

BUILDING BUSINESS

How product
substitution can
hit you in the pocket

07

Is there a better
way to manage
retentions?

11

The apprentice
diary: entry #3

15

Liquidation
and liability

17

Highlights

Female tradies: the answer to NZ's building problems?

03



In this issue

INDUSTRY NEWS

Female tradies: the answer to NZ's building problems?

03

INDUSTRY NEWS

Can a woman successfully work in the building industry?

04-05

INDUSTRY NEWS

How product substitution can hit you in the pocket

07-08

INSURANCE

Is there a better way to manage retentions?

11-12

APPRENTICES

The apprentice diary: entry #3

15

LEGAL

Liquidation and liability

17-18

INDUSTRY NEWS

Resource Recovery Centre opens in Auckland

23

PRODUCT KNOWLEDGE

The rigor of testing GIB® Intertenancy Barrier Systems for Terrace Homes

27

FISHING

The app that gets you fish heads, for free!

28

MOTOR SPORT

Against the odds

31

HIGHLIGHTS

How product substitution can hit you in the pocket
P07



Is there a better way to manage retentions?
P11



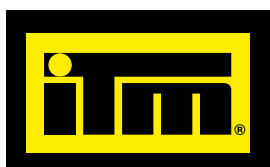
The apprentice diary: entry #3
P15



Liquidation and liability
P17



Against the odds
P31



Building Business contributes towards your LBP skills maintenance requirement. Ensure you log this into your ITM diary or the ITM App today.

Building Business is a bi-monthly magazine produced by ITM Support Office. For feedback or address updates contact: ITM Support Office, PO Box 101556, Rosedale, Auckland. Email: buildingbusiness@itm.co.nz Ph: **09 415 2787**.



03

INDUSTRY NEWS

Female tradies: the answer to NZ's building problems?

**Can you imagine your daughter, sister or niece working as a tradie?
It's a tough business for hard men, not delicate flowers, right?**

Think again. Disruption is affecting everything about the world right now, so it's no surprise that stereotypical roles we grew up with in the New Zealand building industry are changing as well.

Faced with a critical trade skills crisis, many building companies are re-looking at their hiring processes and seeing a huge untapped resource.

"The whole thing about the industry these days is that it's not all about brute strength. Quite the opposite. It's about being smart and in that regard, women and men are equally capable", says Destination Trades CEO Christina Rogstad.

"Jobs that have become feminised typically have lower wages. Women who move into the construction trades make more money."

A promising future

"The pay is greater than working in a mall, but more to the point, the future is rosier. Construction activity in New Zealand is set to increase 10 percent every year to 2021 and there is a projected deficit of about 50,000 trades jobs coming up."

"With our rapidly changing world and technological advances, the career field that school-leavers will enter into will not be the same as it is currently. A whole list of jobs is redundant now – some don't exist any more, and some can be done by computers. However, trades are something that people are always going to need."

CONTINUE >>

Can a woman successfully work in the building industry?

Holly is 23, nearly a year into her apprenticeship as a carpenter and reckons it's the best thing she has ever done.

Female tradies... who would have thought? Why would a young woman choose a career in a tough industry like building instead of a more traditional feminine role in hospitality, nursing, retail or such like?

"You get better money as a builder and you get to do a whole lot of different stuff. It's outdoors in the fresh air, and the prospects of running your own business are amazing."



Totally unexpected

"I wanted to be a vet. Then I grew up a bit and discovered I'm a bit squeamish, so I ruled that out. I was uncertain about what I wanted to do and tried a whole lot of things."

"I stayed with my brother in Australia and got a job as a receptionist. Boring. Came back, didn't have a job, mucked around and in my spare time, ended up sanding tables and making a dog kennel just to keep busy. I liked it and decided to make a career out of it."

"I never in a thousand years thought I'd be doing a building apprenticeship, but I did the course at polytech for level three carpentry and I really loved it."

"I went there thinking that I wanted to be a joiner, and then I decided I didn't want to work in a factory (boring, repetitive). I started working for Atrium Homes about a year ago."

It's the norm now

"My fellow workers and contractors all did a double take first up, but most of them have gotten used to me."

"But every time someone new comes along, they look at me, see what I'm doing, then they look back. I don't have any negative things come at me, it's just they're curious as to why."

"They did modify their behaviour to start with and they used to apologise for swearing when things went wrong, and I said don't worry about it. It's kind

of common talk these days, they're just words. It doesn't worry me."

Getting paid for my gym membership

"Do you need to be strong? Not really. I'm five foot eight and about 70 kilos. It's got to do with that mindset; it's a male dominated industry so you kind of need big muscles to do the job, but it's not the case."

"I joke with my partner, I'm getting paid for my gym membership, cos that's what it's like. You start off and you can't lift things so you work your way up to it."

"When I first started, I'd look at it and say oh my gosh, I can't even lift the end of that. It's like going to the gym; you get fit as you go."

"With OSH rules and stuff, there's a limit to what you're allowed to lift, and you've always got someone there if you need a hand."

The yuck stuff

"I got some flooring glue in my hair once, it wasn't fun. Had to cut my hair out. I'm not a fan of digging holes, but I don't know who is. But it gets easier."

"I have long hair, but now I tie it up in a bun every single day; same with blokes, they tie up their hair."

"Girls can be precious about their hair and make up and clothes. But it doesn't work in the trades. There's no point wearing make up because you'd sweat it off in an hour."

"In a funny way, that's liberating, you can be yourself. I don't have to put on a dress and have nice hair to be relevant."

Ambitions

"My mum was really supportive. She said: what tools do you need? She wanted to buy me tools. They're all supportive. My sister tells everyone, hey my sister is an apprentice chippie. She makes me fix everything of hers around the place."

"My brother in Australia has plans for me to go over and build him a deck. I'm going to build my own house; my mum's already got the plans for her granny flat. My partner's a painter. I say, I'll build them and you can paint them."

What do you like?

"Being in construction is exciting and rewarding; you learn great skills to keep forever."

"I get to do a lot of the careful work; I think my boss sees in me that feminine side of things, obsession with detail I suppose. I get a lot of finishing work. Skirting, architraves, scotia. The exacting stuff."

"I like everything about this job. I just like making things. I like to see nothing go to something and say: I made that."

An untapped workforce?

Allan Shaw of Atrium Homes took on Holly as an apprentice not just because she was near the top of the class in her carpentry course, but because he recognised the skillset that a female offers is precisely what the building industry needs.

"This male-dominated testosterone charged industry needs to change its culture to be more forward thinking. It needs a softer touch. Seriously, it does."



Attention to detail

"Traditionally, with many small businesses in the building industry, there are women behind the scenes helping to organise things and lending a hand in sorting out the accounts. Women I think are especially good at that, but they can also bring those skills onto the building site."

"That same kind of meticulous attention to detail is what we need on site. Women have different skills, different sensitivities. Holly is especially good at detail stuff and finishing work. She takes her time to get it right."

"She worked on an old 1935 mansion style house that we restored and refurbished last year, and as you can imagine, that's pretty finicky work. She's very good at that."

Top of the class

"The local polytech usually sends me their best apprentices, the ones that stand out in the groups. Last year, the person I deal with said, hey I've got two I would recommend, but one's a girl."

"I paused for a while. Then I said it makes no difference."

"I talked with Holly, talked to my wife. Others members of our crew spoke to their partners; you know this is new ground for all of us."

"What would happen if your daughter wanted to become a builder? Wouldn't it be good if there was someone out there who would be willing to take her on?"

"We deal with a subcontractor who has a female painter, a roofer that has a female roofer, an electrician with a female electrician."

"It's refreshing to know that there are some of us out there that consider women are just as good as we are at doing this kind of work, and in some respects, they're better."

"I've said to Holly that if anyone decides to be smartass to you, then you tell me. It doesn't matter whether you're male or female, I won't stand for anyone doing that to anyone."

"Our ITM rep, he thinks it's fantastic, he said well done. It should be encouraged. The subbies are the same. They don't worry about it. It's great that those old fashioned attitudes are changing."

18V Brushless 2-Piece Combo

#DLX2006SY

- DDF459 13mm Cordless Brushless drill/driver
- DTD129 Cordless Brushless Impact Driver
- 2 x 1.5Ah batteries, charger, carry case



BONUS
D-46252
17-PIECE
BIT SET

Makita

\$420
EXCL GST

12V Brushless 2-Piece Combo Kit

#CLX205SAJ

- HP332DZ Cordless Brushless Hammer Drill
- TD111DZ Cordless Brushless impact Driver
- 2 x 2.0Ah batteries and charger



BONUS
BONUS ADP06
12V USB
ADAPTER

Makita

\$415
EXCL GST

18V Cordless Heated Camo Jacket

#DCJ201Z

- Up to 28 hours of heat with BL1850(B) battery
- 3 core heat zones
- 3 heat settings
- Removable zip off sleeves
- Available in sizes L & XL



Makita

\$260
EXCL GST

185mm Dustless Circular Saw

#5057KB

- Powerful 1400 watt motor
- For dust free cutting of hazardous materials
- Easily attaches to dust extractor
- Ideal for wet area fit out



Makita

\$570
EXCL GST

18V X 2 Brushless Blower (Skin)

#DUB362Z

- Powered by two 18V Li-ion batteries (not included)
- 6-stage air volume/velocity selection
- 3-stage telescopic long nozzle
- Dual battery fuel gauge
- XPT (eXtreme Protection Technology)



Makita

\$382
EXCL GST

4-Stroke Blower Vac

#BHX2500V

- 24.5cc engine
- Low fuel consumption
- Well balanced and low vibration
- Designed for continuous use
- Includes vacuum bag



Makita

\$370
EXCL GST

POLO SHIRT

FREE!



Spend over \$350 on any products on this page and receive a free hi-vis polo shirt.*

*Strictly while stocks last. Limit of one polo shirt per account.



How product substitution can hit you in the pocket

There's been a huge influx of new building products in New Zealand in recent times, and the building boom here seems to be trumpeted in the media as gathering momentum by the day.

But the reality is that the combination of these factors is creating a bit of a nightmare for building inspectors and increasing financial risk for builders. ITM surveyed councils recently to get a handle on the scale of product substitution and the problems builders can face, which include lengthy project hold-ups, costly re-dos and legal issues due to breach of contract.

Keep the project moving

All the inspectors we spoke to report a rising trend in product substitution, and estimates suggest it can affect up to 30% of the products used in a typical home.

Because of high demand, some traditional building products have become more difficult to source, and builders have been turning to alternatives to keep the project moving.

At the same time, there has been a boost in new products coming on stream, so builders have more options.

"While there are some great new products on the market, the boom has attracted a few cowboys trying to cut corners and some importers trying to bring in cheap, substandard products." - Council manager of inspections.

Same product, different brand

If you want to substitute a different product than the one specified, you need to first ensure that it is code compliant.

But just as important is to make sure the designer and homeowner agree with the change.

While building inspectors can sign off a change on site if an equivalent product is code compliant, building contracts define that the building will be "constructed as detailed using the materials specified."

If you use a different product or brand to that specified, you are technically in breach of the contract.

Building inspector comments:

"You need to have that discussion up front when you're signing the documents. The client might be a die-hard no bullshit GIB person and that's what they want for whatever reason."

"If you don't get agreement from the client, they've got you by the short and curlies."

Extra costs and penalties

One substitution with disastrous results involved insulation. The builder used a different brand to that specified, and while it was fully code compliant and had the same R-values, the owners objected when they discovered the change.

The insulation originally specified had certain anti-allergenic properties, which the owners were very keen on, and they insisted the alternative insulation had to be replaced.

That was after the linings had been fixed!

Most building contracts also include provisions for damages if a project is not completed by a specified date. So if a re-do means you miss the completion date, you could be further penalised.

Sub-contractor liability

Sub-contractors face the same issues. And while the responsibility is on them to ensure they have used the specified product, it can still impact on the builder.

A stop work order or any delays to a project due to a sub-contractor substituting product could mean that you miss the completion date in your contract.

While the sub-contractor is ultimately liable, you as the builder could easily be caught up in a messy, drawn-out legal dispute.

Cheap options

One council inspector cited substitution in pipework as an especially worrisome trend.

"There are quite a few fancy new systems on the market and they get swapped around quite often. Most people will go with the traditional product until someone comes along with cheaper."

"What builders and sub-contractors need to realise is that if we don't record product changes, the council is in breach of its obligation and open to legal challenge."

Unseen by the owner, wiring falls into the same category. Auckland council reported a case where electric wiring in four homes had to be removed after being deemed non-compliant.

Stop the job!

Another recent case came about because of a homeowner's insistence on sourcing alternative window joinery, one inspector recalls.

"It was probably a decision made over a beer and a pie on Friday afternoon. They brought in Chinese windows, and while they were half the price of local equivalents, they had no kind of appraisal or

certification and so we've put them on notice and stopped the job."

Most common substitutions

Building wrap

"It seems like a small thing, but if a specific brand is in the specifications, then that's what we look for."

Insulation

"Most tradies go and find a special. If I'm the owner of the home, I might want a certain type of insulation, so you really can't change it without talking to the owner."

Plasterboard

"We see this usually hot on the heels of a product rep going through town. Builders will change a whole houseful of plasterboard from the standard choice (GIB) to another type."

Cladding

"There are a number of new fibre cement cladding systems, which look remarkably similar, and they get swapped out quite often."

"Brick substitution is common. Same type, shape and look, but a different company. If they're the same colour, everybody's happy, but we have to make sure the owner agrees to the change."

"Cladding substitution is also related to the shortage of licensed applicators as well."

Other commonly substituted products cited by building inspectors include ceiling battens, laminated timber framing, pipework, waterproof membranes in showers and basements.

Substitution checklist

- ☐ Check the product is code compliant.
- ☐ Make sure the homeowner and designer agree to the change.
- ☐ Make sure people are getting what they think they're getting.
- ☐ Signal any changes up front.
- ☐ If there are going to be several changes, then it's best to discuss them all first, and submit one amendment rather than lots of separate ones.
- ☐ Check product availability and order materials earlier.

WIN A TRADIE

We'll pick up their tab to the **value of \$2,000!**



1359



Scan to
enter online
www.sika.co.nz

Buy any Sika product from any ITM store during April and May 2017 then register on-line to enter the draw. Use your favourite painter, plumber, sparky, gib stopper, tiler... whoever you want... and if you win, Sika will pay \$2,000 off their bill direct into your account. Entry open to all ITM Trade customers. All entries must be made on-line. To claim the prize proof of purchase must be provided.

Two prizes to be won, each worth \$2,000 - one for the North Island, one for the South Island. Terms & conditions at Sika.co.nz



BUILDING TRUST



READY, GO, SET



WHEN A JOB NEEDS HIGH STRENGTH, FAST SETTING CONCRETE ASK FOR DRICON® CIVILCRETE®. IT SETS IN JUST 45 MINS AND BECAUSE IT'S MADE BY DRICON®, YOU KNOW IT WORKS. TRIED & TRUSTED. TIME AFTER TIME.

BENEFITS: High strength 30MPa (20MPa after 3 days) / workable for 10-15 mins / sets in 45 mins / no mess - no leftover sand, cement & stones / can be coloured with Oxitone oxides / super smooth finish every time

IDEAL FOR: Confined space projects / foundations / structural applications / bollards / civil and municipal works



DOWNLOAD OUR NEW APP, IT MAKES IT EASY TO CHOOSE THE RIGHT PRODUCT FOR YOUR JOB



0800 DRICON / DRICON.CO.NZ

*Source: Dricon Brand Tracking Research June 2016, survey of 311 Tradespeople



Is there a better way to manage retentions?

Any subcontractor who has agreed to have retentions withheld from their invoices will have experienced the trepidation that comes with worrying if they'll ever see that money again.

Many subcontractors find that recovering retentions once their defects liability period has ended a long and painful process, even from a main contractor that's still trading, let alone one that's gone bust.

Fortunately, from 31st March 2017 retention money withheld by a principal or contractor must be held "on trust" until being released to the subcontractor. This means the money has to be properly accounted for and can't simply form part of a "slush fund" or be used as working capital to cashflow the main contractor's operation. Subcontractors will be able to demand evidence that their retentions are being held on trust.

However, these changes, which were passed into law in 2015 as part of the Construction Contracts Amendments Act, will not require retention money to be held in separate, secured bank accounts. This

means there is still a risk that a principal or main contractor could wrongly use the money, and if they get into trouble their subcontractors could still lose out. It does mean that rather than being at the back, subcontractors will be at the head of the queue to get their retention money back through the liquidation process.

Making retentions easier for main contractors

Because of these new requirements principals and main contractors will need to develop contract agreements, payment terms, accounting policies, reporting and systems that comply with their own trust obligations. Should retention funds be kept in separate trust accounts for each job, or in one consolidated retentions account, or neither, and simply be accounted for separately in the books? MBIE warns that breaching these obligations, which

may implicate directors personally, could result in substantial penalties, including potential criminal prosecution.

In this new environment one alternative that provides the same security as cash retentions, but is much easier and comes without the consequent trust obligations, is a bond in lieu of retentions (retention bond).

A bond in lieu of retentions

Rather than withholding the subcontractors' retentions from each invoice, and having to hold it, account for it and repay it once the defects liability period ends, a principal or main contractor can simply demand a retention bond.

The subcontractor arranges the bond with an insurance company and presents it to their main contractor. The bond covers the amount of their retentions and expires at the end of the defects liability period.

the subcontractor's cashflow position is immediately improved, as every invoice is paid in full, with no retention money withheld.

A retention bond provides the same assurance to the main contractor that, should any problem arise after the work is finished, the subcontractor will come back to fix it. If they refuse or can't do so, the main contractor simply calls on the bond and the insurer pays out first, then seeks recovery of their money from the subcontractor. They are called "on demand" bonds because there is an obligation on the insurer to pay first and assess the claim later, so that the process is swift and the bondee (the main contractor) can get on with fixing the defects.

The subcontractor doesn't get off the hook, because they've paid a premium for the bond and if they're still around, the insurer who backed it will want to recoup their money.

Benefits for principals and main contractors

Firstly, bonds provide the same security as withholding retentions do. In the event that the subcontractor fails to rectify defects, the bond is there to be called on to pay for another contractor to do it.

Secondly, because they're not holding any funds on trust, there are no trust obligations, trustee liability on the directors or compliance requirements under the Construction Contracts Act.

Finally, a bond in lieu of retentions is easy to specify in contracts and they expire when the defects liability period ends (or on whatever date is agreed in the contract), so there is no administrative burden or paperwork involved in returning them.

Benefits for subcontractors

Firstly, providing a bond in lieu of retentions means that the subcontractor's cashflow position is immediately improved, as every invoice is paid in full, with no retention money withheld.

Secondly, they don't have to wait for 3, 6 or 12 months after the project ends to get their final payment (return of their retentions) and book the profit on the job.

Finally, they don't have the risk that their main contractor goes into liquidation before returning their retention money. Even under the new CCA rules there is still a risk that retention money could be lost if it hasn't been accounted for properly, or there isn't enough to go around.

How to arrange a bond

Once the two parties have agreed that a bond in lieu of retentions is the preferred method of guaranteeing defect resolution, the subcontractor applies for the bond. After a one-time assessment of the company's management structure and financial position each bond application resembles any normal insurance application. It requests details of the project, the two parties and the amount being bonded. There is a premium to pay and then the bond is issued to both parties. You can find out more about at

www.builtininsurance.co.nz



If you're interested in replacing your cash retentions obligations with an insurance-backed bond contact your broker or Built In for more information. Built In Insurance is a specialist in insurance and guarantees for builders and trade professionals. For more information visit www.builtin.co.nz or contact Ben Rickard at ben@builtin.co.nz or 0800 BUILTIN.

WIRELESS ALARM FAMILY

NEW
from
CAVIUS

The CAVIUS Wireless Family connects to each other via new RF technology.

When one alarm sounds, all other connected alarms will also sound, providing you with the earliest detection in your home.

Master - Room 1



65MM (Actual Size)

Kitchen - Room 2



Bedroom - Room 3



5 YEAR
LONGLIFE BATTERY
(REPLACEABLE)


Radio Frequency
Connected


10min Pause/Hush
Button


30 Day Warning


85 dB Alarm


40m²
Max. Coverage Area


Certified to AS 3786:2014
NZ Building Code Compliant

CAVIUS
DANISH BY DESIGN

CAVIUS produces the world's smallest Photoelectric Smoke and Thermal Heat Alarms that have some big features.

These aesthetically pleasing Photoelectric Smoke & Thermal Heat Alarms have a 5 year longlife battery included (replaceable), a penetrating sound at 85db(A) at 3m, a 10 minute hush button, 30 day low battery warning and uses the unique "smart clip" ceiling mechanism for installation.

These environmentally friendly devices are great value for money.

www.cavius.co.nz

Record your LBP activity anywhere with the new ITM App.








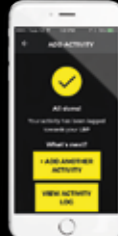
We know managing your LBP points is one of your least favourite jobs! That's why we've made it easy to do virtually anywhere with the new ITM App for builders.

With the 'My LBP' section of the ITM App you can:

- **add activity** – things like dates, hours spent on activities, upload pictures as evidence and more
- **view activity log** – review any activity you've logged and see how many LBP points you've earned
- **read Codewords** – compulsory reading for all LBPs. Just read and add to your log with the click of a button!
- **learn how LBP works** – find out what you have to do to keep your LBP licence active
- **generate your log** – with the click of a button have your log emailed to you as a PDF to satisfy MBIE that you've completed your LBP licence requirement.

See how easy it is by watching the short 'how-to' video at itm.co.nz/app, then download it from Google Play or the App Store today.

HOW TO LOG AN ACTIVITY

- 
Select an activity to record.
- 
Add a description.
- 
Document your learnings.
- 
Record when the activity was logged and how long it took to complete.
- 
Add evidence with a photo.
- 
Add another activity or view your activity log.





The apprentice diary: entry #3

15

APPRENTICES

Time is flying by as I approach 6 months since I started my apprenticeship, and I have to say, I'm starting to feel more comfortable on site.

I am now more confident getting on with the daily tasks with less supervision. I'm also understanding the building process more and the order in which things are done. I'm picking up more and more tips and tricks, like when marking and cutting wood taking into consideration the width of the blade. And I'm learning the true meaning of common terms like 'plumb, level and/or square'.

As well as some things 'clicking', I'm constantly amazed at all the different techniques for installing, cutting, grinding, measuring that occur on site. I'm constantly taking time to watch the more experienced guys work their trade, without appearing unproductive by standing and gazing for too long.

I'm also doing more 'apprentice' tasks such as crawling under houses into tight spaces to fix squeaky floor boards. I don't look at this as an unwanted task, but more as a learning. While I'm under the house, I make sure to have a look around and see if I can figure out how it's been built. Another fun task has been to demo a small 2 bedroom town house, which involved pulling all the ceiling plasterboard down. To my surprise, this released an absolute torrent of Insul-Fluff, which was commonly used in the early 90's. For those who don't know what it is, check out the photo above.

Formal training

During my nights at home I'm slowly getting stuck into my bookwork for my apprenticeship. I've had my first review meeting, and was pleasantly surprised to have a number of sections signed-off. This has inspired me to read more, particularly on aspects I'm working on during the day. It helps things click to understand from a theory point of view and then see it happen on site.

Some key learnings

Another thing that's important to take notice of, now that the warmer weather is here, is taking care of my body. On site, that means drinking plenty of water to stay hydrated, but also looking after things like my feet, as spending all day on them, and being in work boots, they can sweat quite a bit. I wear nice thick comfy socks and I take my boots off to let my feet breathe whenever I can.

Lastly, with a number of months under my belt, I'm starting to purchase more and more tools that are used regularly, whether it be power tools, or simple hand tools. I'm happy to share them with the guys, but it's worth labelling them with your name or applying some coloured tape to distinguish them, just in case you have the same brand/model as someone else.

The nights are starting to draw in now, so it will be interesting to see how things change as winter approaches. But till then, let's enjoy the rest of summer.

By Stu Foster

Apprentice

Highlights

Best job: Putting up GIB

Worst job: Pulling down ceilings with Insul-fluff

Favourite power tool: Multitool

Favourite hand tool: Speed Square

Apprentice tip: Take care of your body, stretch, hydrate, wear protective gear and comfy boots

Impact Sport Earmuffs

#HB-0530 - camo
#HB-0942 - black
#HB-3530 - green

- **Sound amplification** - wearers can hear important sounds
- Amplification automatically shuts off at 82dB
- Camo design - an added bonus; great for duck shooting season
- Connects to your iPod, MP3 player, and other audio devices
- One simple control for power and volume
- Adjustable black leatherette headband
- Compact folding design for conventional storage
- 4 hour automatic shut off, saving battery life
- AS/NZS 1270:2002
- Class 4 SLC(80) 24B

\$99
EXCL GST

HOWARD
LEIGHT 



Work Gloves – The Original

#MXMG05 – black
#MXMG77 – woodland camo

- All-purpose hand protection
- Form-fitting TrekDry® helps keep hands cool and comfortable
- Double-stitched index finger
- Seamless palm provides optimal dexterity
- Sizes M, L, XL, XXL



\$27
EXCL GST

Flat-Liner Hi-Vis Earmuff

#HB-640

- Provides low and consistent pressure without sacrificing comfort
- Extra wide ear cushions for comfort
- Superb full spectrum attenuation and superb low frequency attenuation
- AS/NZ Class 5, Euro and USA Standards



\$24
EXCL GST

Avion Safety Glasses

#SG-18A - amber
#SG-18C - clear
#SG-18G - grey

- Single lens design for full panoramic view and excellent side protection
- Soft, flexible nose bridge
- Meets AS/NZ standards
- Ballistic Vo rated for impact
- 99.9% UV Protection



\$9.90
EXCL GST

Full Lens Magnifier Safety Glasses

#RX-500C1.0 diopter
#RX-500C1.5 diopter
#RX-500C2.0 diopter

- A full-lens ballistic rated magnifier
- Magnifying lens reduces eye strain and fatigue
- Increases visual precision during close work tasks
- 99.9% UV Protection



\$22
EXCL GST

**BUILDING
BUSINESS DEALS**





Liquidation and liability

Can you liquidate your company and avoid liability for its debts?

When the Government appointed Messrs Hunn, Bond & Kernohan to enquire into the causes of the leaky building syndrome in 2002 (they were called “The Overview Group on Weathertightness”) they took it upon themselves to investigate and report on all the failings of the construction industry in New Zealand. In their otherwise excellent report (issued in two parts on 31 August & 31 October 2002) they offered the following comments:

“it is understood that [the Companies Act] offers little ... protection to a home-builder/buyer consumer in the event of the vendor company ... being put into voluntary liquidation by the directors”

“there is currently nothing to stop the unscrupulous ... builder from liquidating their company ... to avoid claims and action from dissatisfied purchasers”

Since then I have lost count of the number of times I have heard a Minister of Building and Construction express disgust at the ease at which a builder can simply wind up his company and escape liability to his creditors while setting up business under a new company the very next day. It is a very popular misconception, and it is frequently parroted by the news media. So entrenched is the belief that this strategy will work, that accountants routinely advise their builder clients to put their companies into liquidation as a means of “cleaning the slate” and unsurprisingly, many builders take that advice.

A limited liability company does not protect the directors and senior managers from liability if the company does something wrong and they were responsible.

Busting the myth

The only problem with that theory, is that it is a complete fallacy. Since the early 1990s our Courts have consistently ruled that the people who run companies can be equally as liable as the companies themselves, for wrongful acts and omissions committed in the course of the company’s business activities. A limited liability company does protect shareholders from having to contribute more money if the company can no longer pay its debts, but it does not protect the directors and senior managers from liability if the company does something wrong and they were responsible.

The principle is best illustrated in the context of leaky home claims. When a homeowner is bringing a claim in the Weathertight Homes Resolution Service (“WHRS”) against a number of respondents including a small building company, it is virtually automatic that the owner/operator of that company is joined as a respondent as well. In WHRS Claim no. 734 known as Heng v Walshaw,

Small business owners are most at risk

Why does the fallacy persist, if that is the case? One reason is that directors and officers of large companies (as distinct from small-medium enterprises) do tend to escape liability when their company goes under. That is because personal liability usually stems from the director or officer being actively involved on site, either on the tools, or in a supervisory capacity. The Courts talk of the person being “in control” or “personally assuming responsibility”. In a large development or a large construction company the senior people tend to be more remote from the action, and they delegate to project managers or site supervisors. Ironically, that means the big guys tend to get off the hook while the little guys don't. And it is the large, spectacular failures like Mainzeal that attract all the publicity.

Our law on personal liability lacks clear guidelines on when you will or won't be personally liable. The Courts come up with all sorts of justifications for it, but in reality they tend to find senior people personally liable in situations where they and the company are effectively one and the same, and the creditor the insolvent company owes the money to, deserves a lot of sympathy. It is pretty tough on the small business proprietor, because after all, a company is a fictional entity that you can't touch or feel, so it can't do anything without some human being doing it for it. When that person volunteers to be the action man/woman for the company, I imagine it would be the last thing on their mind that they are offering to expose all their personal assets to risk, in the course of simply doing the company's business. And yet the Courts routinely find that they did.

If you want to take the business assets like the vehicles, the tools etc. and put them into your new company, then you will need to pay a fair price for them.

Liquidation can be a double-edged sword

Outside of the leaky home context, putting a company into liquidation may sometimes be an effective ploy simply because it creates an obstacle that the creditors can't be bothered trying to overcome. It's not an obstacle in a WHRS case because that is a low-cost, informal system where the personal liability of an owner/operator is simply assumed. In the Courts or in an arbitration, however,

the creditor would have to spend a lot of money in the hope of persuading the Judge or Arbitrator that the case law points to personal liability on the facts of their particular case. Nevertheless, when their only other option is to pursue a defunct company, they will be more motivated to do so.

Liquidation isn't exactly a cure-all either. No matter how friendly the Liquidator may appear to be, they have a duty to the creditors to bring in as much money as they can. That means that if you want to take the business assets like the vehicles, the tools, the plant & equipment, office furniture & appliances, computer hardware and software, etc. and put them into your new company, then you will need to pay a fair price for them.

You might ultimately be banned from being a company director if you leave too many failed companies in your wake.

You also need to be wary of the liquidator's powers to claw back benefits that you extracted out of the company at an undervalue, in the years leading up to the liquidation. And if the company can't pay all its debts, you might find yourself facing an action for breach of your director's duties, and you might struggle to get credit terms from your building materials supplier for a while.

Finally, you need to know that if your company was insolvent, our phoenix trading laws limit your ability to trade under the same business name in the future, and you might ultimately be banned from being a company director if you leave too many failed companies in your wake. So tread carefully, before regarding liquidation as the easy option.

By Geoff Hardy

Auckland Commercial Lawyer



Geoff Hardy has 41 years' experience as a commercial lawyer and heads up the construction law team at the Auckland firm "Martelli McKegg". He guarantees personal attention to new clients at competitive rates. His phone number is (09) 379 0700, fax (09) 309 4112, and e-mail geoff@martellimckegg.co.nz. This article is not intended to be relied upon as legal advice.

SMARTLINE

OKOUME PLYWOOD

wood products **bbi**



AN ECONOMICAL OKOUME PLYWOOD WITH ATTRACTIVE FACES

A POPULAR CHOICE FOR USE IN LININGS, FURNITURE AND JOINERY

AVAILABLE IN A WIDE SELECTION OF THICKNESSES

**TAKES KNOCKS WELL AND CAN BE FINISHED WITH STAIN,
POLYURETHANE, OIL OR PAINT**

POLO SHIRT

FREE!



**Spend over \$350 on any products on
this page and receive a free hi-vis
polo shirt.***

*Strictly while stocks last. Limit of one polo shirt per account.

JOBS RUN MORE SMOOTHLY WITH HOMERAB® PRE-CLADDING

Using HomeRAB Pre-Cladding has a big advantage over building paper. You can close in your site before the cladding goes on, letting you start work on the inside sooner. That means you'll get the job done quicker, saving you time and money.

While HomeRAB Pre-Cladding stops the weather getting in, its Rigid Air Barrier also allows moisture vapour to escape. Plus the 4.5mm board provides structural bracing and can be used in, up to and including, very high wind zones. So choose HomeRAB Pre-Cladding from James Hardie and you won't be left flapping in the breeze.

Order your free sample at www.jameshardie.co.nz

GET ON BOARD



HomeRAB®
PRE-CLADDING



Waste
Management®

BIG OR SMALL... WE HAVE YOUR SITE WASTE SOLUTION



3m³

Hardfill or
General Waste



9m³

General Waste

Port-o-Let
Waterless



Other Waste Management services/
products available. Ask your local ITM
branch for an obligation free quote.

Services and pricing may vary per region. Terms and conditions apply.
See wastemanagement.co.nz for details.

Tight site? Sorted.



If you've got a tight site then we've got it sorted. Flexi Bin is the flexible solution for all sorts of situations. Whether you have a tight site, multi-level project, smaller project or sustainable build - it's all sorted with Flexi Bin.

FLEXI

BIN

AT YOUR DISPOSAL

www.flexibin.co.nz
0800 874 353

*Flexi Bin services available in selected regions.
Please enquire at your local ITM for availability of service.

Resource Recovery Centre opens in Auckland

Recycling isn't just a job for at-home - it's important when we're at work as well. That also applies to the way we do business, especially in the building and construction industry.

In addition to the environmental benefits, managing your worksite waste can help you gain points for your next Homestar or Green Star build. This is where Waste Management can help you.

Waste Management's newly opened Auckland sorting facility for building and construction

waste increases the amount of waste being sent to recycling, resulting in a reduction of waste to landfill. By using this service, you can purchase a waste report which will help towards your Homestar or Green Star accreditation through the NZ Green Building Council (NZGBC).*

The resource recovery process



As shown above, waste is taken from your building site to the Building & Construction Recovery Centre and assessed for waste stream percentages.



This information is inputted into the system via a tablet by a qualified Waste Management assessor.



The waste is then mechanically sorted by an excavator, and loaded onto a conveyor belt.



The belt passes under an electro-magnet to collect the metal scraps before going to the hand-sort line. The waste is separated into bins which are then sent on to be recycled.

For more information, call Waste Management on 0800 10 10 10



*The NZGBC has two tools which rate and communicate the sustainability of New Zealand's buildings; Homestar (for residential builds) and Green Star (for commercial builds). These ratings systems take into account the sustainable management of waste. For more information on these go to: www.nzgbc.org.nz



seratone[®]

New Zealand's favourite wet
area panelling for over 60 years.

- VOC Free
- Antimicrobial protection
- Water resistant
- Range of 22 Colours
- UV coating technology
- Matching jointers

For more information visit www.seratone.co.nz

Performance in the wet.

Laminex[®]
New Zealand[®]

J003772

White from the start

Three steps to a brilliant white bathroom - for life!

A brand new white tiled room delivers a modern, luxurious finish. However grout can easily become discoloured, making a new bathroom look worn and old. Over time maintaining that original pristine white look becomes more and more difficult.

Introducing **SELLEYS WHITE FOR LIFE™ tiling system**. The step by step tiling system prevents the causes of discolouration at the point of installation, resulting in grout that remains brilliant white for as long as the tiles.



1. LAY TILES

Tile Adhesive:

- Highly flexible
- Formulated with pure white materials
- Fast setting
- Available in Ready to Use & Powder



2. GROUT TILES

Tile Grout:

- Resists yellowing, staining or blackening
- Mould resistant
- Available in Ready to Use, Powder & Cartridge



3. SEAL & MAINTAIN

Grout Sealer & Grout Cleaning Spray:

- Penetrates and seals grout for easier ongoing cleaning
- Creates water, stain and mould resistant barrier
- Preserves brilliant white tiles and grout (when used as a system and as per pack directions).

VISIT SELLEYS.CO.NZ FOR VIDEOS, EXPERT ADVICE AND MORE.

Schlage Regent Series

Designed for residential applications, the Schlage Regent Series offers stylish and durable security for homes and apartments. The Regent Series is a comprehensive suite of door hardware including entrance, privacy, passage and single dummy trim functions. The series suits most common door preparations and is easy to operate and install.

- ☐ The most popular Schlage door hardware range
- ☐ Includes entrance, passage, privacy and dummy
- ☐ 25 year mechanical and 10 year finish warranty
- ☐ Suits 35mm to 50mm thick doors
- ☐ Easy retrofit, reversible with no handing required
- ☐ Designed to meet ANSI standards
- ☐ Stainless steel latch



Open possibilities.

POLO SHIRT

FREE!



Spend over \$350 on any products on this page and receive a free hi-vis polo shirt.*

*Strictly while stocks last. Limit of one polo shirt per account.

TRUE OAK®

A return to the original corrugate

Walk with Confidence

True Oak corrugate is deeper and stronger than traditional standard corrugate. So, you can walk confidently when installing or accessing the roof, knowing there is less risk of causing damage.

A deeper and patented profile design offers additional strength and spanning capability over traditional .40 Corrugate, with the added bonus of a 4 degree minimum pitch capability.



DEEPER + STRONGER

Than traditional corrugate roofing



Technical FREEPHONE
0800 844 822
roof.co.nz



Roofing Industries
roof.co.nz

The app that gets you fish heads, for free!

The website freefishheads.co.nz was set up where people who want free fish heads could register online to receive them from people returning from fishing. Now there's an App for that.

Fish head lovers jumped onto the freefishheads.co.nz website, where there are currently over 20,000 users, to register their interest in receiving free fish heads. Fishers who previously dumped fish heads and frames are contacting these fish head lovers to collect the unwanted fish. This has not only provided thousands of appreciated meals, it has meant tons of fish has not been wasted.

Due to this demand Matt Watson has come up with the idea of an App to make it easier for free fish head donors to find recipients. There is just about an App for everything these days, and now there's an App that gets you fish heads, and it also brings people together through the act of giving. The development of the App was made possible with help from LegaSea, Omni-net and a good bloke from Northland who wishes to remain anonymous.



The Free Fish Heads App has already received some heavy weight support with backing from Joseph Parker.



MATT'S ROASTED FISH HEAD RECIPE

A convenient way to cook fish heads is to oven roast them. Instead of taking six snapper to feed your family with just fillets, you could eat the whole fish and need only three snapper - that's got to be good doesn't it? So give Matt's recipe below a try and if you really can't bring yourself to give fish heads a go - give them away.

WHAT YOU WILL NEED:

- Fish heads
- Salt
- Black pepper
- Olive oil
- 1x Red onion
- 1x Lemon (cut into slices)

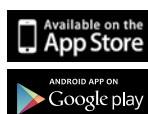
1. Preheat oven to 200°C.
2. Remove gills from fish head but leave wings attached. Remove the scales with a fish scaler (or a desert spoon works pretty well). Do this out on the lawn as the scales fly everywhere.
3. Place fish head in a roasting dish.
4. Rub salt into the skin and around the inside of the head, coat in black pepper and drizzle a tiny bit of olive oil over the fish head.
5. Add a few slices of lemon and red onion inside and out.
6. Cover with foil and bake for 20 mins, or when skin starts to split.

TO SERVE

Plonk it on the table and hook into it. In my order of preference, the best bits are the wings, cheeks, eyes, and the top of the head. Bewdy!



The Free Fish Heads App service has been provided for free and is available to both Apple and Android users



HEAVY DUTY TOWER

#SMT400

- 0.8M wide x 2.4M long platform
- Steel scissor bracing and 4.0m h platform
- Quick and easy for one person to erect
- Narrow gauge for tight access and indoor use
- Compact for storage and transport
- Robust design for durability
- Snaplock handrails for easy repositioning
- Height adjustable castors

See in-store for
a great price!



BONUS

KAIWAKA OIL SKIN VEST
WITH EVERY PURCHASE
OF THE #SMT400
TOWER



8M STAINLESS STEEL
TAPE MEASURE

#OX-P029308

- Stainless steel case with over mould
- Extra tough nylon coated steel 27mm wide blade
- 3.0m stand out
- Large end hook



\$26.50
EXCL GST



OX PRO DOOR CLAMP

OX-P200101

- Single-handed door hanging
- Easy door hardware installation
- Holds doors from 10-50mm wide
- Calibrated springs
- Duragrip handles



BONUS
5-PIECE WOOD
CHISEL SET

\$189
EXCL GST



ATTIC STAIRS



R28

Model	R28 - Regular	R31 - Regular	J24 - Economy
Ceiling Heights	2250mm - 2800mm	2750mm - 3100mm	2200mm - 2440mm
Tread Depth	90mm	90mm	90mm
Width of Stair	430mm	430mm	350mm
Max Load	200kg	200kg	200kg
Angle	70°	70°	70°
Opening Required	1370mm x 650mm	1370mm x 650mm	1135mm x 560mm
Projection	1690mm	1760mm	1485mm
Landing Space	1180mm	1350mm	1120mm
Uses	Residential	Residential	Residential
ITM Price (excl. gst)	\$599 Ex GST	\$629 Ex GST	\$399 Ex GST

POLO SHIRT

FREE!



Spend over \$350 on any products on
this page and receive a free hi-vis
polo shirt.*

*Strictly while stocks last. Limit of one polo shirt per account.

EXPERIENCE COLOUR

MARLEY STRATUS DESIGN SERIES®

Designer uPVC spouting and downpipe systems available in four colours including Grey Friars and Ironsand, New Zealand's most popular roofing colours.

METALLIC COLOURS



GREY FRIARS



IRONSAND



COPPER



TITANIUM

COPPER

Photo credit: Matt Queree

LOW
MAINTENANCE

100%
RECYCLABLE

MADE
IN NZ

WILL NEVER
RUST

15YEAR
GUARANTEE

STRATUS®
DESIGN SERIES

 **MARLEY**

POLO SHIRT

FREE!



Spend over \$350 on any products on this page and receive a free hi-vis polo shirt.*

*Strictly while stocks last. Limit of one polo shirt per account.



Photo credit: Terry Marshall

Against the odds

Invercargill-based driver Brendon Leitch has said that his racecraft is as good as ever, after another season of racing in the Castrol Toyota Racing Series – Australasia's premier open-wheel racing category for aspiring professional race drivers.

"I've definitely improved as a driver, and I think it's definitely built me as a person this season. It's been pretty challenging at times" Leitch said.

The 21-year-old endured an up and down fourth TRS season with Victory Racing. Leitch often illustrated pace comparable to the leading group, but was often undone by unfortunate luck.

The results

But good results did also come. They included pole position and a podium finish at Teretonga, and a race win at Bruce McLaren Motorsport Park in Taupo. These results came despite Leitch being one of the few drivers on the grid who doesn't race on a full-time basis in Europe or America.

"All in all for an 11-months of the year apprentice mechanic, we did a pretty bloody good job," he said.

Leitch eventually finished ninth overall in the championship.

Tough competition

Among those to comment on Leitch's most recent season is Kiwi motorsport legend Kenny Smith.

"What Brendon achieves each year in TRS against those hotshot overseas drivers is outstanding," Smith said.

"If he had the mileage they had going into the series each year he would kick most of their butts. It is a waste of his talent to only have the opportunity to race five weekends a year as he does at the moment."

What's next?

With the arduous five-week TRS calendar now completed, Leitch now hopes to secure a seat in the Formula 4 United States Formula Championship – the first step towards achieving his dream of getting into the IndyCar Series.

Brendon is backed by ITM stores: E H Ball ITM, Southern Lakes ITM, Dayle ITM, Albany ITM and Dyers Road ITM.

For more info visit: www.brendonleitch.com

Help us put Brendon on the podium.

For 10,000 Trade Club points or \$3,500 you can join the Brendon Leitch Supporters Club and get these exclusive benefits:

- **Brendon Leitch Supporters Club cap and t-shirt**
- **attractive discounts at NZ motorsport events**
- **the chance to be one of 10 people to attend a special Hampton Downs race day in October, hosted by Brendon**
- **your support recognised on the brendonleitch.com website.**

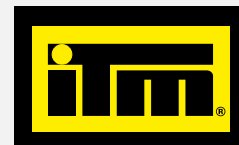
To join, simply log in to ITM Trade Club and click the Supporters Club tab or visit brendonleitch.com



Photo credit: Bruce Jenkins

FOR YOUR NEAREST ITM STORE PHONE **0800 FOR ITM** OR VISIT **ITM.CO.NZ**

PRODUCTS ON PROMOTION: All prices exclude GST. Prices are valid from April 3rd – 14th May 2017, unless specified otherwise. Some products may not be available in all ITM stores, but can be ordered in for customers. FREE hi-vis polo shirt: Applies to purchases made between April 3rd – 14th May 2017 or while stocks last. Please note that the \$350 (excl GST) qualifier for the FREE hi-vis polo shirt applies to each supplier's product featured and cannot be made up of smaller amounts spent on individual supplier's products e.g. Customers will qualify for a giveaway if they purchase \$350 of Makita products, NOT if they purchase \$200 of Makita and \$150 on Marley products. Purchases must be made on one invoice/account. Offer is limited to one per customer. All prices exclude GST.



**NOW YOU
CAN WIN ←
EVEN IF
THE REF
IS BLIND!**

Turn sporting moments into awesome prizes.

If you're an avid sport watcher, we're about to add a whole new level of excitement to game day. That's because very soon ITM Game Chaser will kick off on the ITM App.

Simply by making predictions prior to pre-selected games and spotting certain sporting moments during them, you'll be in to WIN awesome prizes including the Grand Prize of 4x tickets to the New Zealand Lions Series international at Eden Park on Saturday 24 June 2017.

If you haven't already, download the ITM App now and start warming up.

Find out more at itm.co.nz/gamechaser



**NEW ON
THE ITM APP!**

Available on the
App Store

GET IT ON
Google play