Award \$250,000 - \$500,000

Corbel Construction Ltd for a renovation in Sumner,
Christchurch

MBIE Building and Housing New Homes under \$250,000

JD Homes Ltd for a home in Rolleston, Christchurch
Bella Casa Enterprises Ltd for a home in Rangiora

PlaceMakers New Homes \$250,000 - \$350,000

Stonewood Homes Ltd for a home in Halswell,
Christchurch
Jennian Homes Canterbury (2012) Ltd for a home in
Lindon Grove, Christchurch
Paul Reed Homes for a home in Christchurch
High Country Homes Ltd for a home in Castle Hill Village,
Canterbury

PlaceMakers New Homes \$350,000 - \$450,000

Carl Taylor Homes for a home in Waimari Beach,
Christchurch
M B L for a home in Pegasus Town, Christchurch
M Bainbridge Homes Ltd for a home in Northwood,
Christchurch

James Hardie New Homes \$450,000 - \$600,000

JD Homes Ltd for a home in Rolleston, Christchurch
Carl Taylor Homes for a home in North Shore, Christchurch

Nulook New Homes \$600,000 - \$1 million

Mike Greer Homes for a home in Fendalton, Christchurch
Carters New Homes \$1 million - \$2 million
Clive Barrington Construction Ltd for a home in Governors
Bay, Christchurch

McKenzie Builders Ltd for a home in Prebbleton
McKenzie Builders Ltd for a home in Rolleston, Christchurch

Westpac New Homes over \$2 million

Clive Barrington Construction Ltd for a home in Sumner,
Christchurch
Phil Benton Builders for a home in Merivale, Christchurch
Builder's Own Home Award
Blayco Properties Ltd for a home in Northwood,
Christchurch
Property Solutions (Chch) Ltd for a home in Somerfield,
Christchurch

EAST COAST/HAWKE'S BAY

PlaceMakers New Homes \$250,000 - \$350,000

Redshaw Homes for a home in Napier
Homeworx Design & Build Ltd for a home in Havelock
North

PlaceMakers New Homes \$350,000 - \$450,000

Homeworx Design & Build Ltd for a home in Hastings

MARLBOROUGH/NELSON/WEST COAST

Renovation Award up to \$250,000

Brockie Renovations Ltd for a renovation in Mapua, Nelson

ITM Renovation Award \$250,000 - \$500,000

Scott Construction Ltd for a renovation in Nelson

Future-Proof Building Renovation Award over \$500,000

Harris Builders for a renovation in Nelson
PlaceMakers New Homes \$250,000 - \$350,000

James Hardie New Homes \$450,000 - \$600,000

Inhaus Developments Ltd for a home in Split Apple Rock,
Nelson

Nulook New Homes \$600,000 - \$1 million

Foothold Developments Building Projects Ltd for a home
in Nelson

MID SOUTH CANTERBURY

Carters New Homes \$1 million - \$2 million

Wilson Building Timaru Ltd for a home in Timaru

GIB Show Home Award

Jennian Homes Mid Canterbury Ltd for a home in
Ashburton

MANAWATU

PlaceMakers New Homes \$250,000 - \$350,000

Cavalier Homes Manawatu for a home in Hokowhitu,
Palmerston North

PlaceMakers New Homes \$350,000 - \$450,000

K Fowler Homes (Manawatu) Ltd for a home in Kelvin
Grove, Palmerston North

SOUTHERN

Future-Proof Building Renovation Award over \$500,000

LAB for a renovation in Queenstown
Bamford Mcleod Construction Ltd for a renovation in
Queenstown

MBIE Building and Housing New Homes under \$250,000

Jennian Homes Otago (2010) Ltd for a home in Dunedin
PlaceMakers New Homes \$250,000 - \$350,000

Barlow Building Ltd for a home in Queenstown

James Hardie New Homes \$450,000 - \$600,000

Stonewood Homes (Central Otago) Ltd for a home in Wanaka

Carters New Homes \$1 million - \$2 million

Summerhill Construction Ltd for a home in Arrowtown
Trevor Ward Builders Ltd for a home in Queenstown
Trevor Ward Builders Ltd for a home in Queenstown

Westpac New Homes over \$2 million

Justbuilditnz for a home in Queenstown

Builder's Own Home Award

The Lakes Building Company Ltd for a home in Queenstown

GIB Show Home Award

Turnkey Homes Ltd for a home in Wanaka

WAIKATO

Renovation Award up to \$250,000

Glenn Diffey Builders Ltd for a renovation in Hamilton

PlaceMakers New Homes \$250,000 - \$350,000

Welcome Homes for a home in Hamilton
Dan Fenwick Builders Ltd for a home in Hamilton
Jennian Homes Coromandel Ltd for a home in Kuaotuna
GD (Hamilton) LTD for a home in Hamilton
Cambridge Homes 2003 Ltd for a home in Hamilton

DB Construction Trust for a home in Hamilton

Nulook New Homes \$600,000 - \$1 million

DB Construction Trust for a home in Hamilton

Carters New Homes \$1 million - \$2 million

Karl Kampenhout Builders Ltd for a home in Horsham Downs
Stewart Hanna Ltd for a home in Hamilton

GIB Show Home Award

Holah Homes for a home in Hamilton

WELLINGTON/WAIRARAPA

Renovation Award up to \$250,000

Bussell Construction Ltd for a renovation in Newtown,
Wellington

Future-Proof Building Renovation Award over \$500,000

Wilson Building (Wgtn) Ltd for a renovation in Mt Victoria,
Wellington

Planit Construction for a renovation in Thorndon,
Wellington

B J Marriner for a renovation in Lowry Bay, Lower Hutt

S & J Mackay Builders Ltd for a renovation in Paekakariki

Martin Goulden Builders Ltd for a renovation in Seatoun,
Wellington

Carters New Homes \$1 million - \$2 million

Planit Construction for a home in Lowry Bay, Wellington

Planit Construction for a home in Melrose, Wellington

Builder's Own Home Award

Van Baarle Construction for a home in Lower Hutt

GIB Show Home Award

Landmark Homes Wellington for a home in Silverwood,
Whitby

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Nine apprentices vying for top 2013 title

As this issue went to print, nine carpentry apprentices from all over New Zealand were due to compete for the title of Registered Master Builders Carters 2013 Apprentice of the Year. After winning their regional competitions, the apprentices undertook a 45-minute interview with the national judging panel, followed by a practical carpentry challenge the next day. Each apprentice was tasked with completing a small building project, which will be gifted to a local charity on completion.

For the first time in Apprentice of the Year history, the practical challenge was open to the public at The Cloud, Queen's Wharf, Auckland. The winner was announced at an awards evening hosted by MC Paul Ego. The 2013 Apprentice of the Year national finalists are:



Northern: Eugene Sparnon, 22, of Kumeu, employed by Architectural Edge Ltd

Judges comments: Eugene was a stand-out entrant in the Northern area — his passion for the building

industry combined with his ability with technology confirmed his first place win for the Northern region. He is respected by his employer and fellow workmates, and is very methodical and organised in his building career. He has high expectations for himself and relishes the opportunities that enable him to achieve.

Eugene presented judges with his work on a large scale Rotheresay Bay renovation, which involved a substantial extension of the main family living areas, as well as a new garage, games room and main entrance.



Bay of Plenty/East Coast: Bill Harkness, 21, of Havelock North, employed by Redmond Builders and Construction

Judges comments: Bill has set a new standard in the construction industry — his attention to detail with this

complex build was evidenced to the highest level throughout his whole project. Standing out from his peers with an outstanding set of skills, this young man's ability is something to aspire to.

Bill presented judges with his work on a new build in Havelock North.



Upper South Island: Andrew Higgins, 23, of Nelson, employed by Dusty Builders Ltd

Judges comments: Andrew interviewed well and has strong overall industry knowledge for

someone so young in the trade. We were extremely impressed by how proud Andrew was to work for the company he represented. His passion and drive to be successful was very evident and his attention to detail was impeccable. We believe he will be a leading figure in the industry in years to come.

Andrew presented judges with his work on a regional residence in Tasman, which contained many challenging elements that required advanced skills and detailed finishing work.



Auckland: Kate Ross, 26, of Herne Bay, employed by CG Low Building Ltd

Judges comments: Kate demonstrated an excellent overall understanding of the construction industry and its many rules and regulations. Her passion for building was

evident in the high quality work she produces and the glowing endorsements from her employer and client alike. She has earned the respect of her colleagues and clients, and has developed an excellent skill set, putting her on track to become a first-class tradesperson.

Kate presented judges with her work on a home in Grey Lynn, which included the construction of a large basement garage and workshop, and extensive renovation of the existing bungalow.



Central North Island: Jonathan Yorke, 22, of Palmerston North, employed by Arnott & Arnott

Judges comments: Jonathan's entry application and endorsement letters were among the best in the

region, and his trade knowledge, practical ability and communication skills are outstanding. His work ethic and passion for the industry was backed up by high praise from his employers. Jonathan is a worthy winner of the regional award and an asset to the construction industry.

Jonathan presented judges with his work on the construction of a new single-storey brick home in Marton, a large scale build which encompassed a range of interesting features and challenges.



Southern: Peter O'Sullivan, 22, of Dunedin, employed by Lund Construction

Judges comments: Peter is a mature young man and will go far with his obvious abilities in the commercial construction sector. He is

confident and has an excellent knowledge of the construction industry. We feel he will represent the Southern Region well at the national competition."

Peter presented judges with his work on the basement of a three-storey hospital, and the administration and residential ring at the Summerset Retirement Village.



Waikato: Mark Bell, 22, of Hamilton, employed by Lobell Construction

Judges comments: Mark is highly respected by his fellow colleagues and he places his employer in high regard, treating the company as if it were his own. It is

well known that Mark will research his project at night to ensure he has complete knowledge of his work, guaranteeing he is fully prepared onsite every day. He is passionate and meticulous in his work.

Mark presented judges with his work on the renovation of Les Mills Gym Hamilton, including turning the old car park space into changing rooms and forming new space for the reception area.



Wellington: Ben Mitchell, 24, of Wellington, employed by Scotty's Construction 2002

Judges comments: Ben has an extensive knowledge of the construction industry and a thorough understanding of his current project, which is a new

residential home. He has a good eye for detail, and already has a broad range of skills, although he is very receptive to being taught new techniques. There is no doubt that Ben will achieve great things in the industry, as he clearly has the ambition to succeed.

Ben presented judges with his work on a \$1.5 million new build in Lower Hutt, a four-bedroom, two-storey home covering 225sq m.



Central South Island: Micheal Rochford, 23, of Christchurch, employed by DJ Hewitt Builders Ltd

Judges comments: Micheal's overall industry knowledge, practical skill set and professional attitude combined to

deliver a deserving winner for the Central South Island. Honest commitment to delivering quality workmanship for his employer and satisfaction for the client are key drivers in Micheal's daily challenges. He has shown leadership and courage, and should be commended for his awareness and execution of health and safety.

Micheal presented judges with his work on a site in Merivale, the second job he has run as a foreman.

THE BIG PRIZE WINNERS



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No.1

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Global construction market to be worth \$15 trillion by 2025

A report released recently forecasts the volume of construction output will grow by more than 70% to \$15 trillion worldwide by 2025.

The benchmark global study — the third in a series from Global Construction Perspectives (GCP) and Oxford Economics — shows the meteoric growth, which outpaces that of global GDP, will be concentrated in three countries — China, the United States and India.

“World construction markets are at a tipping point already, with 52% of all construction activity in emerging markets today,” according to GCP executive director Graham Robinson.

“We expect to see this increasing to 63% by 2025, with China and India contributing most to growth in emerging markets,” he says.

China overtook the United States to become the world’s largest construction market in 2010, and is expected to increase its global share from 18% today to 26% in 2025, despite an expected slowdown.

“China and India will need to build another 270 million new homes by 2025 — mostly affordable homes,” GCP’s Mike Betts says.

Significant opportunities have arisen for a new generation of “Asian Tigers”. Indonesia, Vietnam and the Philippines are becoming increasingly attractive for export-oriented manufacturing, and represent a \$350 billion construction market growing at more than 6% annually.

“While China is the key market, it would be a mistake to ignore the transformations happening elsewhere in Asia, which will help boost construction in Asia Pacific,” Jeremy Leonard, director of industry services

at Oxford Economics says.

India will overtake Japan as the third-largest construction market, with annual growth averaging 7.4% annually in construction expected to exceed that of China.

The construction market in Western Europe is expected to be almost 5% smaller in 2025 than its pre-recession peak in 2007, whilst North America is forecast to be almost 40% larger.

By 2050 there’ll be two billion additional city dwellers worldwide.

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Asbestos trade breakfast attracts hundreds of rebuild workers

More than 350 people working on the Canterbury rebuild downed tools for two hours recently to learn more about working with asbestos and understanding the risks and controls that need to be in place.

The Canterbury Rebuild Health and Safety Programme team, part of the Ministry of Business of Innovation and Employment's (MBIE) Health and Safety Group, held the trade breakfast at Addington Raceway.

"Managing the health risks of asbestos is a major issue in the rebuild, and it's absolutely crucial that any employer or principal working on the rebuild understands their responsibilities and requirements," according to programme director Kathryn Heiler.

"As the residential rebuild gets underway in earnest, many construction companies are asking for more information and advice on asbestos removal," Ms

Heiler says.

"In particular, companies are interested in the process for applying for Certificates of Competence, a requirement for anyone who works with friable asbestos, or undertakes what's known as restricted work with asbestos.

"Since 2011, the MBIE has held a number of smaller workshops and education sessions on asbestos and occupational health in the rebuild — but it has been fantastic to see such a strong turnout.

"Over the next few months, the programme team will be holding more of these types of events, helping to provide information and guidance on health and safety to rebuild workers and companies," Ms Heiler says.

The trade breakfast covered topics including:

- hazard identification,
- asbestos sites,
- health issues,

- testing and sampling,
- responsibilities of employers and duty-holders,
- unrestricted and restricted work, and
- Certificates of Competency.

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news

School flies into future with double 5 Green Star rating

Recently awarded a 5 Green Star rating for design and construction, Hobsonville Point Primary School is innovative, efficient and the first school in New Zealand to be developed as a Public Private Partnership (PPP).

The De Havilland Drive school sits on the former Hobsonville Air Base in the heart of the newly developed Hobsonville Point area in Auckland, and caters for primary school students from years one to eight.

The project to design and build the school, which opened in February this year, embraced Green Star from the outset.

Under the Ministry of Education's new PPP model, the private consortium brought together to design and build the school will maintain the building for the next 25 years.

The consortium is led by Hawkins Construction, and includes Programme Facilities Maintenance which will manage the building, and was involved from the start of the 18-month PPP design and build process.

Hawkins Construction design manager Craig Watkins says the sustainability features included as part of Green Star, combined with the PPP approach, made this project unique.

The PPP process ensured that all parties were actively involved with the development of the sustainable initiatives, and that these not only complemented the building but met the growing needs of teachers and students alike in New Zealand.

"We've focused on sustainability and Green Star from the outset, and the result is a hugely energy efficient building with an environment that is built to encourage modern teaching methods," Mr Watkins says.

Key sustainability features include rainwater harvesting to provide the school with all its grey water requirements. All heating, cooling, ventilation and lighting is automatically controlled through a building management system that responds to levels of daylight and occupancy in different parts of the building.

"We've incorporated as much natural daylight into the building as possible by clear glazing about 45% of the roof area with daylight strips to provide and distribute natural light whilst minimising glare. The full extent of this means that more than 74% of the usable floor area exceeds the 2.5% daylight factor required.

"The project had many complex challenges, such as matching energy efficiency needs with learning needs, including acoustic requirements."

The school is fitted out with acoustic insulation which not only cuts out any outside noise but ensures there is minimal noise leakage from one open learning area to another.

As an added bonus for the school, many of its sustainability features double as learning resources for the students who can view and study the likes of rain water harvesting, daylight and energy efficiency in action.

Mr Watkins says Hawkins Construction advise their clients where possible to use Green Star to achieve their objectives because the rating ensures they will reap a significant return on the up-front investment during the life of the building.

An adjacent secondary school is being built to complete the Hobsonville Point schools development, and is scheduled for completion at the end of the year. This project is also targeting a Green Star rating.

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Go Further

D&H awarded international QA accreditation

D&H Steel Construction Ltd has become the first New Zealand steel constructor to be awarded an internationally-recognised Quality Assurance accreditation.

Known as AS/NZS ISO 3834, this production management system sets stringent standards for materials traceability and elevates the criteria for welding compliance.

The accreditation follows months of rigorous implementation of control procedures, leading to a final audit and the issuing of a certificate of compliance by the New Zealand verification body, the NZ Heavy Engineering Research Association (HERA).

The certificate was presented by HERA director Dr Wolfgang Scholz and Dr Michail Karpenko, manager of HERA's New Zealand Welding Centre.

Commenting on the significance of D&H Steel's accreditation, Dr Karpenko said ISO 3834 is compulsory for structural steel fabrication in Europe and, increasingly, it is being specified around the world for major projects.

"The significance is that New Zealand clients now have access to a local structural fabricator who has formally demonstrated the ability to meet international best practice. Customer confidence in the D&H product can be expected to result in more work for the Henderson plant," Dr Karpenko says.

The unique feature of the ISO 3834 scheme is that accredited companies need to have key staff trained to a high level of competence in welding technology.

In New Zealand and Australia, this will require the appointment of a suitably



D&H Steel is presented with its ISO 3834 Accreditation Certificate. From left: Senior HERA welding engineer Alan McClintock, HERA Welding Centre manager Dr Michail Karpenko, HERA director Dr Wolfgang Scholz, D&H Steel general manager Wayne Carson, operations manager Dean Pouwhare, welding supervisor Heath Johnston, and workshop supervisor Rob Purchase.

qualified welding coordinator who takes overall responsibility for all activities relating to welding.

Other personnel will, in turn, take responsibility for clearly allocated tasks as defined in ISO 3834. Not only does the standard insist on material traceability, but the employees undertaking the work must also have their work verified for quality compliance as a matter of record.

In conjunction with HERA, Steel Construction New Zealand (SCNZ) is developing a Steel Construction Accreditation scheme (SCA) that will make sure all accredited fabricators comply with the same standards of quality assurance. The ultimate goal is to certify companies to the internationally recognised ISO 3834.

SCNZ manager Alistair Fussell says the efficiencies that will flow from this will minimise the need for rework, and give customers confidence in steelwork that's been designed for New Zealand's seismically active environment.

"It is considered of such importance that we can see the day when, as in Europe, ISO 3834 accreditation will become mandatory. In the meantime, we are finalising our plans for a voluntary accreditation scheme, of which ISO 3834 forms part, to be launched for our members in 2014," Mr Fussell says.

HERA sees the initiative as common Kiwi sense. HERA director Dr Wolfgang Scholz stresses that a key motivation is safety.

"We have to compete against lower cost steel products imported from, for example, China. By implementing ISO 3834, New Zealand steel construction can assure developers and designers that they are getting safe, reliable structures at a truly competitive cost. And if all suppliers must meet the same stringent quality requirements, everyone is on a level playing field," Dr Scholz says.

D&H Steel, meanwhile, having become the first New Zealand steel constructor to achieve ISO 3834 accreditation, has undertaken to provide assistance to fellow SCNZ members to achieve the standard.

General manager Wayne Carson says there have been many inter-member discussions regarding quality and quality management, especially following the Christchurch earthquakes.

"Implementation of 3834 is a detailed process and requires a focused effort, but we are willing to pass on what we have learnt to help our peers achieve the same goal.

"What better way to underline our value proposition than by putting quality and reliability at the very centre of what we all do?" Mr Carson says.

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BT's Back in Time

Welcome to Back in Time, where we delve into our magazine archives and discover what was making news way back when . . .

20 years ago:

- The NZMBF and New Zealand Institute of Architects (NZIA) reaffirmed their commitment to working more closely with each other.

NZMBF chief executive Trevor Allsebrook said there were instances where, for example, practice notes and new conditions of contract were published by the NZIA without the agreed prior consultation with the Federation.

A meeting was held to discuss working closely on matters that may affect each other's members, and to set up a joint working committee to review conditions of contracts.

15 years ago:

- Criteria for commercial builders' membership of the RMBF was to be raised in order to enhance their status in the industry.

Chief executive Trevor Allsebrook said the industry was attaching greater recognition to commercial builders who are RMBs.

"Most of our commercial members would probably already comply with the new requirements, but formally acknowledging them by way of membership criteria would definitely be another advantage over those who don't belong to our organisation," he said.

10 years ago:

- Clive Barrington Construction took out the RMB 2003 House of the Year Supreme Award with his unique two-level contemporary home that featured thermo-mass concrete panels, sawn cedar weatherboards, split greywacke stone walling, Timaru bluestone and Travertine marble finishes.

The Christchurch entry also won the New Homes over \$500,000 category, the RMBF Heart of the Home Kitchen Award and the NewBuild Interior Style & Finish Award.

5 years ago:

- The RMBF urged the Government and Reserve Bank to reverse the slow-down in the construction industry.

RMBF acting chief executive Chris Preston said recent building consent figures had indicated an emerging crisis for the industry.

"We're not at crisis point yet, but if this trend continues we will be. Clearly, that's bad for the industry and, therefore, bad for all New Zealanders.

"It's time for the Government and Reserve Bank to recognise the significant impact that high interest rates and low immigration are having on construction, and take action to stimulate the industry back to acceptable levels," Mr Preston said.

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Seismic strengthening for Flaxmere Waterworld

By Roy Kane

Flaxmere Waterworld, originally built as an outdoor pool for Hastings in 1977, was enclosed in 1990. When cracks appeared in the central timber portal, which formed the main support for the pool hall, Hastings District Council asked local engineering consultants LHT Design to conduct a seismic assessment of the building.

LHT found that the building was below 33% of the National Building Standard and was, therefore, earthquake prone.

LHT Design engineer Royce Finlayson and lead engineer on the project Toby Mason (now director of engineering consultants Create Ltd), came up with the concept of using an external tri-chord truss from which the existing roof could be hung.

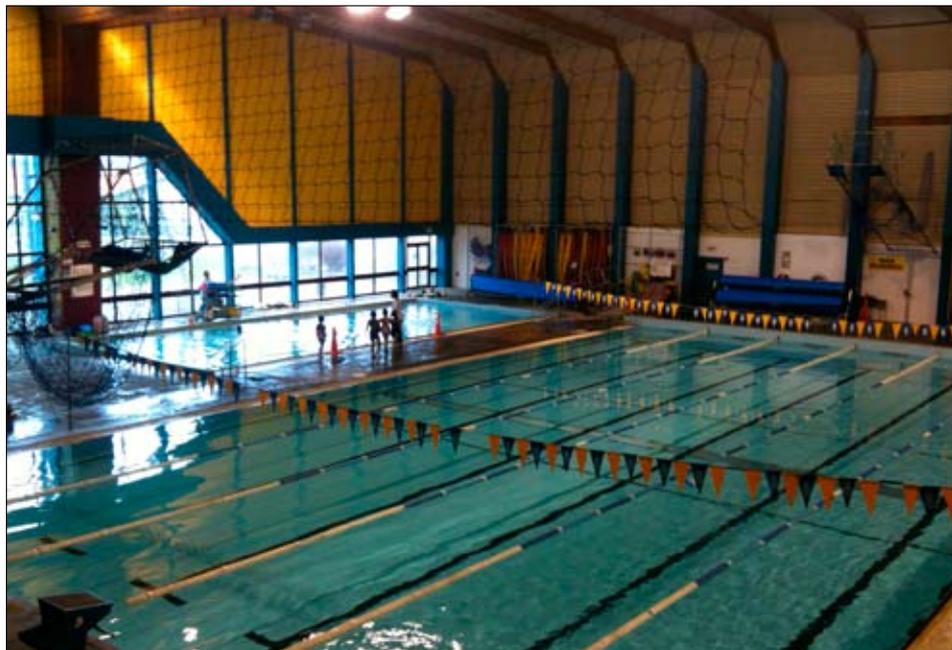
"The primary reason for this was to remove the loads being transferred by the defective timber portal and provide an alternative, dependable load path," Mr Mason says.

Mr Finlayson says with the concept for strengthening the main pool enclosure defined, LHT needed to introduce a degree of separation from the adjacent amenities building.

"Seismic separation was required to prevent pounding between the reinforced concrete columns and the slab and block-work walls of the first floor of the amenities building," Mr Finlayson says.

"To reinstate the loads paths removed by the separation, we designed an arrangement of CBFs and local brackets. The gravity loads of the purlins and cladding are transferred through the existing glulam rafters, which span simply supported between reinforced concrete columns.

"The new Circular Hollow Section droppers, in line with the apex of the truss, allow the gravity load, via portal action, to be transferred to the external foundations at either end of the building."



At Flaxmere Waterworld — four kids, two instructors and a seismically strengthened pool hall.



This work-in-progress picture shows the fabrication underway in the Patton Engineering workshop.

Patton Engineering project manager Mike Baylis says the tri-chord pipe truss was 45m long, 4.6m high and 4.7m at its widest point.

"So we worked in two halves. Most of the pipe welding was full penetration and subjected to

Continued page 22



On a windless day the truss lift and installation took only six hours.

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From page 20

independent inspection and stringent testing," he says.

"Position welding added to the complexity. After sandblasting and painting, the two halves were then joined and transported to the site as a single 22-tonne section. This enabled us to avoid site welding and to keep erection time to a minimum.

"The connections to the existing building consisted of 26 clevis plate assemblies supported along the length of the truss by droppers in pairs. As we were working with 6mm clearance for each dropper, considerable surveying, accurate fabrication and stringent quality control were critical.

"The truss was finished with a high-build, three-coat paint system and the droppers, which penetrated through the roofing and inside the pool hall, were given an aluminium metal arc spray for increased corrosion protection."

From an engineer's perspective, Mr Finlayson says in the longitudinal direction, the seismic mass of the lightweight roof is transferred to the ground in two ways.

"On both sides of the building, the roof is supported by the RC (reinforced concrete) columns, which provide bending stiffness in the plane of the wall. Along the roof centre-line, the rafters are picked up by the series of CHS (Circular Hollow Section) droppers, which cantilever down from the tri-chord portal. The portal action of the truss, in turn, provides lateral sway stability to the building," he says.

"In the transverse direction, the in-plane forces from the roof are transferred via the rafters to the RC columns. The PC (precast concrete) columns are now separated from the adjacent amenities building. This transfers its moment down to its footing which is, in turn, resisted through over turning. The same is true on both sides of the building.

"Along the centre of the building, the new steel dropped from the tri-chord truss picks up load from the existing rafters and transfers this load via bending into the truss.

"The truss then acts as a lateral beam to transfer this load to the braced gable ends. Here, large diagonal struts act in both tension and compression to transfer the lateral forces to the ground. Large screw anchor piles are required to counter the significant uplift forces."

Gemco Construction project manager Hayden Earl says the erection went smoothly, and took only six hours for Patton Engineering to complete all of the connections.

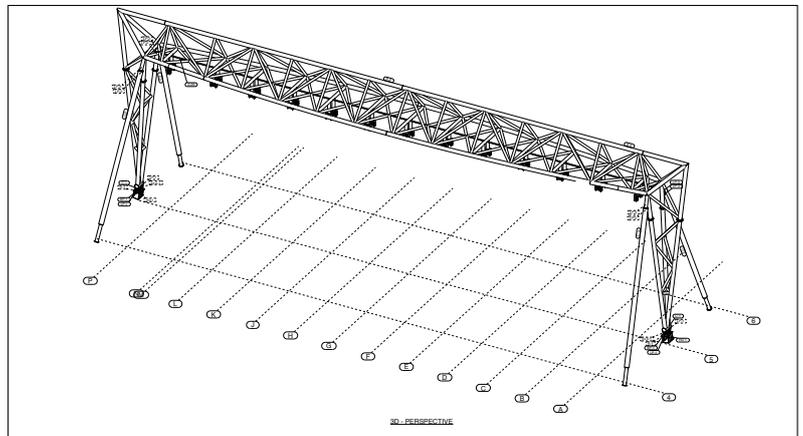
Some members of Hastings District Council were on hand to witness the event. This was earthquake strengthening by suspending a tri-chord truss over an existing building without disturbing it.

Flaxmere Waterworld was closed for the day, but open to the public the day after.

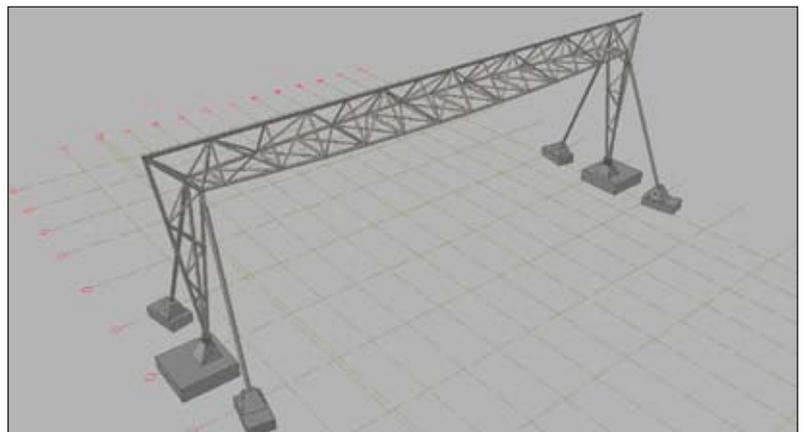
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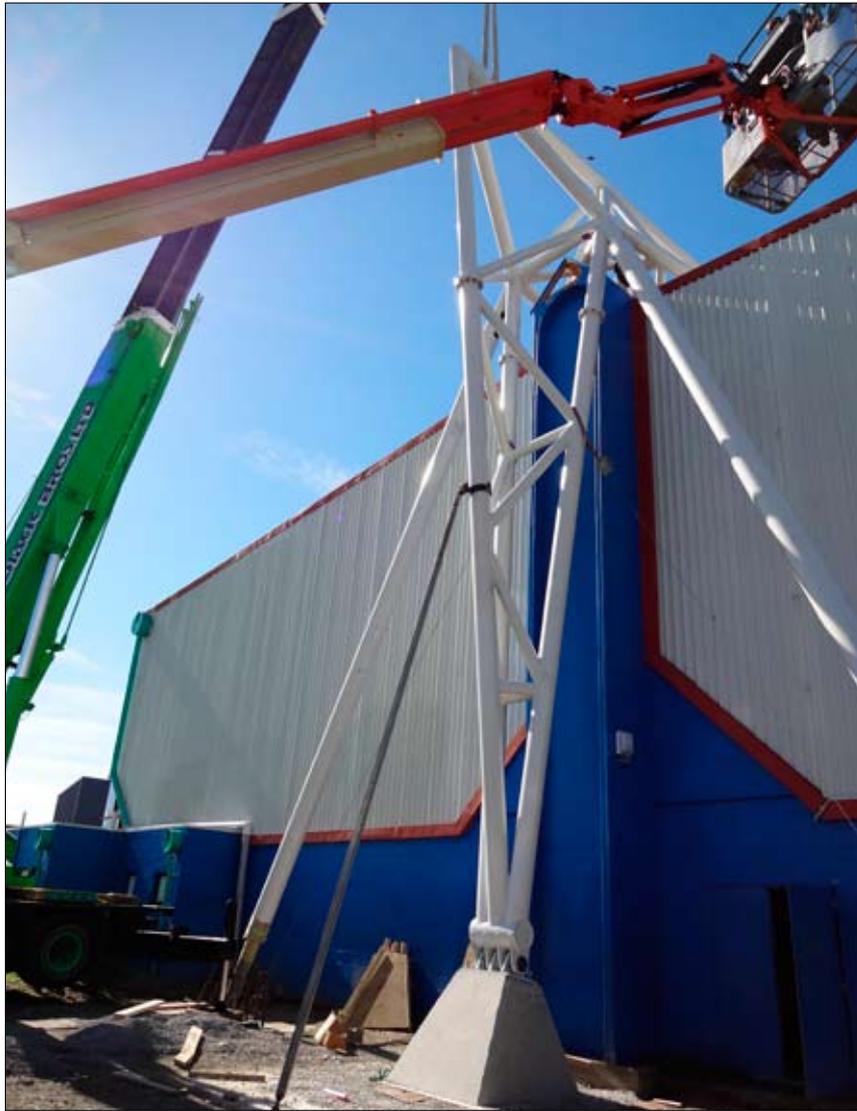
A close-up of two of the droppers with their clevis plate connections.



The Autocad 3-D model shows the external truss concept.



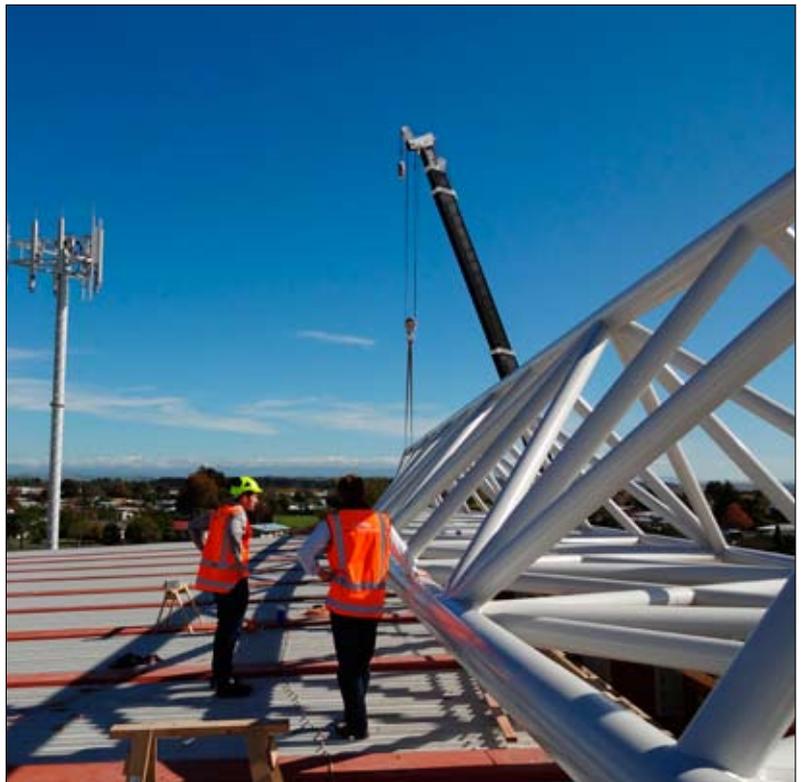
The Patton Engineering Tekla 3-D Perspective shows the stoppers attached to the truss base and in line with the apex.



Diagonal struts act in both tension and compression to transfer the lateral forces to the ground. Large screw anchor piles are required to counter the significant uplift forces.



The night loading photograph shows how the stoppers were protected from damage during transportation.



Standing on the Flaxmere Waterworld roof, engineers Royce Finlayson of LHT Design (left), and Toby Mason, now a Creative Ltd director, show faith in their design.

Have confidence in your steel supply

The Australasian Certification Authority for Reinforcing and Structural Steels (ACRS) administers an independent, expert, industry-based, third-party product certification scheme, certifying manufacturers and suppliers of reinforcing, prestressing and structural steels to Australian and New Zealand Standards.

The organisation's goal is simply to ensure that construction steels are quality-approved materials, meeting Australian and New Zealand Standards, and thereby maintaining confidence in infrastructure and construction.

ACRS has undertaken more than 750 factory assessments of steel construction materials since 2003, and now certifies more than 150 manufacturing and processing sites belonging to 41 steel companies in 16 countries.

It provides the construction industry on both sides of the Tasman with the widest range of professionally witnessed and assessed steel products available to

AS/NZS standards.

ACRS certifies construction steels to six Australian/New Zealand steel standards:

- AS/NZS 4671 – Steel reinforcing materials (for manufacturing and processing)
- AS/NZS 4672 – Steel prestressing materials (bar, wire and strand)
- AS/NZS 1163 – Cold formed structural steel hollow sections
- AS/NZS 3678 – Structural steel - Hot-rolled plates, floor plates and slabs
- AS/NZS 3679.1 – Structural steel - Hot-rolled bars and sections
- AS/NZS 3679.2 – Structural steel - Welded I sections

ACRS is currently assessing further AS/NZS construction steel standards for future certification. These will be advised in due course.



ACRS says certification of these materials is due to the observed increase in incidence of materials failures, and the consequential financial and physical risk to customers, building workers and general public.

The three major components of ACRS certification are:

- Testing of samples selected by ACRS, not the supplier, and independent, expert review of results against AS/NZS Standards,
- Periodic review and approval by ACRS of the manufacture of all materials' types supplied to the appropriate Standard/s by each certified company. This approval is a vital part of ACRS certification, ensuring that anyone relying on ACRS certification can be confident that ongoing supply by an ACRS-certified company of the materials listed on an ACRS certificate will consistently meet AS/NZS Standards, and
- Supply of any non-ACRS verified materials to the certified Standard may result in termination of the company's certification

For more detail about the ACRS scheme, and to check which suppliers are ACRS certificate holders, visit www.steelcertification.com.

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BCITO State of the Nation

BCITO chief executive **Ruma Karaitiana** looks at the road ahead

It is quite clear our construction industry is moving out of a long and deep bust period. At the beginning of 2013, we were mourning the fact that we had dropped below 5000 apprentices for the first time since 2003.

Eight months down the track and we have shot up to more than 6000, partially driven by the government's Reboot scheme, but also riding an industry coming out of recession.

This is not just a "tale of two cities" either. It is true that Auckland and Christchurch are leading the way in total numbers of new apprentices, but most of the country is lifting at the same proportional rate. The consent data largely mirrors this, and most economists are bullish about activity levels for some years.

There is no doubt that for all of us it is good to be on the right side of the economy after several years of recession, but the rapid increase in activity brings its challenges.

The BCITO is currently managing growth. This is definitely a challenge as, at the same time as trying to recruit additional staff, existing staff are being attracted away to roles such as construction management within the industry.



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The real underlying task is ensuring we maintain our service to apprentices and employers, while trying to get new apprenticeships underway.

In addition, the funding for ITOs has been reduced during the recession, and at 6000 apprentices we were exceeding the funding approved for us in 2013. Fortunately, we have just been approved additional funding, but it may still not be sufficient for 2013.

We are now in the process of negotiating funding for 2014, but the big challenge in this process is to demonstrate the level of growth which will occur in 2014, and make a convincing argument for the funding required.



BCITO chief executive Ruma Karaitiana

Funding goals

ITOs have goals set for funding, and many of them carry penalties if they are not reached. This can run into millions of dollars. During a growth period with large numbers of new apprentices, the risk of penalty increases significantly.

Ironically, the Reboot programme, while good for the apprentices and employers who receive the funding, also increases this risk.

Coincidentally, the BCITO has two other major challenges in play at just the wrong time. The first of these is the Targeted Review of Qualifications (TRoQ) which requires us to review all of our qualifications in the midst of this increased activity.

In reality, there is plenty that is good about this, and we have launched into reviewing Carpentry and Brick and Blocklaying, because they are both important and due for review. However, we are in for at least two years of getting new qualifications approved by the New Zealand Qualifications Authority.

The other challenge is the Government's determination for more ITOs to merge. The BCITO is determined to remain a construction and infrastructure ITO, so our choices of merger partners are limited.

It is likely that we will have some merger activity by 2014, but the process is complicated and can take a while. New merger partners will also bring with them their own growth challenges and TroQ objectives, and we'll need to ensure their customers don't experience any reduction in service.

In the end, these are great challenges to have, to meet, and to successfully overcome. They are certainly better challenges to face than those we have struggled with during the recession.

All those in the BCITO team are up for it, and we look forward to making our contribution to helping you all meet the various challenges that this new environment is throwing at you as well.

Learning from our predecessors — the original master builders

By Lifemark director
Andrew Olsen

Whilst at first glance, the towns and villages from Roman times may look haphazard, on closer inspection it is clear there is nothing random about the plans laid down by the original master builders, the Romans.

Each location was carefully selected to maximise the natural resource available. As well as food and water, consideration was given to building materials like wood and stone and the position relative to sun and security.

These original master builders set the foundation stones for how we now settle and zone our city boundaries and our residential pockets of land within them.

So what is it that we can learn from their buildings? Aside from their enduring construction — many were built for public purposes, though often class separated — consideration was given to the specific needs of each member class of society and a building adapted and built around these needs.

Such iconic examples still stand today, such as the Colosseum (c. 80AD) and Pantheon (c. 125AD).

In New Zealand — a far stretch from Rome — our public environments match these early learnings, where inclusive design is a mainstay and most buildings are equally functional and a pleasure to inhabit.

But what of our homes? Do we apply as much attention to the changing needs of our clients?

Change is the only constant and, as Master Builders of



a more recent generation, we should be looking to adapt our approach to residential building to match that of our commercial expectations, and build homes that are universally acceptable of all peoples' needs, be you Roman emperor, public servant or serf.

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Thinking Big

Architect **Don Bunting** provides this little gem as food for thought: The process of designing and building would be so much more simpler if everyone just meekly accepted the excellent acceptable solutions provided by the Government and forget about thinking for themselves.

Kingsley Amis was once quoted as saying: "If you can't annoy somebody, there's little point in writing."

What he meant was that you needed to catch people's attention and then hopefully get them to think about what you had written. So let's get thinking big!

The original "Think Big" era was in the 1980s when Rob Muldoon's national government saw a way to kick start the economy by promoting a number of high-tech energy-producing schemes.

The Minister given the task of implementing the Government's policy was Bill Birch, an ex-land surveyor from South Auckland. Birch was a quiet achiever in the mould of Bill English and, while some of the projects, such as the Maui gas fields, got off the ground successfully, the concept of Think Big was an abject failure.

The problem with Muldoon was that he brooked no counter argument from his caucus or his party. The then Opposition leader was once quoted as saying: "There were only two things you could say to Muldoon — yes, or yes sir."

First big issue of today: The Auckland Council Unitary Plan. One wag has described it as The Urinary Plan — specifically designed to piss everybody off.

At least the plan has got people talking, attending meetings and telling our local politicians what they think of how to cope with an additional one million people by 2030.

Something worrying me about this is what are all these extra people going to do? Where are all the new jobs going to come from?

That aside, just one aspect of the scheme illustrates how bureaucrats think when faced with an apparently impossible task. Check out Table 9 in the Unitary Plan which rezones all of Auckland's golf courses.

I am sure the planners out there will tell me why our recreation areas (public or private) need an underlying zoning, but why does someone have to waste their time and our money deciding that if Aviation Golf Club ever closes down then the land is best suited to "countryside living", whatever that might be, while Akarana Golf Club's underlying zoning is now "POS

S&A Recreation"?

I have simply no idea what that designation might mean and why it is necessary to be that specific.

When I designed the second of two warehouse/office complexes in Union Street, directly across the street was a steep bank down to the main North/South motorway link.

The council planner informed me that I needed to provide a two metre wide planting strip — incidentally the only such strip in the whole street — because they had discovered that the motorway had an underlying residential zoning.

I hope the planner was being ironic when he said: "This is because if cars are ever banned then the land will revert to its most appropriate alternative use."

Second big issue: MBIE, the Ministry of Business, Innovation and Employment — described as being a catalyst for a high-performing economy to ensure New Zealand's lasting prosperity and well-being.

The MBIE encompasses the previous Department of Building and Housing. I'm feeling happier about my future prosperity and well-being already!

While frowned on by the Ministry, I have heard people call the new body MOBIE, with connotations of being both large and white, rather than sleek and swiftly responsive.

Unfortunately, large departments always want to become larger and to bring under their control anything affecting their ability to perform their allotted roles, without any annoying and unnecessary outside interference.

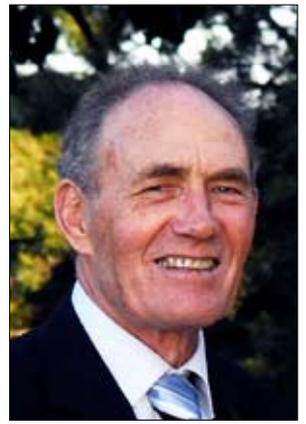
Where am I going with this? It is well known that the Building and Housing Group has plans to absorb Standards New Zealand.

Unfortunately, large departments always want to become larger and to bring under their control anything affecting their ability to perform their allotted roles, without any annoying and unnecessary outside interference.

This would ensure there would be less influence from the industry on building standards, and the department would no longer have to deal with Standards committees trying to go beyond minimum levels of health and safety and actually attempting to define "best practice".

The process of designing and building would be so much simpler if everyone just meekly accepted the excellent acceptable solutions provided by the Government and forget about thinking for themselves. No possibility of any systemic failures then!

Thinking Big again: The planned Auckland Convention Centre attached to the Sky City Casino. This scheme reeks of back door deals.



Sky City is extra keen to have a few more slot machines installed, ready to rip off the poor and confused, while Auckland's Mayor sees yet another way to make Auckland bigger if not better by hosting mega-conferences of orthodontists from Iowa.

The only really large convention I attended was in Istanbul, where there were 6000 delegates for the bi-annual UIA architectural conference.

I don't think Auckland is aiming that high, but I have real doubts whether that particular conference added much to the Istanbul economy.

The overseas organisation soaks up most of the attendance fees, while conference delegates tend to come just for the conference and then go home.

Conference organisers choose locations more for their general appeal as an attractive destination for conference attendees, and are happy as long as accommodation and venues are adequate. Super swish venues don't attract conferences — cities do.

A final thinking big thought: Christchurch. Why is it all taking so long? It's now heading for three years and they're still bickering, with little real progress being made.

Maybe relocating Christchurch to new, stable, greenfields sites would have been a better and more sustainable option after all?

Marketing — the how, what, where and who

Terry Sage of Trades Coaching New Zealand examines marketing, and how you should approach it.

Marketing — it's a word that comes up in conversation when a new client comes on board, normally within the first two sentences. Why? Because they say "we need more clients so how should we market ourselves", or words to that effect anyway. However, marketing does not start with the "how" — there is a "what", "where" and a "who" involved as well.

Every dollar spent on marketing — and there are too many of them to even contemplate here — normally gets written down as an expense in your accounts. From an accountant's and the IRD's perspective that's exactly where it should go, but start thinking about it slightly differently.

Imagine if we put that dollar spent in the asset column, an asset that should return us a profit. Would that change how you looked at your marketing strategy?

If you spend a dollar on marketing you want to guarantee a dollar plus something back, if it was only that easy. It's not, but you can shorten the odds by taking into account the following points:

1 What are you selling? Many clients will answer "me, ABC Builders". And that's okay but narrowing it down makes the marketing a lot easier. Marketing a name could also become just a branding exercise and, again, that's okay, but in many cases this is an expensive exercise and the returns are less.

So the "what" should be a service, a product or a design, and if it's something unique that's even better. For example, ABC Builders is offering a 4-bedroom, 4-bathroom, 2-storey house with triple garage, which can be built to your design in under 10 weeks for only \$300,000.

Okay, that's pushing the boundaries of reality a little, but this type of "what" is not all about ABC Builders anymore, but more about a client's dreams. It just so happens that ABC can fulfil those dreams.

2 Who are you trying to market to? Many clients will say "everybody", but not everybody will fit into your 80/20 rule of past clients. Take a look back at who your clients have been — their age, gender, culture, nationality, demographics, what they did for a living, average earning capacity, what you did for them and any other distinguishing factors.

If one particular group stands out when you log all this data, then it is a sure sign that your product, service or charm appeals to them. So, getting more of "them" as clients will be easier than attracting the others.

Not that you should neglect any group, but we have to start somewhere — so start with the easier pickings.

3 Where does our target group hang out? When we have determined the "who", think about what they read, what they listen to, what they watch, where they shop, and what sports they might play.

Are they likely to have kids at school? Where might they socialise, and any other factors that might be unique to your local community. The "where" is very important to make sure your dollar is not spent in the wrong place.

4 Now the "how" comes into play. Once you have determined what you are selling, who you want to target and where to target, you now have to think about how to get your message across.

There's the three standard medias — print, radio and TV. There is also the direct

approach, there are mail drops, seminars, expos and the list goes on.

When you have done all your homework on the above points and you have quotes from all possible marketing medias, you then have to do a simple maths test.

If the marketing spend is \$5999, and my usual profit margins are 10%, I will have to make \$59,990 of extra work generated purely from this marketing initiative to cover costs.

Bear in mind this is just to break even, which is not what you are in business for. Then work out how many new clients you will need to cover \$59,990 by looking at the average spend per client over the past 12 months.

Whatever number you come up with, you have to be confident that this marketing campaign you are planning can generate that number of leads. Bear in mind also that leads do not mean clients. Calculate your normal conversion rate from inquiry into money-spending clients.

So it's not just about "let's do some advertising". If you want some help with your marketing ideas please give me a call on 021 280 8679 and let's chat.

Next month: Budgets and financial reports — the bare minimum.



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THE BUSINESS SIDE OF CONSTRUCTION



Obtaining a CCC more than just a matter of council bureaucracy?

Timothy Bates and Sarah Wray of Auckland law firm Legal Vision examine a recent High Court decision in which the High Court was required to consider (on appeal), a claim in negligence against the Hamilton City Council (the council) and the building surveyor. However, this article will only examine the cause of action against the council in negligence and negligent misstatement.



Overview

The appellant, in the case of Aldridge & Another v Hamilton City Council & Another [2013] NZHC 1784, as trustees of the SL and KM Aldridge Family Trust, bought a home (the house) from the trustees of the family trusts associated with the Boes (vendors).

A CCC had not been issued for the house, and the terms of the sale and purchase agreement excluded liability of the vendors for structural soundness.

The appellant bought the house from the vendors around 2006. Following settlement of the sale, the appellants set about to obtain a CCC for the house,

which the council refused to issue.

Invasive moisture testing was subsequently carried out, and it was determined that there was non-compliance with the Building Code. The house has subsequently been totally reclad.

The appellants filed a claim in the Weathertight Homes Tribunal on July 7, 2008, against the council, the vendors, the building surveyor engaged by the vendors, and the parties involved in the original construction, seeking to recover the repair costs.

The claim was dismissed by the Tribunal. An appeal to the High Court was partly successful and the case was referred back to the Tribunal.

However, the Tribunal dismissed the claim, and the appellants lodged a second appeal to the High Court on the basis that the council had been negligent in not identifying the defects during its inspections of 2000 and 2005.

The council was also criticised by the appellants for failing to note in the council file its reasons for not issuing the CCC.

Was the council liable?

The court held that the lack of identification of all the defects (on its site inspections on January 27, 2000, and February 22, 2005) which may have been able to be identified by visual inspection, did not breach the council's duty of care.

In order for the council to issue a Code Compliance Certificate, it needed to be satisfied that the building complied with the Building Code.

A CCC was never issued as the council had not been satisfied of the house complying with the Building Code.

Accordingly, it was found that the letter sent by the

council to the vendors on March 17, 2006, which allegedly did not identify all visual defects, did not support an action in negligence as the council made it clear that they did not have the expertise to assess whether the house was weathertight.

Furthermore, it was found that the oral communication between the council officers and the vendors at the time of the auction did not amount to negligent misstatement because the council officers did not speak directly to the appellant.

Instead, the officers' oral communication was made to the vendors directly, which was passed onto the appellant third hand via email.

The email was a hearsay statement upon which the council officers did not have an opportunity to comment on and, therefore, it could not form the basis of the council's liability for

negligent misstatement.

The official council position was recorded in its letter of March 17, 2006. As a result, the appeal was dismissed.

Conclusion

This decision illustrates that the process of obtaining a CCC is more than just a matter of navigating the bureaucracy. And if a CCC is not issued by the territorial authority, this is a good reason for a discerning purchaser not to proceed with a transaction.

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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Building Consents Information

For All Authorisations, August 2013

Dwellings	\$666,951,000
Domestic Outbuildings	\$11,255,000
Total Residential	\$678,206,000
Non-residential	\$337,660,000
Total All Buildings	\$1,015,866,000
Non-building Construction	\$24,122,000
Total Authorisations	\$1,039,988,000

Number of new dwellings consented

	Aug 2013	Jul 2013	Aug 2012		Aug 2013	Jul 2013	Aug 2012
Far North District	10	15	10	Horowhenua District	9	6	8
Whangarei District	28	41	36	Kapiti Coast District	30	36	12
Kaipara District	12	14	7	Porirua City	18	8	7
Rodney District	137	126	93	Upper Hutt City	11	9	12
North Shore City	59	59	53	Lower Hutt City	10	68	18
Waitakere City	52	53	42	Wellington City	31	31	33
Auckland City	127	101	96	Masterton District	4	10	6
Manukau City	65	148	49	Carterton District	6	6	11
Papakura District	36	43	27	South Wairarapa District	3	1	6
Franklin District	43	40	25	Tasman District	13	16	25
Thames-Coromandel District	20	16	17	Nelson City	38	12	21
Hauraki District	3	2	5	Marlborough District	12	19	14
Waikato District	27	36	18	Kaikoura District	3	3	1
Matamata-Piako District	10	10	5	Buller District	5	4	9
Hamilton City	80	58	48	Grey District	12	7	4
Waipa District	28	28	28	Westland District	4	5	4
Otorohanga District	0	1	4	Hurunui District	12	12	14
South Waikato District	5	1	3	Waimakariri District	90	94	117
Waitomo District	1	0	1	Christchurch City	181	238	135
Taupo District	15	16	15	Selwyn District	121	124	79
Western Bay of Plenty District	18	16	20	Ashburton District	25	24	31
Tauranga City	84	105	61	Timaru District	27	7	13
Rotorua District	9	3	5	Mackenzie District	7	3	3
Whakatane District	7	9	0	Waimate District	3	1	1
Kawerau District	0	0	0	Chatham Islands Territory	0	1	0
Opotiki District	0	0	0	Waitaki District	3	5	6
Gisborne District	6	10	7	Central Otago District	8	11	9
Wairoa District	0	0	0	Queenstown-Lakes District	47	35	31
Hastings District	10	22	17	Dunedin City	48	20	44
Napier City	10	11	14	Clutha District	4	2	2
Central Hawke's Bay District	2	0	0	Southland District	4	1	8
New Plymouth District	29	30	24	Gore District	1	1	3
Stratford District	2	1	2	Invercargill City	7	13	55
South Taranaki District	3	4	4	Area Outside TA	0	0	0
Ruapehu District	0	2	1				
Wanganui District	2	1	2	Total	1760	1893	1513
Rangitikei District	1	0	0				
Manawatu District	5	11	12				
Palmerston North City	17	26	20				
Tararua District	0	1	0				

- 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

What's On the Web?

www.buildingtoday.co.nz

BT online poll:

Recently we've been asking you the following in our online poll:

Should a Capital Gains Tax be introduced to help take the heat out of the housing sector in NZ?

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