

THE MAGAZINE FOR ASSOCIATION OF WALL AND CEILING INDUSTRIES OF NEW ZEALAND

# insight

MARCH/APRIL 2020



**AWCI Conference  
Tauranga  
14 and 15 August**





## Tape helps the plight of the honey bee

Most of us think of GIB® paper joint tape as the go-to bedding in tape for strengthening joints. But for Taupo's Phillip Haycock, it has become an unexpected lifeline for the New Zealand bee population, currently under threat from the Varroa mite.

Beekeepers across the country have been working on new ways to deliver organic acid miticide into hives to combat the destructive mite. And rural Taupo beekeeper Phillip has come up with an ingenious, and highly effective, solution using GIB® paper joint tape.

"In the past this organic acid was limited in economic viability because it required multiple applications to each hive to be effective. It was extremely labour intensive," says Phillip.

"A core group of us from online beekeeping forum NZbees.net began looking into other ways to deliver the acid, with the aim of creating an environmentally-friendly absorbent product that would store and slowly release it into the hive over a two-month period, as a single and inexpensive treatment."

Phillip's idea – a GIB® paper joint tape laminate – has proved to be extremely effective, and although it is not the only Varroa mite treatment available, it is quickly gaining recognition as being amongst the best.

The Varroa mite (also aptly known as the Varroa Destructor) was first discovered in Southeast Asia in 1904, and then reappeared in Florida in the 1980s. It arrived in New Zealand 18 years ago and has wreaked havoc with our bee population ever since. The tiny parasitic mite sucks the blood out of bees, compromises the overall health of the hive, and spreads viruses from hive to hive.

Phillip's GIB® treatment is one of a number now being used by beekeepers across the country, in a bid to combat the mite. "Before I became a beekeeper I worked in the construction industry. My brother, a Tauranga plasterer, first introduced me to GIB® paper joint tape and taught me how to bed it in and apply a first coat.

"I always knew there was something special about this GIB® product – but little did I know it would end up playing such a significant role outside of the building industry, benefiting beehives all over the country."

**For more information get in touch with the Beekeeping community at [nzbees.net](http://nzbees.net)**

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# President's report

*From the trowel of Gabriel Ataya*

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What a busy great summer it has been. I'm amazed how quickly we are into March.

The AWCI has recently introduced a new service all members should be aware of:

A new Interior Assessment service for members that aims to provide an independent service to assist with plastering, finishing and job completion disputes. The AWCI has for some time been observing an increased number of homeowners and industry members wanting independent balanced assessments of interior finishing work. As a result, the Association has started a pilot audit and assessment service for homeowners, project managers, AWCI members and the wider industry to turn to when a dispute arises. We have specialised assessors who can go in and provide an independent assessment

report to review what has happened and provide suggested remedies.

The aim is to provide assessment reports from our industry qualified experts which will provide a balanced result if you need to end a dispute or want a third party report. Most homeowners aren't aware what actually constitutes a level 4 finish compared to a level 5 finish, so we can provide an accurate assessment of what has been or what should have been delivered as per the contract.

AWCI has also been busy with advocacy and lobbying work for retentions through the Specialist Trade Contractors Federation (STCF). This combines the voices of Master Painters, Master Plumbers, the Roofing Assoc, Scaffolding Assoc and AWCI to provide significant information and lobbying to the media, Ministers and MBIE. At any

time please feel free to contact Richard in the AWCI office if you have some key points that you think would be useful in this work. We have submitted a new report to MBIE calling for changes to be made to current retentions scheme so we will keep you updated on that.

Other exciting news for is our 2020 Conference will be just for AWCI this year and I'm pleased to announce it will be at the Trinity Wharf in Tauranga on Friday 14th and Saturday 15th August.

Put this date in your diaries now and we will see you there.

All in all, it is great to see the continued growth of the Association. We will be keeping you up to date on the various industry events so watch your email for the newsletter updates.

Thanks  
Gabriel

# Construction News

## GIB INSTALLATION VIDEOS AVAILABLE NOW

Following a few best practice pointers when installing GIB® plasterboard can greatly improve the quality of finish achieved. The below short installation videos show the key GIB® plasterboard best practice tips for walls and ceilings.

For even more information visit the GIB website.

There is technical documentation available to assist you.

Check out all of the GIB Videos on their Youtube Channel

## CONSTRUCTION ECOLABEL

A new construction and demolition ecolabel specification has been launched to help reduce the amount of construction and demolition (C&D) waste going to landfill.

Research shows that by weight, the C&D industry is one of the largest waste producers in the country, making up around half of all waste going to landfill. The specification has been developed by the New Zealand Ecolabelling Trust (NZET) and was introduced at the WasteMINZ conference.

Through the specification, C&D waste service providers can receive third-party verification and Environmental Choice New Zealand (ECNZ) certification for their projects. This will be a clear signal for consumers and organisations looking to invest in sustainable C&D businesses.

To speak with General Manager Francesca Lipscombe about the new specification and the Environmental Choice New Zealand ecolabel please don't hesitate to get in touch. You can also click here to access and read the EC-59 C&D Waste Services specification.

## GOVERNMENT'S NEW PLAN SEEKS TO TACKLE CONSTRUCTION SECTOR ISSUES

Building and Construction Minister Jenny Salesa has announced a three-year blueprint designed in conjunction with industry leaders.

"This is actually the first time ever that seven Cabinet ministers have come together with key leaders in industry to say that, together, government and industry will sort these issues out," she said.

"Having a hands-off approach and

hoping somehow that the construction sector will be able to turn things around by themselves has been ineffective."

The plan promises a more even-handed approach: the government offering simpler, shorter contracts and businesses committing to train more staff.

Master Builders chief executive David Kelly is on the group overseeing the new strategy and stated that it was chiefly about a shift in attitude on both sides.

"The attitude too often has been, 'the only way for me to do well is to undermine the other party'," Kelly said.

"What this says is, actually, that's a really bad way of thinking about how to do business. A good way to do business is to say, 'I want to succeed, but in order to do that, all the other parties have got to do well also'."

"The industry is starting to step up. There are those that are cynical, but there a lot of industry leaders who are saying we've got to give this our best shot and we've got to lead as well."

## THIRD READING OF THE ROVE BILL MARKS IMPORTANT MILESTONE

The third reading of the Vocational Education and Training Reform Bill on Wednesday 19 February 2020 is a key milestone for the Reform of Vocational Education (RoVE) and represents many months of hard work and collaboration between government agencies, industry, employers, Māori, iwi, learners, and community groups.

When the legislation takes effect on 1 April 2020, a new and dynamic vocational education system will deliver the skills that learners, communities and employers need to thrive.

The Bill:

- Gives industry greater leadership across vocational education and training by establishing Workforce Development Councils (WDCs)
- Establishes the New Zealand Institute of Skills and Technology (NZIST), which will bring together all 16 Institutes of Technology and Polytechnics (ITPs) to provide, arrange and support vocational education and training across the country
- Introduces a new regulatory framework for vocational education and training.

“This is a watershed day for trades and vocational education. These law changes formalise the process of creating a strong, unified, sustainable system to set us up to respond to skills shortages and prepare for the future of work,” Education Minister Chris Hipkins says.

“We’re creating a system that is simple to understand and navigate, responsive to the needs of learners and employers, and flexible enough to keep changing and evolving as the world around us changes and evolves.”

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# Are you making these 11 mistakes in your trades business?

Working longer and longer hours and downright frustrated at the lack of profits? Is work coming in but it's just not consistent? One month you're scrambling to get the work done and the next, you're sweating out where the next job is coming from?

Or maybe you're getting the work but where the heck is the money? There never seems to be enough cash in the bank when you need it.

If you feel you're not getting ahead and your hard work isn't reflecting money-wise, chances are you're making one or more of these mistakes which even the smartest business owners do sometimes.

As a business coach working exclusively with trades, here are the 11 biggest mistakes I find tradies are making (not necessarily in this order):



## #1 - Being unaware of margins and losing money on too many jobs

Often I see tradies working really hard, but they're just not as profitable as they should be. Really frustrating because they are missing out on the real money.

The problem is margins; they just aren't getting the margins right consistently on every job. This is even more of an issue when growing – you can end up doing more jobs for less money.



**Solution:** Always price based on margin. Then keep track of costs and hours during the job or at least backcost to check what margin you made. This will help when pricing future jobs, and show you how to be more efficient.



## #2 - Working too many hours

### at the expense of health and family

Business is a marathon, not a sprint. When business owners are working 50+ hours per week, they start making mistakes. They are reacting, instead of controlling their business. If this continues long term, they spend most of their time putting out fires, or even worse, their health or family falls apart.



**Solution:** Look at what you are doing in your week. Then decide what






is important, make your family and your health a priority, and choose what work can be delegated or got rid of. Set some rules for yourself on what you will say “no” to.


### **#3 - Not knowing the numbers**

Many tradies don't know their numbers, so they have no idea how they are actually doing. They are busy, but are they making profits every single month? They just don't know. This is dangerous. If things go wrong, it's often too late to correct.

 **Solution:** Have good accounting software you use to record monthly Profit & Loss figures. Then measure everything that is important to you, including sales, gross margins, earnings per worker, etc. Checking on these numbers regularly gives you early warning signs of any problems, and you will have plenty of time to adjust to get back on track.


### **#4 - No structure or direction in the business**

Lack of planning and systems is a huge problem and can happen in any size business, but especially if a business grows quickly. Important information including customers, jobs, and work standards are all stuck in the owners head. This becomes frustrating for everyone; standards start to slip; jobs become slower and inefficient, and the owner works longer and longer hours just to keep things moving.

 **Solution:** Put into place good planning, procedures, checklists, and reports in all key areas, from the jobs themselves to work schedules to office systems. If this is done right, it will save everyone a whole lot of time and frustration, and the business can still operate without the owner for significant amounts of time.

### **#5 - Relying on a small number of large customers**


For some, the easy option is to rely on one or a few large customers for work. This is dangerous because before long they will start calling the shots - when you work, how much you make, etc. Also, if they have less work for you, or go broke, it will have a major impact on your business, sometimes irreparably. If your biggest client went broke (or stopped giving you work), would you survive?

 **Solution:** Don't put all your eggs in one basket. Make sure you have a good spread of customers in different sectors. Make this a priority because if you want to have a long-term profitable business, this is essential.

### **#6 - Giving too much credit for too long**


Credit can be dangerous and is one of the biggest downfalls for trades. Many have gone broke because their biggest clients didn't pay them. Or at the very least have been stressed out with strangled cashflow at the end of the month looking for enough to pay staff, suppliers and the bank while waiting for overdue accounts

to come in. How much have you lost in money and time through late payers and bad debts?

 **Solution:** Have strict credit terms, take deposits at the beginning of jobs, progress payments, and be prepared to stop work if the account is not paid on time. Only when you are paid can you say the money is yours.

### **#7 - Not billing everything out on time or at all**

Often, especially on complex jobs, bills are sent out weeks or months later. Some details are forgotten, so not everything is billed, or worse the job is not billed out at all.

 **Solution:** Get your team to record all details of jobs including extras (materials and labour) on the job. Then make sure you invoice promptly on completion.

### **#8 - Not dealing with leads and quotes effectively**

A number of tradies get plenty of good leads but don't follow them up early enough before they go cold. Or because they don't qualify their enquiry by asking good questions, they waste a lot of time quoting jobs they were never going to get.





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# Are you making these 11 mistakes in your trades business? *continued...*



**Solution:** Firstly make sure you have time available every week in your calendar to follow up leads and quotes. You have spent money and effort getting them; don't blow it because of lack of time. Ask the right questions before quoting which frees up time by identifying the best jobs which are worth pursuing and by weeding out the tyre kickers. Always go through the quote with the customer – it will instantly increase your conversion rate.

## #9 - Nannying the team

Some business owners either don't supervise staff enough (not giving clear guidelines) or micro-manage them (staying too involved). And when the team is not responsible for their own work and makes too many mistakes, the owner spends a lot of time running around sorting out the fallout.



**Solution:** Have good systems and guidelines to ensure your staff know exactly what you expect of them and are accountable for their work.

## #10 - Spending too much time on the tools instead of growing the business

Too much time on the tools leaves no time to find more work or make the team more efficient. It is important to schedule time each week for marketing/selling, and putting systems in place. Otherwise, you will restrict growth and profits.



**Solution:** Spend at least one day per week on marketing and sales activities, and plan each day in advance.

## #11 - Relying on a small number of lead sources

Deceptive but deadly mistake. You might have plenty of work in the short term, but if you rely on one source e.g. word of mouth, you'll be stuck in a feast or famine work cycle. Very hard to make money because what is made during the good times is then lost again when it gets quiet.



**Solution:** Have a good marketing plan and market consistently using a number of strategies both online and offline to get good enquiries flowing in every single week.

If you see yourself making some of these mistakes, the good news is it's easy to fix, if you put the right strategies in place. Many tradies I have worked with have been able to turn their businesses around by putting these things in order.

So start now by working on the one mistake that is causing you the biggest headaches, then the next and the next. It won't be long before you start getting the business you want.

Want more insights? Get my free guide "Next Level Your Profit".

Go to: [nextleveltradie.co.nz/guide](https://nextleveltradie.co.nz/guide)

Daniel Fitzpatrick  
Business Coach  
Next Level Tradie





# Young hairdresser stuns mum with switch to construction

**D**anyelle Bogue is a 22-year-old Wellington based former hairdresser who leapt into a painting and decorating apprenticeship – and loves it.

After finishing high school, Danyelle was keen to go straight into the workforce. “I wanted to start earning money straight away and wasn’t keen on racking up a large student loan,” says Bogue.

“My grandmother and older sister were hairdressers, so I just followed suit – but after two years, I knew it wasn’t my passion.”

When her friend told her about a painting and decorating role, she sounded like it would be a good fit for her. As an active kid growing up on a farm, Danyelle loved hunting and always enjoyed hands-on work. She thought she had nothing to lose by giving building and construction a go. “I started the job in August 2018, and by November that year, I had begun



my apprenticeship through BCITO. Since then, I have never looked back.”

When Danyelle first told her parents about her career change, they were taken by surprise. “It was completely left field. I had no family members working in the trades and had never expressed an interest before, so it really came out

of the blue for them.”

Danyelle’s mum, Pam Munro, had concerns about her daughter’s choice of career. In particular, she was concerned about her being able to make ends meet financially.

“As a mum, you always want what’s best for your child. I was concerned that



Danyelle would be starting a new career from scratch – meaning she would have to start from the bottom of the pay scale. But I knew she wasn't happy in her hairdressing job. She'd often come home from work upset and have to work long hours."

"Now, after seeing her confidence grow in this job, and having seen some of the work she has been able to achieve, I couldn't be prouder. And she has also come out better off financially, with her being rewarded for her skills.

"I would say to any parents who are

uncertain or against their kids doing a trades apprenticeship that it's a great career path. Particularly if your child does not want to go down the university route, a trades apprenticeship provides an equally good next step after high school," says Munro.



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# A guide to helping your mates

**G**ot a mate who's looking down, isn't themselves, maybe gone a bit quiet? Want to help but aren't sure how?

A new pocket guide about how to have conversations about mental health has great advice on looking after friends and colleagues.

And it's easy to lend an ear, listen, and have a conversation with someone, says Paul Lynch, a guy who knows what it's like to do it tough.

The Christchurch carpet and vinyl installer lost his brother Brett to suicide in 2013. It took him a while to shake off resulting anger and darkness that he felt, but he did, and he wrote the book *Suicide; Aftermath & Beyond* about it. He has made it his mission to help people in the trades talk about things that are getting them down, and he says the new guide is a top tool to do this.

Paul says people don't have to be a counsellor or a therapist to help, they just have to take time to listen.

"In my experience in about 99 times out of a hundred, all that's required is a conversation. It's that simple act of



letting people talk or share something they might be going through.

"Just listen, let them speak, and validate what they're saying. It doesn't have to be a crisis intervention." (Though there are emergency numbers provided in the pocket guide if the situation requires higher intervention.)

"I know myself, once you've unburdened yourself of something that's been troubling you, a lot of the pressure goes away with the words."

The free pocket guide has been created by Dr Kate Bryson of Axon Consulting, one of the key researchers who worked on Site Safe's study into suicide in the construction sector last year, in consultation with industry people.

Site Safe is pleased to be able to offer the guide in conjunction with Construction

Health and Safety NZ (CHASNZ), the Mental Health Foundation and Mates in Construction.

The key messages in it are:

- Be Approachable – don't judge and don't try to have all the answers.
- Be Empathetic – try and put yourself in their shoes. Or boots.
- Be willing to listen – give them your full attention and let them know it is confidential between you and them.

Auckland electrical contractor Dave Burt uses a question to break the ice with people that is one of the suggested phrases in the guide: "What's happening in your world?"

It's an open-ended question he came up with after dealing with depression himself. (It's detailed in his book *Lengthening the Shadows* which is available here. It can be a dark topic but the book is a moving, funny account about a guy who carried on too long struggling on by himself.)

One of the three winners of the Kalmar Mental Health and Wellbeing Award last year, along with Paul Lynch and the team from The Switched On Group, Dave



put money from his book towards the pocket guide and he says it is full of good advice.

Kristal McGill from The Switched On Group also says the pocket guide is a top resource and they will use it as the firm rolls out a its own initiatives this year.

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**“Take the time to connect and ask them what is going on in their world. You might just be surprised by what you hear, and what a difference you can make in someone else’s life.”**

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Currently it is focusing on how alcohol can affect people at work and home and how to reach out to services if they, or someone close, may be struggling with addiction issues.

The company is also about to run work groups with managers and supervisors to help them spot people who are distressed – including how to keep an eye on themselves – and is giving them the resources to help support their people.

“This will build on training provided during 2019 and will take all people leaders through our best-practice approach, our resources and our support for both the manager and individuals involved,” Kristal says.”

Paul Lynch says one of the issues people worry about in dealing with mental health is that they don’t feel they’re qualified to help.

“The truth is you don’t need to know anything about it, you just need to be a decent enough person to allow somebody to speak and to get whatever’s on their mind, off their mind.”

He says that’s where the pocket guide helps.

“I’ve always said, it’s not like we don’t care or want to check up on our mates, it’s just we often don’t know how to. We need to change that.”

Dave Burt agrees. And he says helping someone is actually pretty easy.

“You may not be aware; but every one of us possesses a very powerful gift. You may not know that you have this gift, but trust me on this, you do – it is the power to give and provide hope.

“Having experienced depression, I can tell you hope is something I will never take for granted again. For those dealing with a mental health issue, hope is all powerful.

“Think of someone in your life who means a lot to you; be it a family member, colleague or maybe a mate,” Dave Burt says.

“Take the time to connect and ask them what is going on in their world. You might just be surprised by what you hear, and what a difference you can make in someone else’s life.”

The guide is free for download or ordering here:

<https://www.sitesafe.org.nz/guides--resources/tools-for-wellbeing/mental-health-pocket-guide/>

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# IRD Update

## OUR SERVICES WILL BE UNAVAILABLE

Our Business Transformation programme is well under-way. We're transforming our systems to make it simpler for New Zealanders to pay their taxes and receive their entitlements. This includes improvements to myIR, student loans, KiwiSaver and more.

In April, our next set of changes come into effect. In order to make these changes our key **services will be unavailable between 3pm Thursday 9 April and 8am Thursday 16 April.**

During this time our phone lines and offices will be closed, and you will not be able to access myIR or e-File.



## RESIDENT WITHHOLDING TAX EXEMPTION REGISTER

Currently we issue successful applicants with a certificate of

exemption from RWT. This process will remain in place until

31 March 2020. From 1 April, payers of investment income

(e.g. payers of interest and dividends)

will access the register to confirm which of their customers have RWT exempt status. They will no longer ask for or accept physical certificates of exemption.

The register:

- is automatically populated by Inland Revenue
- identifies customers only by their IRD number
- can be searched by exemption status, IRD number and when the information was last updated is updated
- is updated overnight every business day (Monday to Friday) – so it provides near real time information.

Payers can use the register now to verify if a customer has an exemption, or to check the exemption status (e.g. cancelled, revoked or end-dated (expired)).

If a customer has an exemption under an Act that is not administered by Inland Revenue, they may need to apply to us to be included on the register.

If you are a charity registered with Charities Services you

do not need to apply for RWT exempt status. We will automatically put you on the register.

You can find out more and access the register at [www.ird.govt.nz/rwt-exemption](http://www.ird.govt.nz/rwt-exemption)

## MOVING AWAY FROM CHEQUES

From **1 March we will stop accepting payment by cheque**, including cheques dated after 1 March 2020.

There are several payment methods offered by us and the banks, including:

- Online through your bank Online in myIR
- Automatic payment authority form (IR586)
- Cash or Eftpos at Westpac (From 1 July 2020, all payments at Westpac must be accompanied by a barcode)

We encourage you to speak with your bank or a tax professional to help you find the best payment method for you.

For more information on these payment methods visit [www.ird.govt.nz/cheques](http://www.ird.govt.nz/cheques)

We are also in the process of introducing a new **phone payment option**, which will allow customers to make payments **24/7** using our SPK2IR phone service. We will provide more information closer to the time, but we are aiming for this option to be available from **mid-April**.

If you have already spoken with your bank and/or tax professional and are unable to use another payment method, please contact us to discuss your options.

## RESEARCH AND DEVELOPMENT TAX INCENTIVE - WEBSITE

The Research and Development Tax Incentive (RDTI) supports Government's target to increase New Zealand's R&D expenditure to 2% of GDP by 2027.

In February a new RDTI website was introduced to help

businesses understand the benefits of undertaking R&D and to encourage more businesses to invest in it.



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# IRD Update *continued...*

Designed for busy business-decision-makers, the website features an easy-to-follow introductory guide to RDTI eligibility and a step-by-step overview of how to apply.

The RDTI is jointly administered by Inland Revenue and Callaghan Innovation, and information on the new website has been developed collaboratively by both agencies with support from MBIE.

Learn more at [www.rdti.govt.nz](http://www.rdti.govt.nz)



## TAX TECHNICAL BETA SITE AVAILABLE IN LATE MARCH

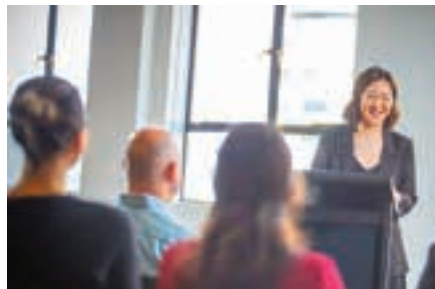
As part of our work to build a new and improved Tax Technical website, we're making a beta, or test version available ahead of the first published release.

We're planning to make the beta site



available in late March, accessible via the existing Tax Technical section of the Inland Revenue website.

We're keen to get your thoughts and feedback on the new look and feel, features and layout of the Tax Technical site and we encourage you to visit the beta version when it's available. You will be able to provide comments while on the site using the feedback button on each beta page. Feedback we receive during this time will help us to improve the site before the first release.



## UPCOMING SEMINARS

As we mentioned in our previous issue, we are running seminars to help employers, tax agents and bookkeepers prepare for the changes coming in April.

The seminars will be held around the country and the link to register will be available on our website on the following dates:

**Employers** – link available 2 March 2020

**Tax agents and bookkeepers** – link available 9 March 2020

## JOIN OUR FINAL WEBINARS

We are running two final webinars before we go live with our next round of changes in April. Both sessions will be focused on helping you prepare for the upcoming changes.

The session on **4 March 2020** at 2:30pm to 3:30pm is aimed at tax agents and bookkeepers.

The final session is aimed at employers and not-for-profit organisations, and will take place on **18 March 2020** from 2:30pm to 3:30pm.

Register by clicking the links above, or visit [www.ird.govt.nz/webinars](http://www.ird.govt.nz/webinars)

# Coronavirus – Information for Small Business Owners

**T**he coronavirus has been making news headlines for the past couple of weeks, and many business owners and employers have been getting in touch with EmploySure about how to best react to the ongoing situation.

This virus was not detected before the current outbreak, hence the urgency displayed by many governmental organisations and governments in containing the virus.

The nature of the virus is not yet fully known, and as such information about the virus, how contagious it is and how it is transmitted may be lacking. Until more is known, official sources – such as the Ministry of Health – will only release more information about the virus as it is known.

EmploySure strongly urges all clients and business owners around New Zealand to only consider the advice of experts when considering and implementing any



coronavirus-related workplace health and safety policies.

As such, the following article is composed of information gathered from official government sources, together with practical advice from EmploySure's OHS team.

## **What Is the Coronavirus?**

A virus which can cause severe respiratory illness. Before the current outbreak, this virus had not been detected.

## **What Are the Symptoms of Coronavirus?**

- Flu-like symptoms (such as coughing, sore throat and headaches)

- Fever
- Difficulty breathing

## **How Can You Prevent the Illness?**

Given what we currently know about the Coronavirus, it is best practice to implement the following:

- Wash your hands thoroughly
- Use soap and water
- Rub the soap all over parts of your hands for at least 20 seconds
- Rinse
- Dry your hands with a paper towel
- Cough or sneeze thoughtfully
- Cover your mouth with a tissue, or
- Cough into your upper sleeve or elbow
- Do not cough into your hands
- Avoid contact with wild or farm animals

Also consider providing your employees with a memorandum about the outbreak and importance of exercising good hygiene.



### **What Do I Do If an Employee Suspects They Have the Coronavirus?**

Advise employees to call 111 or seek urgent medical attention if they suspect they have contracted the illness. The government also suggests ill employees to remain at home to reduce the spread of infection.

Therefore, it is very important to emphasise the practicing of good hygiene, also as above

Speak to a medical practitioner if they would like further information on the illness or review government materials for reference.

### **Official Information Is Important**

As above, The Ministry of Health have not identified enough detailed information about the coronavirus. Please follow the official page for up-to-date information. Avoid misinformation.

Therefore, it is very important to emphasise the practicing of good hygiene, also as above. The Ministry of Health has several resources, in both English and Chinese. They can be found on the official page.

### **The Origin of the Virus**

The coronavirus originated in the city of Wuhan, Hubei Province, China. According to the government, “the majority of cases” are in that location.

Several countries have identified cases of the virus in their country. At the time of writing, in NZ there have been 5 confirmed cases but there have been 12 confirmed cases in Australia. A New Zealand man **tested positive** on a cruise ship currently moored in Japan.

The people most at risk of contracting the virus, according to government, are people who have:

- Been in mainland China recently
- Been in close contact with someone who has a confirmed case of coronavirus

The Kiwi citizens who have been airlifted back to the country from China, will remain in quarantine in Whangaparāoa, near Auckland, for 14 days to minimise the chances of transmission.

If one of your employees is one of the above, ensure they have followed the government’s recommended procedure. For any further actions (e.g. how to integrate them back into the workplace while ensuring the confidence of your employees that they won’t be infectious), please get in contact with EmploySure’s advice line.

# Construction Update

## CORONAVIRUS DOMINATES THE HEADLINES

The outbreak of COVID-19 in China has significantly disrupted global trade over the last two months. For New Zealand exporters, there have been significant negative effects across a range of sectors, including agriculture, forestry, tourism, and international education. Although infection numbers in China appear to be stabilising, the spread of the virus into other countries such as South Korea and Iran has unsettled global markets and raised concerns about more significant and prolonged economic disruption. Within New Zealand, domestic economic activity has remained relatively robust to date, but confirmation of the first cases of COVID-19 here, combined with mounting uncertainty about the international economic outlook, threatens to further undermine economic growth during the first half of 2020. The Reserve Bank is under increasing pressure to cut the official cash rate to mitigate the economy's slowdown.

## LIMITED EFFECTS ON CONSTRUCTION FOR NOW

Residential consent numbers have reached new record highs in recent

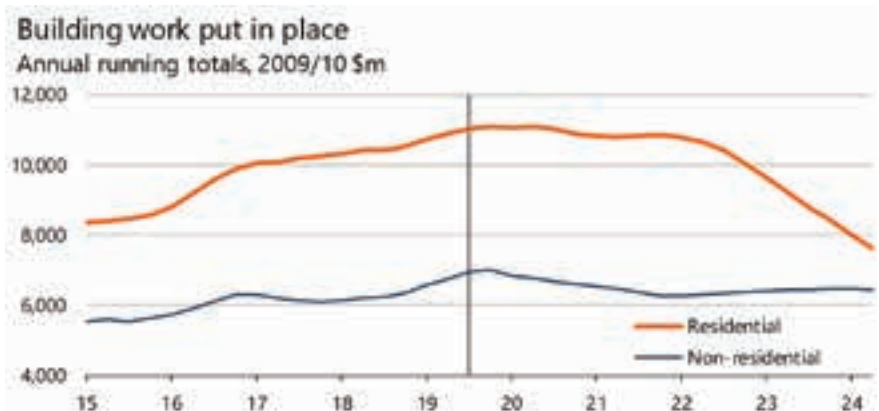
	Latest	Dec 2020	Dec 2021
<b>Gross domestic product<sup>(1)</sup></b>	2.7%	2.5%	2.1%
<b>Residential consents<sup>(1)</sup></b>	13.8%	-9.5%	-1.8%
<b>Non-residential consents<sup>(1)</sup></b>	5.2%	0.9%	-1.2%
<b>House prices<sup>(2)</sup></b>	6.4%	3.8%	1.2%
<b>Unemployment rate<sup>(3)</sup></b>	4.0%	4.3%	4.1%
<b>Net migration<sup>(4)</sup></b>	43,764	36,173	31,543

(1) Year-end % change (2) Three-month annual % change  
 (3) Quarterly level, seasonally adjusted (4) Annual total  
 Data source: Statistics NZ, Infometrics forecasts

months as activity continues to address the under supply of housing that has built up over previous years. This growth in new dwelling numbers has been sustained despite net migration having peaked in mid-2016. Infometrics expects residential work put in place to ease during 2020 but remain close to historic highs throughout the next three years. The renewed upward momentum that house prices have displayed over the last 9-12 months,

particularly in Auckland, could also add more strength to consent numbers and residential construction activity in the near term.

Softer economic conditions have been weighing on private sector activity in the non-residential subsector, with consent volumes drifting lower throughout 2019. To date, this dip has been masked by a sharp increase in public sector work. However, construction activity is forecast to decline throughout 2020 and 2021 as



an oversupply of accommodation, office, and retail space develops in Auckland. There will also be further drops in non-residential building in Canterbury. In our view, COVID-19 is unlikely to have any effects on building activity in New Zealand over the next six months. However, the risk of a sharper or more prolonged downturn in the economy implies there are downside risks to our construction forecasts in late 2020 and throughout 2021.

## SPECIAL TOPIC: EMPLOYMENT GROWTH TO SLOW AS CONSTRUCTION TURNS

With construction activity close to peaking after eight years of strong and sustained growth, it raises questions about how demand for skills and workers in the industry will evolve as activity starts to ease. This change in momentum will play out differently across the various occupations within the construction industry. The effects on employment will be determined by whether occupational demand is more strongly influenced by the ups and downs of the building cycle, or whether work levels are driven by more stable factors such as the size of the population, dwelling stock, or overall economy. And even for those occupations that are strongly tied to new construction activity, the differing trends across residential, non-residential, and infrastructure work can have significantly divergent effects for occupations such as designers or plasterers.

## CURRENTLY CAPACITY CONSTRAINED

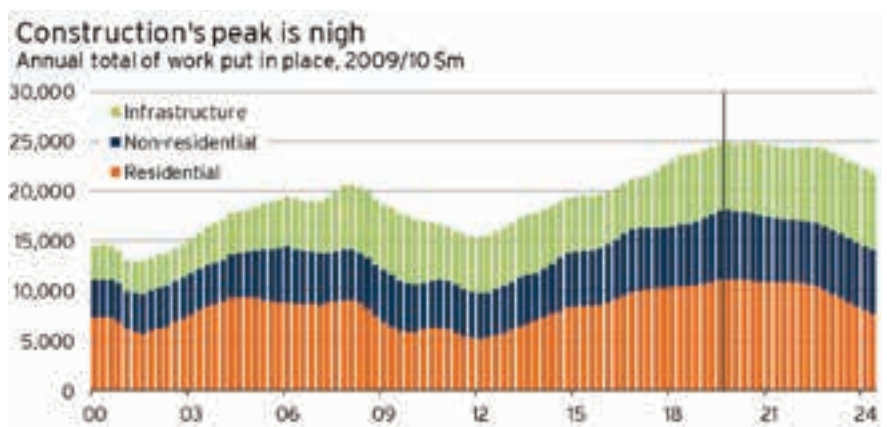
Before we examine the outlook for construction activity and employment in detail, it's worth noting that the construction industry has been experiencing significant capacity constraints. Throughout the last four years, less than half of all builders responding to the NZIER's Quarterly Survey of Business Opinion have cited demand as being the biggest factor limiting their ability to increase turnover. Instead, labour and capacity have shown through as the key factors preventing growth.

In this environment, any easing in activity levels will not necessarily lead to a drop-off in employment. In the first instance, construction firms are likely to reduce the number of hours they are asking employees to work, trimming overtime and bringing workloads back to a more manageable and sustainable level. We recognise that this dynamic will, in the near term, keep job numbers more elevated than might otherwise have been expected. It presents some upside risks to our employment forecasts.

## UNDERSTANDING THE OUTLOOK FOR CONSTRUCTION ACTIVITY

Having recognised the potential effect that current capacity constraints could have on employment, we now detail some of the key aspects of the construction activity outlook between now and 2024.

- Residential construction is expected to ease moderately between now and 2022. The extent of this decline will be limited by the need to continue reducing the undersupply of housing that has developed in Auckland. Current house price momentum also has positive implications for new development and suggests there is limited scope for residential construction to fall sharply in the near term.
- From 2023 onwards, residential activity is forecast to come under more significant downwards pressure. Continued softening in net migration will see population growth retreat further from its 2016 peak, while house price falls are possible once the housing undersupply is addressed and mortgage rates start to trend higher. This downturn in residential activity is the key driver of weakness in our construction





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# Construction Update *continued...*

employment numbers later in the forecast period.

- Non-residential activity is set to slide during 2020 and 2021. Activity in Christchurch has further to ease from its post-quake highs, while key segments within the Auckland non-residential property market are moving into a phase of oversupply. Nationwide activity is forecast to decline 11% over this two-year period, with government spending on key projects preventing a larger fall.

- More stable conditions are expected for non-residential construction from 2022 onwards. Activity is expected to settle at a level well above the industry's lows following the Global Financial Crisis, and higher than the previous peak in work recorded in 2006. Occupations more closely tied to non-residential construction, rather than residential activity, can be expected to reflect this trend.

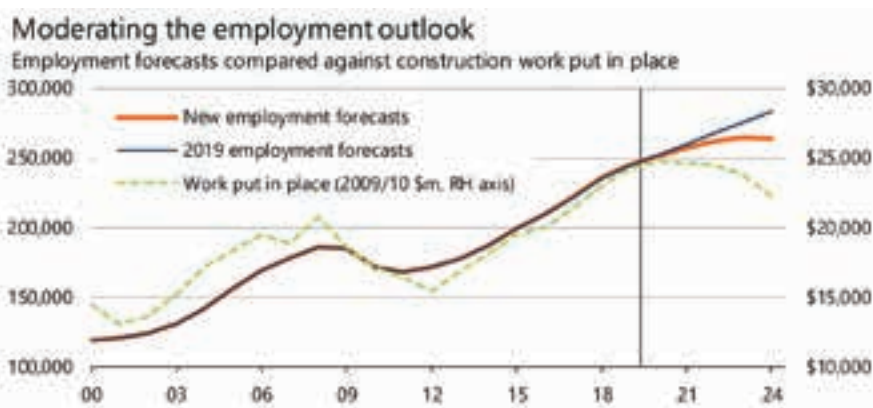
- Infrastructure activity is forecast to trend higher throughout the next five years. The timing and extent of this growth will largely be dependent on central government's ability to progress major projects. However, we also note there is considerable pressure on local councils to lift their spending in response to underinvestment in infrastructure over previous years.

The assorted subsectors within the construction industry face differing outlooks throughout the next 4-5 years. These variations are likely to drive a range of outcomes for employment demand across different occupations.

## MORE OR LESS CYCLICAL

The graph below compares our latest forecasts for employment across the entire construction industry with our forecasts from a year ago, and plots them against our current outlook for construction work put in place (including infrastructure). The moderation of our

forecast employment growth between 2020 and 2024, from 3.0%pa to 1.3%pa, reflects greater emphasis on the cyclical downturn than was the case in our forecasts published in 2019.



In modelling and forecasting employment across the construction industry, some occupations are more closely linked to changes in building work put in place than others. For example, a lot of plumbing work is associated with maintenance, meaning that the size of the population or dwelling stock is a key driver of occupational demand for plumbers. In contrast, demand for concreters tends to be more closely aligned with construction activity. Large changes in the volume of building work taking place, particularly in the non-residential subindustry, will have a considerable effect on the number of concreting roles available.

Some of the subsectors with the greatest responsiveness to swings in the building cycle include joinery, bricklaying, and interior systems. However, even within these subsectors, the effects of changes in activity are not uniform. Demand for bricklayers, for example, can also be affected by changes in the mix of construction activity taking place or the materials being used. In areas with strong and sustained population growth, the predominance of clay bricks for residential cladding means that a growth trend in employment tends to dominate any cyclical swings in activity. For interior systems, employment is highly influenced

by changes in non-residential work, with less affect from shifts in the residential subindustry.

In contrast, employment in concrete

product manufacturing, glass processing and glazing, and flooring has a much looser relationship with the building cycle. For concrete product manufacturing, the weaker correlation reflects the capital intensity nature of activity, with changes in output less likely to cause substantial shifts in job numbers. For flooring, its fortunes are heavily influenced by renovation work, which does not get captured by the consenting process. As the building stock expands over time, the share of flooring work relating to refurbishment of existing buildings is likely to increase.

Other occupations and subsectors lie somewhere on the spectrum between these two extremes.

## IN CONCLUSION

With total construction activity forecast to slide 10% over the next four years, the large increases in construction employment that we have seen since 2012 will probably not continue. In our view, this drop in activity is unlikely to cause employment declines for most occupations. However, occupations where employment is more closely tied to the building cycle will come under pressure as building work retreats from its peak levels.

# Answers from Ask An Advisor

The following are answers to questions Site Safe has received via its Ask An Advisor section on its website.

## Caps under hard hats

**Q: An electrician who wears a baseball cap under their hard hat for personal comfort and hygiene reasons said the safety inspector on his construction site said to not wear it.**

**The sparky asks:** “Is it lawful to forbid wearing a baseball cap under a hard hat? The Site Safe website says” It is recommended you do not wear clothing items on your head.”

**Site Safe’s advisor says:** Your company’s Safety Inspector is correct in issuing the non-compliance notice. The use of safety helmets requires the harness to be in direct contact with the skull to be most effective and usually a baseball cap will impede performance. This is outlined in NZ Standards and will also be part of the company’s safe work practices. The reason the wording on our website is “recommended” is because there are exceptions. If you read further down the information sheet on Safety Helmets you will also note the guidance to check with the manufacturer regarding advice on wearing the hard hat.

You mention the reason for the cap is comfort and hygiene. Safety helmets are designed to be comfortable – if yours is not then you should try a different design. Hard hats are a bit like shoes; there is not one design that will suit everyone.

The hygiene issues should be addressed by cleaning and the regular change of the sweatband.

There are no regulations specifically for hard hats; however regulation 18 of the Health and Safety at Work (General Risk and Workplace Management) Regulations 2016 require workers to wear or use the personal protective equipment in accordance with any information, training, or reasonable instruction by the Person Conducting a Business or Under-

there are a couple of reasons it advises against baseball caps being worn with hard hats.

- It will interfere with the suspension and shell which work together to reduce the force of an impact.
- The bill of the baseball cap worn under a hard hat won’t allow the head protection to sit level on the head in the work position.

## Mandatory PPE



taking (PCBU).

For more on wearing hard hats, go to: <https://www.sitesafe.org.nz/guides--resources/practical-safety-advice/hard-hat-basic-safety/>

### Additional note:

Hard hat manufacturer Honeywell says

**Q: Is there a mandatory Personal Protective Equipment (PPE) code for NZ construction sites?**

**Site Safe’s advisor says:** There is no mandatory PPE requirement. Each construction site will determine its own PPE requirements based on the risks that are

present on the site and the controls that have been determined in the safety plan for those risks.

### **Shorts for summer**

**Q:** *“As a company we supply PPE that is fit for the requirements of the role. However we are being asked by staff if we will supply them with shorts for the summer?”*

“The people asking are a team based at a port and our cold store/yard team. Both teams are exposed to full-day varying weather conditions (currently the heat) and are in and out of forklifts (so I am concerned that some shorts are ill fitting and will catch when moving around equipment.) In the winter months we supply overalls.

**Site Safe’s advisor says:** The choice of clothing fit for the job is a decision for the PCBU. The PCBU must engage workers and involve them in any decisions affecting their health and safety and this includes clothing.

Your question specifically relates to supplying shorts. Note that these are generally considered to be standard clothing not PPE; so the PCBU is not obligated to supply them.

You are correct in identifying any risks that might arise. Poorly fitting clothing (potential catch/snag while getting on and off plant) is potentially a risk but this applies to any ill-fitting clothing and the answer is to make sure that clothing

provided fits correctly.

### **Other risks to consider:**

- Protection (or exposure to) from UV;
- Work activities that might expose bare skin to projectiles or chemicals
- Work environments where bare skin may come into contact with sharp or abrasive surfaces
- Exposure to cold temperatures.

So unless the shorts are being supplied for safety reasons the PCBU is not obliged to provide them. However you may decide to provide them and even make them part of a uniform or dress code. Consider whether shorts are appropriate for the work activities and environment (based on risk assessment and consultation with workers).

There is more about PPE from WorkSafe at:

<https://worksafe.govt.nz/topic-and-industry/personal-protective-equipment-ppe/protective-clothing/>

### **Quarry work**

**Q:** *I am an electrician in the New Zealand Defence Force and need to service a generator in a quarry. I was told that to inspect the generator I needed a particular endorsement due to it being in a quarry, however I am just required to service it.*

**Site Safe’s advisor says:** As a qualified electrician you will be able to work on the generator, the fact that it’s in a quarry

should be irrelevant. Ensure you have been provided a safety induction for the worksite and that you follow any lock-out, tag-out procedures included in the quarry safety procedures.

### **Harness use**

**Q:** *Is wearing a harness necessary in a scissor lift when working at a height of 5m or less and not leaning out?*

**Site Safe’s advisor says:** Wearing a harness in a scissor lift is not required unless your risk assessment has identified circumstances where they are necessary (which may include leaning out).

From the Best Practice Guidelines for Mobile elevating work platforms (MEWPs):

“Before starting work, a hazard assessment should be completed to decide whether a harness system will be needed to complete the job safely.”

The height you are working is not a consideration except for working out fall clearance for a fall arrest system.

If you would like to ask Site Safe for advice, go to <https://www.sitesafe.org.nz/Portal/customer-care/ask/> to Ask An Advisor.



# 2020 Summer Golf Days





# How big is your risk gap?

**N**o matter what size your business, insurance is one of the things you just can't do without. Having the right insurance cover means you're protected if something does go wrong.

New Zealand's highly regulated environment makes running a business complicated. Things are constantly changing and businesses today must comply with Acts of Parliament like the Consumer Guarantees Act, Fair Trading Act and the Health and Safety at Work Act. Any accidental breaches of the law can result in serious consequences for both you and your business.

Amendments to the Health and Safety at Work Act 2015, New Zealand's workplace health and safety law, came into effect on 4 April 2016 and has impacted on all Kiwi businesses. It's had a big influence on the types of liability insurance you need if you're running a business today.

One of the guiding principles of the Health and Safety Regulations is that both workers and others must be given the highest level of protection that is reasonable from workplace health and safety risks. There's been a critical shift from just monitoring and recording health and safety incidents to proactively identifying and managing risks across all businesses.

Business owners today must look after the health and safety of their workers

and any other workers the business influences or directs in the course of carrying out business. You must also look after others who could be at risk by the work your business is carrying out, for example customers, visitors and the general public. If you're self-employed you must ensure your own health and safety too, and that of others who could be put at risk by any work that you are carrying out.

Data released by the Accident Compensation Corporation (ACC) in June last year showed there were 80,000 work-related claims from small to medium sized businesses (SMEs) in 2018 alone.

Increased responsibilities has meant it's now more common for business owners, directors and senior managers to be held personally liable. Directors & Officers Liability Insurance is there to protect you from suffering personal loss due to allegations of mismanagement for breach of duty, negligence, errors, or any misleading statements or omissions you may make.

Statutory Liability insurance on the other hand is there to cover your legal defense costs and will pay out for a wide range of expenses. It will cover the legal costs of defending yourself against any unintentional breaches of most Acts, including the Health & Safety Act; Fair Trading Act; Consumers Guarantee Act; Resource Management Act; The Privacy Act; and

The Building Act. The scope of Statutory Liability insurance is far reaching because it will also cover you for any reparations to third parties you're ordered to pay by the courts. Any resulting fines are also covered, with the exception of fines imposed for breaches of the Health and Safety Act as the Government ruled no insurance is able to cover such fines. This increases the value of Statutory Liability Insurance greatly because it ensures you have proper representation to defend your case before the Courts if a case is brought against you.

Over the last four years Liability insurance purchases have increased by 10 percent year on year as businesses become more aware of their liability risks!

Since the old Act, we've seen fines escalate significantly. The maximum fine is now \$600,000 for an individual and 5 years imprisonment, or \$3 million for a business, depending on what section of the Act is breached.

Businesses who don't understand their risk gap and what their obligations are will find themselves exposed.

Mark Sloman

Commercial Broker/Branch Manager  
Waikato

Rothbury Insurance Brokers

# Business strategy will focus you on success

**D**efining your business strategy helps you make the most of your resources so you can achieve your goals. A good business strategy can be the difference between surviving and thriving.

Many businesses expand to a point where the founder can no longer do everything themselves. This is a great time to start thinking about a strategy that will guide your business to achieve its objectives, eg by empowering others to make decisions. Having a clearly defined strategy to meet your business goals can also help you explain your business to your employees, networks, mentors, advisors, accountants, borrowers and investors. It's critical for steps like seeking finance.

Overall, the result of a good strategy is that you stay profitable over the long run, avoid making common mistakes, and stay ahead of the competition. A strategy creates a shared sense of your mission, helping everyone in the business understand what you're working towards. It can help you:

- prioritise work
- make the right decisions
- say 'no' to distractions
- make the most of your position in the market.

If you're facing lots of competition, creating a strategy means identifying your advantage and your ideal position in the market. Then you can plan activities to get you there.

Working on your strategy will help you find your keys to success, and set a direction to take for achieving your goals. It can also help you expand into innova-

tive products or services. Without a clear business strategy, you could make decisions that conflict with each other, or end up in a poor financial and competitive position.

## HOW DOES STRATEGY FIT WITH DAY-TO-DAY BUSINESS?

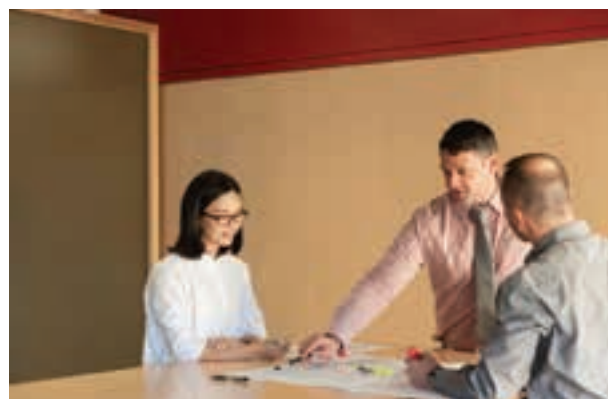
Business strategy is not the same thing as planning your resources or tweaking how your business operates. It's about creating a plan that will help you make the best business decisions — taking control and ensuring that everything you do fits an overall plan.

### Resource planning

Resources are everything you need to carry out the activities you plan — people, equipment, property and finance. Resource planning gets the right resources in the right place at the right time, so you can follow your plan. While good resource planning on its own should mean you do something very efficiently, you also need a business strategy that takes account of the rest of the business, competitors and your industry. Otherwise, you can't be sure the thing you are doing well is even the right thing to do.

### Operations

In everyday operations, you focus on improving detailed activities, such as reducing waste. The focus of your operations should be on converting inputs, like supplies and staff effort, into



the products or services that are your outputs. You work on your operations to improve how your business operates.

Your business strategy sits above this, making sure that your outputs match your business goals and objectives, and that you are doing the right things. For example, part of your strategy might be to compete by becoming more trustworthy. In that case, your operations might need to focus on ensuring your product provides everything your customers want from it and making sure your delivery and customer support are also reliable.

## THESE OTHER ACTIVITIES AREN'T A SUBSTITUTE FOR STRATEGY

Business strategy isn't the only way you step out of day-to-day tasks to work on your business strategically. Here are some related activities, each of which will interact with your business strategy.

### Governance

Governance involves the checks and balances and expert advice that keep your business on track. This is an important topic, but doesn't focus so much on

shaping the business or developing a strategy. Governance can help you implement your strategy though, ensuring you're following your plan and checking if anything has fundamentally changed since you set it.

### Vision

Setting your vision involves describing what it will look and feel like to achieve what you want with your business. For example, an independent gym's vision could be 'We are seen as leaders of a community that enjoys getting fit and enjoys better health outcomes'. Vision statements are often used as a starting point when you start working on a strategy, to help you stay true to your motivations.

### Mission

Setting your mission involves defining what you want to achieve, in a way that you can break down and measure. For example, the gym's mission could be 'giving people an individual fitness experience, where they can participate on their own terms and where exercise fits easily into their busy lives'.

Your mission and vision are different. Your vision focuses on tomorrow and what you want to ultimately become. Your mission focuses on today and what you do to head towards your vision. Your vision and mission both help set your direction, but your strategy considers everything that might affect your business and sets you on the path to achieving them.

### What governance is and why it's important

## WHEN TO FOCUS ON BUSINESS STRATEGY

If you don't have a strategy, it would be good to develop one. It's also useful to think about strategy whenever you notice an opportunity in your market that your business could meet — not just when you're setting up or planning for growth. These opportunities could include the need to keep up with a

changing market. You might be facing a new competitor, interest rate changes, suppliers entering or leaving your industry, changes in customer preference, or new global trends. Once you have a strategy it's a good idea to keep it up to date, in case things change.

It's also useful to think about strategy when:

- you need finance or a new business partner
- you're planning to sell the business, also called an exit strategy
- you want to position your business differently
- you're investing money into improving the business
- important staff members move on
- you hire staff who offer knowledge, skills or opportunities in a new location or part of the market
- you move to premises with different characteristics, such as more room, less customer traffic or better connection to transport.

## STRATEGIC MODELS — THE SAME, BUT DIFFERENT

Business strategy experts have come up with several different models that can help you gain insight into possible business strategies and decide which strategy is right for you. Some models look inwards, at your resources and strengths, while others look outwards, at how your competitors are different.

The most popular models for thinking about business strategy overlap and provide different perspectives — your business context determines the strategy models suitable for you. Some models are most relevant in specific situations, eg in a highly competitive market.

All models should help you to work out three key elements of your strategy:

- the objective you're aiming for
- the scope you will stick to

- the advantage that makes your business unique.

We'll cover these three cornerstones of strategy in the rest of the strategy section.

## LOOK INWARDS, OUTWARDS, OR BOTH?

Some strategic models focus on looking outwards at the market, while others focus on looking inwards at your business. After looking at both, you may find you can create your own space in the market.

### Outwards: competition-based strategy

Competition-based strategy is about looking outwards at the market — determining where you fit in the market and where you want to be. These strategies identify your differences to competitors and highlight where you need to build your business to maintain that difference.

Looking outwards at your market

### Inwards: business-based strategy

A business-centred strategy is more about making your own space in the market, looking inwards at your business to identify your strategic advantage. These strategies are based on your assets, capabilities, strengths and weaknesses.

Looking inwards at your business

### Creating your own space: innovation-based strategy

As the market or your focus changes, you might need to switch between a strategic focus that looks inwards and one that looks outwards or use a mix of the two.

Some strategic models combine inwards-looking and outwards-looking elements to create your own space in the market instead of fighting over existing demand. These strategies can provide an opportunity for rapid and profitable growth.

# Minimum Wage Increase: How Can I Reduce Costs?

New Zealand's adult minimum wage will rise by \$1.20, effective from 1 April 2020 taking the new hourly rate to \$18.90. At the same time, the starting-out and training minimum wages will rise to \$15.12 per hour, or 80% of the adult minimum wage.

Earlier last year, the government confirmed that they will continue with their plan to reach a \$20 per hour minimum wage by 2021 – something that may change depending on the result of the election.

With these changes, many businesses may find they are in a position where they need to reconsider their finances. The direct impact of needing to increase rates for employees who receive **base minimum wage payments** is no doubt likely to cause a nationwide affect as it forces businesses to be compliant with a new set of pay rules.

The **minimum wage** increase will have an administrative and financial impact on the bottom line, as it does every year. However, businesses shouldn't see the change as the time to consider reducing staff numbers or increase product costs. While mandated wage increases are a



challenge for any business to implement – with every challenge there's an opportunity to improve financial health. Being creative with cost savings and identifying new efficiencies can help your business manage the annual minimum wage increases.

Let's look at some simple strategies to help reduce costs in the face of growing wages:

## 1. COMPLY

By law businesses must comply with the new national minimum wage rates. The cost of non-compliance can be more severe than the cost of implementing the minimum wage increase, with the potential for underpayment claims, pen-

alties for non-compliance and reputational threat arising from breaches being publicised.

Recently there have been high profile cases of companies who have faced a massive cost as a result of not complying. As they say, prevention is the best cure. Making sure you're compliant from the outset could save you a hefty bill later on. The importance of compliance can't be overstated.

## 2. TIME IS MONEY

To help to ease the financial burden that a minimum wage increase can bring, consider the other obligations related to workplace entitlements.

For instance, you may reduce overtime



rates payable by ensuring you maximise the efficiency of any rostering where you aren't required to provide overtime.

Some practicable options are to reduce after hours team meetings, opening and closing the business yourself, or considering how to order work tasks to increase efficiency during normal working hours.

### 3. ENERGY SAVING

Energy and electricity cost New Zealand businesses \$800 million a year. According to NABERSNZ, an independent tool that rates energy efficiency of office buildings, average building energy efficiency could be improved by 20-25%.

Consider an energy efficiency tool, otherwise corners are easy to cut when it comes to heating and cooling a workplace. There are obvious tricks, like increasing airflow into your office or place of work instead of turning on a fan or the air-conditioning.

Installing double-pane windows or ensuring resealing around doors, windows and air vents may be costly, however if you do choose to install these, the energy efficiency brought to your workplace will save you in the long-run.

Turning off machinery and equipment when not in use and ensuring light

switches are turned off when exiting an unoccupied room, are further cost saving measures.

High energy prices have been on the national agenda for some time and the burden they present to small business owners is very real. It is also worth keeping an eye out for new programs and initiatives that will help you ease the pressure of energy prices.

### 4. FREE SOFTWARE & DIGITISATION OF WORK

There's a lot of free software and apps that businesses can use to improve their efficiency. Google Docs is a popular example of free office software.

Free software has a clear benefit but introducing software as a tool for all staff to use can also vastly increase collaboration, automisation of work and streamline communication channels.

Strategising and organising software used can also further help increase productivity. If a small business takes time to train staff on how to use relevant software programs this can create buy-in and confidence in the utilisation of such technology.

### 5. UPSKILL AND TRAIN STAFF

Money isn't the only means of compensating, recognising and rewarding staff. Employers can incentivise and demonstrate the value in their employees through further training, career development opportunities or even flexible work arrangements.

The development of an employee's skills and knowledge, through improved training and attention to career development will not only enhance their own future career growth but it will also contribute to the growth of your business. Enabling an employee to further explore an aspect of their employment that they are passionate about enhances productivity and motivation to learn and develop useful skills. The skills an individual develops at any given position of employment are invaluable and enhances job satisfaction, leading to greater staff retention. Giving staff opportunities to develop their abilities can be an investment in your workforce and your business, without necessarily having to spend more money.

If you need help understanding the changes to the adult, starting-out and training minimum wages, feel free to contact Employsure.

# AWCI NZ Certified Business Members

February/March 2020



Above Board Building Contractors Ltd	AUCKLAND	(021) 446 716	ICE Interiors Ltd	HAMILTON	(07) 847 3449
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# Executive Council

*AWCI Executive Council 2020*

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