New Zealand Institute of BUILDING SURVEYORS

NZ INSTITUTE OF BUILDING SURVEYORS JOURNAL

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The Journal

‘Look before you leap’ – the seismic remediation of old stone walls

The BNZ Building, and its associated stable, has significant heritage value to the town and district

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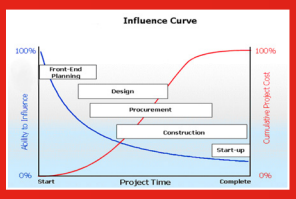

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FROM THE PRESIDENT

NZIBS PRESIDENT
Rory Crosbie

H&S comes first

All going well, New Zealand will come out of COVID-19 Alert Level 3 lockdown on May 11 and into a yet-to-be determined Level 2 period of working.

The response across the world to the current health crisis has varied greatly. Those of us with family and friends overseas are watching closely the devastating affects the virus is having.

New Zealand's response will perhaps provide a blueprint for how to respond if a similar crisis should happen again in the future.

We are being warned and for good reason that we are not yet out of the woods. As we did for Level 4 and 3, we will all have to adapt to new ways of working for potentially a considerable amount of time, possibly going between Level 3 to 2 for the next 12 to 18 months until a safe vaccine is available to protect us from the potentially lethal effects of COVID-19.

NZIBS members will need to follow the latest editions of New Zealand COVID-19 Standard for New Zealand Construction operations and New Zealand COVID-19 Construction Protocols if out and about during the level 3 and 2 period. The message is clear; those of us that can should continue to work from home.

The New Zealand and global economies have changed overnight. From my review of the myriad of commentary over the last few days, the changes include:

- An immediate introduction of government wage levies with banks working with customers to reduce the impact of cash flow issues.
- Director responsibilities in relation to insolvency are being relaxed and there is scope to avail of working capital clawbacks.
- Unemployment is set to peak at 10 per cent but drop back to 5-6 per cent by early 2021.
- A sudden cut off of tourist numbers has created an immediate drought for tourism and the leisure sector.
- Interest rates will be kept low for the next 2 to 3 years, inflation will also remain low in the medium to longer term, and the current low New Zealand dollar may act as a carrot for some of New Zealand's expats to come back home.
- More traditional sectors such as food and agriculture will remain strong and China will be key to generating demand.

Overall, the remainder of 2020 will be tough going, prompting an immediate focus on weeding out inefficiencies in our businesses.

As a result of this weakening in the economy, construction demand is expected to drop off by between 20 to 30 per cent, and those of us involved in current projects will have to adapt

to the new more restrictive working regimes.

If there is a silver lining, it is election year. We are being promised a further $17 billion of government stimulus on top of what has been laid on the table over the last few weeks.

When our members met on the 14 March at March Training Day, we may not have realised the affect COVID-19 would have locally and across the world.

So, where does all this leave us for the year ahead? Firstly, the health and safety of all in the industry comes first.

Recent steps made in the development of strong health and safety governance in our industry will allow individual business and operations to adapt and implement the new working protocols for Level 3.

Level 2 protocols are being prepared in anticipation of dropping to that level by mid to late May and perhaps staying there for the next year.

At Level 3, restrictions on travel between regions will create a further challenge for our country's larger projects. For our members it will require us to think outside the box when dealing with nationwide client instructions.

How confident will we be relying on drone footage collected by others to make remote decisions? How many Zoom meetings or expert conferences can you have in one day?

The NZIBS Executive has been forced to accelerate the transition of our face-to-face modular training programme into an e-learning offering.

Thankfully, some of our presenters already offer e-learning experiences, so hopefully the transition will go smoothly.

The COVID-19 crisis has sadly caused many deaths across the world and forced society to adapt to rapid change. It has, momentarily, put societies' health and safety and well-being ahead of financial matters.

While we safely wait in our bubbles to get out there and start surveying again, the bravery of those frontline workers battling COVID-19 everyday, reminds us of the key role they play in our societies.

Stay safe all.

EDITOR
Robin Miller

It was so good to see so many of you at the March Training Day.

This edition of *The Journal* was meant to follow on a few weeks' later, but for obvious reasons it's been delayed.

There was a great range of remediation topics at MTD and this issue of *The Journal* continues the subject and adds some further aspects.

To start off, Philip O'Sullivan who presents the NZIBS training module on the subject of 'Remediation' (Module 10), has defined the term and explained why it's not just fixing defects.

He makes a really important point, to my mind, that good investigations whilst preparing for a remediation project are often highly beneficial.

In her article on earthquake-strengthening of old stone walls, Kirsten Gibbs makes a very similar point about the wisdom of undertaking remediation trials during project development in order to reduce some of the project 'unknowns' and help control costs.

Glenn Davis draws a parallel with how early site contamination investigations can give a client choices when planning how to develop a site cost-effectively, and Andrew Maxon explains the importance of due diligence when a tenant is thinking about changing their current tenancy arrangements or occupying premises for the first time.

One of our new sponsors, Baker Tilly Staples Rodway, has provided tax planning advice now that we're at year end for many businesses.

Since preparation of this edition of *The Journal* had begun before the outbreak of COVID-19 in New Zealand, BTSR has let me know there is updated information on the article **(click here for the article)**.

In fact, there's a lot of very useful information you can find on the BTSR website to help your business and staff deal with what has happened.

With more on COVID-19, David Clifton has provided his thoughts on how the virus has affected contractual arrangements under NZS3910:2013.

There is also information from the New Zealand Dispute Resolution Centre, following the large number of enquiries they have received over what the rights of parties to commercial leases are with respect to rent relief due to tenants being unable to access their premises following the lockdown.

My thanks to everyone who has contributed to this edition during these uncertain times.

It's a real effort to sit down and write an article, your thoughts and advice are greatly appreciated and valued.

The next issue of *The Journal* will be on the subject of building surveyors – who we are and what we do.

The NZIBS Executive would like to explore the vast range of professional services that we, as an institution, offer and help answer the seminal question of what exactly is a building surveyor?

Please do get in contact if you would like to the opportunity to explain your part of the profession to a wide audience.

‘Look before you leap’ – the seismic remediation of old stone walls

The Lakes District Centennial Museum, located in Arrowtown, is made up of multiple buildings. The most notable of which is the 1875, R.A Lawson-designed, former Bank of New Zealand Building.

The BNZ Building, and its associated stable, has significant heritage value to the town and district, representing the prosperous years the Otago region experienced following the 1862 gold rush, and stand as an important and prominent landmark that links Arrowtown to its past.

The buildings are Category 2 Historic Place in the Heritage New Zealand Pouhere Taonga (HNZPT) List, and a Category 2 Listed Heritage Feature in the QLDC District Plan. Both buildings are of solid unreinforced schist construction (approx. 500-600mm thick), and proposals for their seismic-strengthening are currently under development, having received Resource Consent in October 2019.

As the strengthening works require removal of the bank roof, it is also the intention to use this opportunity to re-instate the original Lawson-designed roof, which was demolished in the 1950’s in favour of a more functional form which substantially diminished Lawson’s original architectural intentions for the bank’s exterior. Both the seismic strengthening and roof refurbishment proposals have been met with support from Heritage New Zealand.

The Museum intends to stay operational during the strengthening and refurbishment works, as will be necessary to help fund the project. In addition to business takings, the Museum hopes to secure funding from Lotteries and various regional grant providers, as well as through private donations.

Why remediation works?

Following the implementation of new government regulations regarding the management of Earthquake-Prone Buildings in July 2017, an EPB notice was issued to the Museum in respect of the former BNZ Building and stable in November 2018.

Lewis Bradford, Consulting Engineers, were approached to carry out a Detailed Seismic Assessment (DSA) and, finding the buildings to rate well below the minimum of 33 per cent New Building Standard, identified them as being earthquake prone.

A proposal was subsequently drawn up by the engineers, demonstrating how the buildings could be reinforced to bring them up to a minimum level of 67 per cent NBS. This would reduce their risk to human life during a moderate earthquake from very high to low/medium.

The scheme consisted of:

- Installing 20-millimetre steel reinforcement bars into 100mm dia. vertically cored holes, to all walls, full 8m height, anchored at the base and grouted into place using hydraulic lime mortar. In total, 33 rods are proposed for the BNZ Building and 11 for the stable.
- Grouting of all internal cavities, and deep re-pointing of the walls.
- Installing horizontal stitch ties through the walls on a 500x500mm grid (BNZ Building only).
- Installing a new structural steel roof bracing frame, and steel wall bracing frame to the south elevation at ground-level (BNZ Building only). The wall bracing frame is required to this elevation due to the number and size of window and door openings in it.
- Construction of a plywood diaphragm to ground-level floor structure (BNZ Building only).
- Concrete skin walls to the north and south internal elevations at Basement level, and a new

concrete perimeter cap beam to the tops of the walls (BNZ Building only).

- Installing a steel perimeter frame at Loft level, and steel wall bracing internally to the east elevation (stable only).

> **From a structural point of view, the plan helped to inform the structural scheme.**

Alongside the DSA, Origin Consultants prepared a Conservation Plan to measure the potential impacts of the seismic strengthening works on the buildings. It also formed a basis for our Resource Consent application on behalf of the Museum, its grant-aid applications, and our architectural work in developed and detailed design.

From a structural point of view, the plan helped to inform the structural scheme, which was hence designed to cause minimal impact to the historic fabric and character of the building. For example, an alternative to concealing vertical reinforcement bars within the walls would be an internal structural steel cage to which the building would be tied back. However, it was considered this would detract heavily from the original design, completely changing the look and experience of R.A Lawson's building.

Construction risks and unknowns

Solid stone walls can be built using different methods, which in turn introduce different properties and issues for their performance. The exact nature of the schist wall build-up of the BNZ Building was an unknown, including such matters as the uniformity and size of the stones, the condition of the core of the walls, the extent of voids, the number of through-stones and the nature and quality of the original mortar that was used.

Gaining an understanding of the build-up would help answer questions about the most-appropriate drilling techniques (vertical and horizontal), grout quantities required, and above all the likely success of the proposed strengthening method. The results would begin to inform a remediation methodology – all essential information to allow Amalgamated Builders Limited (ABL), the appointed main contractor in an Early Contractor Involvement (ECI) process, to accurately price the works and for the design team to complete the detailed design. ▶

One of the greatest unknowns faced was the suitability of the proposed core-drilling. Relatively little of this type of remediation has been carried out in New Zealand and even less with the local Arrowtown rubble schist, which is weak in its horizontal plane and prone to shatter.

In some other local masonry-drilling projects, walls have been found to contain rounded river boulders (usually quartz) buried in the core, which makes drilling unfeasible as they are too hard and can cause the drill-bit to veer off course. Other potential issues of concern included whether the brittle schist would split and break-up under the pressure of the drill, vibrations could dislodge surrounding stonework and compromise the structural integrity of the walls, and noise and dust could make it impossible for the museum to remain operational as intended.

Another key factor to pin down was the drill time per core-hole; the estimates were between one and two days per core. Accordingly, with a total of 44 holes to core, this degree of variation could result in more than a month of additional drilling time and cost!

It was clear that the only way to begin to assess these risks and gain some time and price certainty would be to undertake a trial and test out the proposed strengthening methodology.

Trial drilling

McMillan Drilling were appointed to undertake a trial core-drilling and it was decided that two test-cores would be carried out on the north-western corner of the BNZ Building; one trial core would not be enough to suggest that, if it went well, we hadn't simply chosen the easiest spot by chance. This would involve setting up a scaffold platform at roof level, taking off a section of the roof, anchoring a drilling-rig to something solid at the head of the wall (luckily a concrete cap was cast onto the top of the walls when the roof was changed in the 1950s) and drilling down vertically until the ground below the foundation was reached, some 8m below. In total, the McMillan team spent 4.5 days to complete the two holes, including set-up, technique adjustments and monitoring the results.

The choice was made to core-drill using diamond-tipped drill-bits, with compressed air and water mist (instead of drilling with free-flowing water). The mist would keep the drill-bits cool, mitigate dust generation and minimise water leakage through the wall, that could otherwise cause damage to museum displays and historic plasterwork. The air and mist were paired with a vacuum system, that was intended to keep the drill-bit clear of debris as it progressed. The core-holes were successful – both were drilled to their full wall-depth of 8m without triggering any serious incidences.

We did, however, learn some useful lessons and the drilling results were not entirely as we had expected, including:

- An unexpected consequence was the substantial outpouring of dust through gaps in the masonry, particularly at the intermediate floor level where the walls were not plastered within the floor void. This lead to one of the sealed museum displays in the basement receiving a heavy coating of dust on the exhibits.
- Due to the excessive number of voids in the make-up of the stonework, the vacuum action did not work as intended and was probably a contributor to the dust generated.
- Surprisingly, no stone core was retrieved from the centre of the drill bit; the drill appeared to be pulverizing the brittle schist rather than cutting cleanly through it. One of our hopes was that by analysing the amount of solid stone retrieved from the centre of the bit, we would be able to calculate a stone:void ratio which would then allow us to calculate the amount of grout material needed to fill the walls.
- On a positive note, the noise and vibration caused by the drilling was low.

Trial drilling for the horizontal stitch ties was also carried out by stonemasons, Wainwright & Co, at the same time. This was more conclusive in determining the wall build-up as core samples were retrieved when using a concrete coring barrel. Experimentation was also carried out with a hammer drilling technique, modified so as not to cause too much vibration or destructive impact on the stonework. Different angles and bit sizes were explored to avoid de-laminating the schist and both wet and dry techniques were attempted; wet being the most efficient.

So, what now?

The outcome of the trial core-drilling has proven that the proposal for the seismic strengthening works is ultimately achievable. It has also brought to light some important issues that we can now mitigate and plan for.

The next set of questions relates to the grouting. How much grout will be required? Which type of grout is most compatible with the existing stonework, the mortar in the core of the walls and the internal plasterwork? What viscosity must the grout have to flow through the cavities without clogging up? The aforementioned dust created as a

result of the drilling will act as a bonding separator between grout and schist – how do we flush this out without damaging the internal wall plaster, if this is possible?

The sequencing and methodology of the grouting has been considered and discussed at length. Grouting through horizontal holes drilled for the stich ties, prior to core-drilling, will provide a more stable wall to core-drill in to, yet grouting vertically through the core-holes will ensure the grout spreads more thoroughly into the centres of the walls. The horizontal stitch-tie holes can act as proofing holes, allowing us to observe the progress of the grout through the walls prior to installing the ties. A few things are clear, such as the need to work in small lifts, to avoid grout seepage due to pressure. Another is that it will be vital to monitor the base of the walls, to ensure grout is not flowing beyond the foundations and into the ground.

Prior to COVID-19 we had a plan to continue our investigations into grouting the rubble schist at the museum, possibly including building a replica wall and trialling horizontal injection and vertical gravity-fed methods, whilst also developing procedures for flow monitoring and, most importantly, quality control. For now, this is on hold but will hopefully recommence later in the year.

While all of this may seem a lot of effort for one medium size building, we believe that, from an architectural and project management point of view, time spent now will pay off in the longrun and that the knowledge accrued along the way will be of benefit to future local projects of a similar nature. When you're dealing with old/existing buildings, there is much wisdom in the old adage 'look before you leap' – particularly if you want to achieve quality, and stay on time, and in budget.

Kirsten Gibbs

Kirsten is a UK-Registered Architect at Origin Consultants Ltd in Arrowtown. She specialises in the repair of heritage buildings and design within the historic environment.

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Building remediation

As a building surveyor, I have been involved in fixing buildings for over twenty years. Initially defects were found and repaired, but with time as investigation techniques and knowledge improved, we learnt we had to remediate these buildings – not just fix the faults.

I currently lecture the NZIBS Remediation Module where I try to impart many of the lessons I have learnt while remediating buildings of all shapes and sizes including houses, apartments, hospitals, aged care facilities, schools and office buildings.

What is remediation?

Remediation is the process of not only fixing defects but fixing defective building products and/or systems; driven in part by the need to restore confidence in buildings for occupants and owners.

When I consider defects in buildings I ask myself "Is this defect solely caused by poor design, construction or maintenance, or has a defective product or building system contributed?". If the answer is yes, then the remedy needs to include upgrading or replacing that which is defective.

By defective I mean unable to perform as expected. The Building Code creates a series of mandatory expectations around building performance, but for example does not include visually unacceptable defects. For example, white paint turning pink, which did happen on a hotel and was not expected, nor acceptable.

A system is the combination of one or more elements designed to perform a function. For example, a timber truss is a system comprising lengths of timber cut to suit, joined together with nail plates and designed using sophisticated software in order to carry specified vertical loads.

So, while finding defects in buildings is an important precursor to successful remediation, understanding whether the products or systems are inherently defective and need to be remedied is critical to the success of any remediation project.

The historical remediation journey

The initial leg of my journey was gaining an understanding of weathertightness and durability; initially timber decay, which was made more difficult by not fully appreciating the beneficial role boron played in suppressing the more malignant brown rots.

Prior to the 4D's concept first presented in 1998[1] by Don Hazleden and Paul Morris, timber moisture contents were used in an attempt to define performance acceptability. This led to a number of farcical innovations by setting safe moisture levels at which kiln dried untreated Radiata pine framing and bitumen coated soft board as a backing for stucco plaster, could safely perform.

Moulds and bacteria were ignored until an overseas study trip, a chance meeting with Liz Ebbett (Biodet founder) and a phone call one evening; "Can mould in buildings make you sick?". The key is to retain your curiosity, work with good people and be prepared to connect the dots.

In more recent years and with larger buildings, structural and fire safety defects have come to the fore, together with dealing with asbestos, lead residues and methamphetamine. This remediation journey has included earthquakes, storms and now a pandemic – I'm still awaiting floods and fires. As for pestilence, a few individuals come to mind ...

[1] Don Hazleden & Paul Morris - Designing For Durable Wood Construction: The 4D's **https://www.irbnet.de/daten/iconda/CIB2272.pdf**

Good investigations are beneficial

After the initial shock of owners discovering and then accepting that their building is defective, there is often a desire to get on with it. The sad reality is this journey will more than often lead to further discoveries of other defects; then owners are locked in, costs increase along with unhappiness.

Common errors and omissions in investigation reports include:

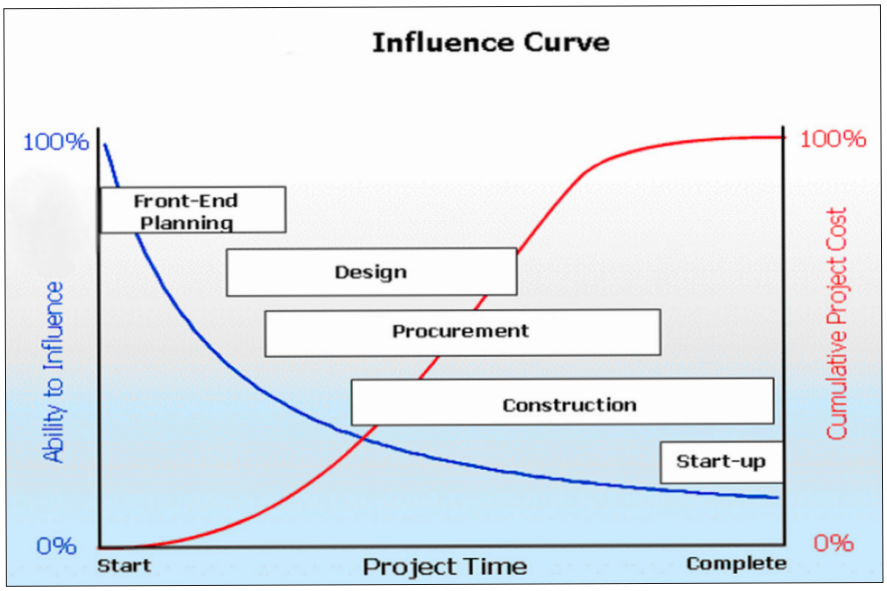
- Weathertightness reports often ignore roof leaks, internal leaks and subfloor dampness.
- Specialists focus on their specialty; other building defects are not considered.
- Asbestos assessors can lack basic building knowledge and can make obvious omissions.
- Passive and active fire safety need upfront investigations.
- P-contamination from many "labs" is not obvious, so testing is still necessary.

Generally, money well spent on sensible investigations allows a better consideration of options before detailed design commences. The influence curve below demonstrates money is best spent at the beginning of a project when the "ability to influence" and make good choices is greatest and at much less cost than downstream choices.

I have had to make downstream choices; the problem then is that money spent is sunk and the cost of time delays can be significant. So, the ability to influence choice and make cost savings rapidly reduces as the blue curve indicates.

So, clients need to be advised that investigations of roofs, fire, structure and so forth may be needed; and if they decline, then a letter recording their choice together with a statement about the risk of cost increases once such defects are found, tends to focus attention. However, many defects are well hidden and will not be uncovered until remediation work is underway. Contingencies need to be allowed but may not be sufficient. ■

Philip O'Sullivan says remediation is the process of not only fixing defects but fixing defective building products and/or systems.



Further information

The NZIBS Remediation course covers the various types of remediation, legal considerations, remediation options, and explains the remediation process. Then several case studies are presented. The examination is largely scenario based, so those with some experience in remediation tend to be more familiar with the thought processes involved.

Members who would like a refresher may wish to sign up, attend and contribute to the discussion.

31 March 2020 tax planning checklist

With 31 March approaching, now is the ideal time to consider tax issues and, where available, planning opportunities. Key matters are outlined below.

Accounting & Taxation Services Fee Accrual

Following the decision in TRA Case Y17, the accounting and taxation services fees accrual for the current year should be added back in the taxation calculation. This adjustment will reverse in the subsequent year's taxation calculation when the deduction is taken.

Bad Debts

To claim a tax deduction, the debt must be:

- Bad; and
- Physically written off on or before balance date.

The above rules mean you must be able to support that the debt is bad (i.e. you have made reasonable efforts to collect the debt before writing it off).

Companies - Shareholding Continuity & Commonality

The ability to carry forward tax losses is subject to shareholding continuity of 49 per cent. The ability to offset losses against the net income of other group companies requires common shareholding of 66 per cent. The ability to carry forward imputation credits is subject to shareholding continuity of 66 per cent.

Note these tests must always be met and not just at year-end.

If you are anticipating shareholding changes and believe you will breach continuity, forfeited losses can be minimised by accelerating income recognition and minimising deductions where possible. Also, consider the payment of a dividend or making a taxable bonus issue to use imputation credits before they are forfeited.

Controlled Foreign Companies (CFCs)

Except for most Australian shareholdings, ownership of foreign shares has the potential for New Zealand tax to be payable, primarily if the foreign company derives passive income (including, but not limited to, interest, some dividends and royalties).

If you have an investment in a CFC, then please contact us for further advice.

Cross Border Transactions

Any transaction with either a related party or that is part of a structured arrangement and results in a taxation mismatch is likely to be subject to new hybrid mismatch rules (known as the BEPS rules). These rules are designed to cancel out the taxation advantage of such transactions and may require a disclosure to Inland Revenue. Similarly, entities which have different tax characteristics between two countries are likely to be subject to these new rules.

These new rules are complex, so if you have cross border transactions of this type, please contact us for further advice.

Employee Allowances

Broadly, employees are exempt from tax when they are reimbursed or provided with an allowance for work-related expenses.

For travel or relocations, employer provided accommodation or accommodation payments will generally be exempt where the employee is temporarily working away from home for a period of up to two years (or three years in the case of capital projects). Employee meal costs or meal allowances will generally be exempt where the employee is working away from home for a period of up to three months.

The subtleties in these rules present both opportunities and pitfalls to employers. Therefore, we recommend you contact us if you are considering providing accommodation or paying a meal allowance to your employees.

Employee Remuneration

Employers have the choice of either treating all accrued employee remuneration (e.g. bonuses, holiday pay and long service leave) as not deductible in the current year or treating amounts of accrued employee remuneration paid in the 63 days following balance date as deductible in the current year.

We note accrued bonuses paid out within 63 days of balance date may not be tax deductible if there is no evidence a commitment was made to pay the bonus on or before balance date.

Redundancy payments must be paid by year-end for the employer to be able to claim a deduction. That is, the 63-day rule does not apply.

Entertainment

A GST adjustment for non-deductible entertainment must be included as an output tax adjustment in the GST return that covers the earlier of the date the return of income is filed or date the return of income is due. This expense must be added back for income tax purposes.

There is an opportunity available whereby it may not be necessary to make the GST output adjustment. Please contact us if you are interested in finding out more about this.

Fixed Assets

Review the fixed asset register to ensure the assets exist and to identify assets that are no longer used in order to claim a deduction for the remaining adjusted tax value of the asset.

Assets can be written off if they are no longer used but have not been disposed of, provided:

- The asset is no longer used by you in your business or to produce income and;
- Neither you nor an associated person intends to use the asset in a business or in the future to derive gross income; and
- The cost of disposing of the asset would be more than any proceeds from disposing of the asset; and
- The asset is neither a building nor an asset being depreciated using the pooling method.

Assets costing $500 or less qualify for an immediate write-off provided:

- They do not form part of some other asset; and
- They are not purchased from the same supplier at the same time as another asset and the total is more than $500.

Foreign Investment Funds (FIFs)

There are several available methods to calculate the tax position of interests held in FIFs (for instance, shares held in overseas companies, with the exception of some Australian shares). Where a FIF has been held, a change in calculation method may be desirable to improve your tax position. In some cases, it may be necessary to make an election before year-end to be able to use the best method.

If you have a substantial stake in a FIF then please contact us for further advice.

Foreign Superannuation Schemes

Generally, lump sum distributions from Foreign Superannuation Schemes are included as taxable income using either the schedule or the formula methods. Typically, the longer a taxpayer has been in New Zealand, the higher the amount of the lump sum distribution will be taxable income.

Payments of regular amounts from non-state foreign superannuation are usually subject to tax.

We recommend you contact us for further advice as individual circumstances do vary.

Fringe Benefit Tax

The end of the year is a good time to review any fringe benefits that might be provided to employees that might not have been identified.

The fourth quarter Fringe Benefit Tax return is different to the other Fringe Benefit Tax returns during the year. An alternate rate calculation is either compulsory (for those who used the 43 per cent alternate rate during the year) or is optional (for those who used the 49.25 per cent single rate).

If all employees to whom fringe benefits are provided are on the highest income tax bracket, and this option is available, it may be beneficial to continue using the 49.25 per cent single rate.

A close company calculation option is available for vehicles acquired from 1 April 2017. This applies to close companies providing motor vehicles to a shareholder-employee that is available for private use. A close company can make this election for up to two shareholder-employees in the income year in which they purchase the motor vehicle or first start using the motor vehicle for business use. The effect is no FBT is payable, but income tax deductions and GST inputs related to private use are denied.

We can assist in the preparation of Fringe Benefit Tax returns, the filing of a close company calculation option election, or general Fringe Benefit Tax matters if required.

Goods and Services Tax

As part of your year end procedures, a reconciliation between the entity's GST return and the balance of the GST account in its financial statements should be undertaken. ▶

This reconciliation can provide a useful warning about any discrepancies and provide an opportunity to rectify any issues. Also, this reconciliation is generally requested by Inland Revenue as part of their audit procedures.

If there are unreconciled differences, we recommend a GST review be performed to identify possible system issues.

Imputation Credit Account (ICA)

Your company's imputation year is from 1 April 2019 to 31 March 2020. Please ensure the ICA is not in debit at 31 March 2020. A debit ICA will attract a penalty of 10 per cent.

Individual Taxes

After 1 April, Inland Revenue will be automatically issuing pre-populated income tax returns. Where the individual confirms or Inland Revenue is satisfied the information is correct, a refund or tax bill will be automatically calculated. Due to

the risk of error, it would be useful to have any pre-populated income tax returns reviewed by us prior to confirmation.

Inter-Company Charges

We recommend a review of inter-company charges be conducted to ensure documentation is in place to support any deductions and to minimise any potential tax risk.

Mixed Use Assets

The tax treatment of real estate (mainly holiday homes), water craft (with a purchase price of more than $50,000) and aircraft (with a purchase price of more than $50,000) where the asset is used for both private use and income earning use and is unused for 62 days or more per year is subject to the mixed-use asset rules. Under the rules, certain losses will be quarantined, and a deduction may only be claimed when the asset derives positive net income.

If the gross income from the mixed-use asset is less than $4,000 per annum, or if you would otherwise have quarantined deductions, the ability exists to opt out from the mixed-use asset regime for that year. This means that income is not subject to tax, but also means that no deductions can be claimed. This concession does not apply to close companies.

Complex interest deductibility rules exist in instances where mixed use assets are held in companies, as well as additional quarantining rules.

If you own mixed use assets, we recommend contacting us to discuss your options.

Payments to Non-Resident Contractors

If payments have been made to non-residents for services performed in New Zealand the non-resident withholding payment rules may apply. There are exemptions available in specific circumstances. Please contact us if you require further information.

Payroll

All employers with PAYE and ESCT of $50,000 or more per annum need to file employer information returns electronically within two days of payday. Payments continue to need to be made every month or twice a month depending on the size of the employer.

Prepaid Expenditure

Certain prepayments can be claimed as a tax deduction provided they are expensed for financial reporting purposes. Please contact us if you would like further details.

Provisional Tax

The final instalment of 2020 provisional tax for 31 March balance date taxpayers is due for payment on 7 May 2020. Unlike the first and second instalments, if the standard uplift method has been used, use of money interest (UOMI) is charged on deemed underpayments of provisional tax with reference to actual residual income tax (RIT) only where actual RIT is greater than $60,000.

If actual RIT is less than $60,000 and the standard uplift method has been used, then no UOMI applies until the terminal tax due date (7 April 2021 in most cases).

UOMI will apply from the first instalment if you or any related entity has either used the estimate method for provisional tax or not paid provisional tax on time using the standard uplift method. UOMI can also apply from the first instalment in the first year of business. If this situation applies, you may wish to consider making use of a tax-pooling intermediary, such as Tax Management New Zealand.

Your advisor can help you prepare a draft tax calculation to help determine whether you should make a voluntary payment above the amount due under the standard uplift method. Additionally, they can discuss the advantages and disadvantages of using a tax-pooling intermediary.

Provisions for Warranties & Other Expenses

These accounting provisions are generally non-deductible. However, in accordance with the Privy Council decision in Mitsubishi Motors, it is possible to obtain deductions for provisions in limited circumstances, if appropriate records are held.

Research and Development Tax Credit

A research and development tax credit of 15 per cent is available to taxpayers who engage in eligible research and development activities and incur eligible research and development expenditure. Under legislation currently before Parliament, it is proposed that from the 2020/21 year, this credit would be refundable in expanded circumstances. If you think your business may engage in research and development eligible for this tax credit, please contact your advisor. It would also pay to have systems in place to track expenditure in order to maximise the level of credit available.

Residential Property "Bright-Line Test"

Where residential property is held for five years or less (two years or less if the property was acquired before 29 March 2018), it may be subject to the "bright-line test" with any profits on sale subject to income tax. There is an exemption for the family home in most circumstances.

If you are considering selling residential property held for five years or less, or considering transferring ownership as part of a restructure, we recommend seeking advice first as the rules are complex and the consequences can be significant.

Residential Rental Property Loss Ring Fencing

From the 2019/20 year, losses on residential rental property held on

capital account (that is, for long term income derivation) will only be able to be offset against income derived from residential rental properties, either from rental income or the application of the "bright-line test".

RWT on Dividends

The RWT rate on dividends generally remains at 33 per cent. This means any dividends with imputation credits attached at 28 per cent will generally require a deduction of 5 per cent RWT. This RWT is payable by the 20th of the month following the date of the dividend. However, no RWT is deductible when the recipient is a company at the election of the payer.

From 1 April 2020, additional information will need to be disclosed to Inland Revenue when paying a dividend. The list of information required is comprehensive and is available at https://www.ird.govt.nz/income-tax/withholding-taxes/resident-withholding-tax-rwt/payers/investment-income-reporting/reporting-requirements-from-1-april-2020/payers-of-dividends---reporting-requirements-from-1-april-2020

Shareholder Salaries

In light of the Penny and Hooper decision, it is important to ensure that in closely held businesses commercially realistic salaries are paid to any shareholder-employees. Please contact us if you need further help in this area.

Thin Capitalisation Regime

The regime will apply if a New Zealand company is owned or controlled by non-residents or where a New Zealand owned company owns foreign controlled companies. We recommend you confirm whether your company is subject to the regime and if so, whether its debt level exceeds the applicable safe harbour level. For foreign controlled companies, the safe harbour applies if interest bearing debt does not exceed 60 per cent of the value of assets. The thin capitalisation calculation excludes "non-debt liabilities" from assets. It may be possible to undertake financial restructuring prior to balance date to maximise interest deductions.

Due to the complexity of the new rules and the increased likelihood of interest deductions being denied, we recommend having your company's thin capitalisation position reviewed.

Trading Stock

Various valuation options are available to you depending on annual turnover and the valuation method used for financial reporting purposes.

In general terms, trading stock, including work in progress, is valued at either cost using a cost valuation method or market selling value when this is lower than cost.

The cost valuation methods include cost, or where permitted, replacement price, or discounted selling price.

To claim a deduction for obsolete or slow-moving stock, it should be physically disposed of on or before 31 March 2020 or valued at market selling value if lower than cost.

Transfer Pricing

With the increase in transfer pricing audit activity, we suggest any dealings with offshore related parties be formally documented to support the arm's length nature of the prices applied.

The onus of proof for transfer pricing matters has also shifted to the taxpayer and Inland Revenue has the power to investigate the last seven years in relation to transfer pricing instead of the usual four years, provided notice of a tax audit or investigation is given within the usual four years.

Trusts and Trust Distributions

For trusts on a tax agent's list, with an extension of time for filing, the distribution date may be the earlier of the date on which the trust income tax return is filed or the date by which the trust tax return is due to be filed. Distributions of current year income by this date allow the income to be taxed in the hands of the beneficiary, rather than in the hands of the trustees.

If the Trust Deed contains a clause requiring the distributions to be made within 6 months of balance date, this can override the above.

More generally, the Trusts Act 2019 comes into force from 30 January 2021 and strengthens the rules around the administration of trusts.

Withholding Tax on Interest

If an interest expense on intercompany loans is booked via a journal entry then this triggers an obligation to pay resident withholding tax (RWT) or non-resident withholding tax (NRWT) to Inland Revenue by the 20th of the month following the date of the journal entry.

The above checklist is of a general nature only and does not take into account any specific needs or circumstances. We would be pleased to provide further information on any of the issues highlighted in the checklist.

Jodi Johnston

Jodi is a manager in the tax team at the Auckland office of Baker Tilly Staples Rodway. He has eight years of experience in tax, with a particular focus on the tax compliance issues faced by small to medium enterprises in the contracting and property sectors, and a keen interest on unusual tax scenarios.

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NZS3910:2013 – A lonely place for an engineer

In our bubbles, it is hard to keep hold of all the strands that are coming at you from contract parties, government and professional bodies. Sorry, here is another one.

We are going to look at the 'possible actions now' in this article. Many of the members have asked "what is the right contract position to take with live projects?". It appears that the parties are generally settling on following key terms of the contract:

- 5.11.10 – deals with 'statute, regulation, or bylaw' change
- 6.7.1 – deals with Suspension of Works
- 10.3.1 – deal with Extension of Time (EOT)
- 14.1 – deals with Frustration

So, let's work over these. There is certainly a lot of debate and the government has recently issued specific guidance around public works contracts. The main area of discussion seems to be about 5.11.10 and the impact of this clause. It reads:

'If after the date of closing of tenders the making of any statute, regulation, or bylaw, or the imposition by Government or by a local authority of any royalty, fee, or toll increases or decreases the Cost to the Contractor of performing the Contract, such increase or decrease not being otherwise provided for in the Contract, the effect shall be treated as a Variation.'

There appears to be no consensus on this in the industry. Well that's because it comes down to each and every contract situation being different. For example, what is the cost imposed to the parties? Here are some examples:

1. Scaffold or plant hire costs during lock down
2. Staff costs during lock down
3. Company overheads during lock down (rent, mortgage etc)
4. Site shut down costs
5. Additional separation between site and occupiers
6. Remobilisation

The first three are effectively examples of P&G on a contract. But is that claimable? Engineers should be noting the Government assistance packages at this point. The wage subsidy, this has been issued to deal with this exact situation. Most of the staff that Contractors have are on contract, not salary, and so these costs could be abated. What about mortgage holidays or allowances under leases for 'No Access'. The ADSL lease specifically deals with this due to the Government mandate to shut down all non-essential business premises. The current Covid-19 lockdown falls within the terms of the "No Access" clause 27.5 of the lease. With that all rents cease to be payable from March 26, 2020. Then there are the hired items. All Contactors, with any commercial sense, have off hired the scaffold and other hired items with immediate effect unless they have in writing from the supplier a no charge period.

What are you left with, the true variations, the things like the time, materials and costs to lock down the site, to instigate greater separation between site and occupier for

essential buildings or to remobilise and undo the locking down of the site. So, claims under 5.11.10 (other than for true variations) are generally going to be windfall, double dipping or at worst profiteering at the Client's expense. Remember they also have the same battles.

What about suspension (6.7.1)? This can be put in place but there is no default of the Contractor nor the Principal. How do we deal with that? Well clause 6.7.5 may be appropriate in the situation (a negotiated suspension) with the express removal of the threat of abandonment at 6.7.4 and removal of the entitlement to a full variation under 6.7.3. Why no variation, on the basis there is no loss of opportunity. If you can't employ your resources elsewhere there is no opportunity. Legally your resources are stuck in bubbles. However, there is no "necessity" for the contract works to be suspended in accordance with clause 6.7.1 of the contract. The works can still be completed, but in time. This situation is triggered by the Health Act which puts in place an overarching mandate where no one can attend site. This situation gives rise to delay that is not due to the fault of the Contractor nor the Principal (i.e. it would be a different story, if say, a building consent delay due to the fault of the Principal occurs whereby it is necessary for the Engineer to suspend the works).

So, where is this landing … it's a matter of time. Contractors will need to look to clause 10.3 to claim an Extension of Time (EOT), or clause 14.1 which deals with Frustration and may excuse the Principal or the Contractor from performance. However, the key aspect to this is whether the Covid-19 outbreak will entitle the parties to invoke those clauses and this in turn will depend on the impact of the outbreak on a particular project.

My view would be that neither party should enact clause 14. The basis of this is that the contract **can** still be completed, it is just a matter of time. In addition, the Client cannot get another Contractor to complete the works. Thus, frustration is not a suitable fit. However, given time the works will be completed. Thus, my current view is that under 10.3 an Extension of Time would be awardable and enable the works to be completed.

Then, in this case we must turn to the costs. Of the possible items an EOT could be claimed for, an award for only clause 10.3.1(f) is applicable in my view. Noting that these circumstances were not ever envisaged at the time of this contract's drafting by the NZS. On the basis of clause 10.3.1(f) cost would however not be claimable. The Contractor would be given just more time to complete the works. This is confirmed by clause 10.3.7.

So, to conclude, at this stage, the current view is that the shutdown period is a nil cost period, but time should be awarded to the contractor to prevent Liquidated damaged being applied by the Principal once the shutdown is over and works re-commence. Albeit that these are unprecedented times and many Clients will submit to the Engineer to the Contract that only an EOT under clause 10.3.1(f) is due. There should be consideration of fair and reasonable P&G to be paid by the Principal (save for such things like scaffolding that has come off-hire etc or staff wages etc.). But the Contractor must provide a claim, substantiation of these costs and evidence of any assistance packages for assessment. This may include copies of rental agreements, hireage contracts and proof of payment to justify and verify that no windfall is occurring.

In basic terms and from discussing the matter with lawyers and other peers we should conclude that the situation is unique in law and contract. Thus, it will be down to the lonely Engineer to the Contract, for each contract, to determine an initial outcome in consultation with parties.

In basic terms and from discussing the matter with lawyers and other peers we should conclude that the situation is unique in law and contract. Thus, it will be down to the lonely Engineer to the Contract, for each contract, to determine an initial outcome in consultation with parties. The parties would then need to agree or disagree with this outcome. If there is a disagreement with the outcome, parties would then need to follow the dispute resolution process and potentially write case law by going to court if no mediated agreement could be found.

So … all said we are in uncharted seas with no compass, so be reasonable to the parties on both sides of the contract. ■

Potential impacts to soil quality

In 2012, New Zealand enacted the National Environmental Standard for Assessing and Managing Contaminants in Soil to Protect Human Health (NESCS). The NESCS is administered by territorial authorities and has been designed to ensure risk to human health is assessed where subdivision, land use change or earthworks is proposed on land that has a history of hazardous activity with the potential to impact soil quality.

New Zealand has a wide range of historic and current hazardous activities and industries that commonly impact soil quality. The Ministry for the Environment's Hazardous Activities and Industries and List (HAIL) is a compilation of 53 different types of activities and industries that are considered capable of causing land contamination from hazardous substance use, storage or disposal. The HAIL is intended to identify most situations in New Zealand where inappropriate use and storage of hazardous substances could cause, and in some cases have caused, land contamination. I have completed investigations on historic gasworks sites, timber treatment plants, sheep dips and yards, petroleum storage facilities, landfills, airports and market gardens, all of which have contained contaminant concentrations that required management or remediation. In recent years, particularly since the Christchurch earthquake, asbestos in soil has also become a significant contaminant of concern across New Zealand, as have lead impacts from lead-based paint on buildings.

The NESCS creates a nationwide framework of planning controls for the development of land where HAIL activities have occurred. This planning framework is underpinned by scientifically robust site investigation and human health risk assessment. The NESCS regulations require that Preliminary and Detailed Site Investigations are completed in accordance with a series of documents that guide the investigation of contaminated land in New Zealand and certified by suitably qualified and experienced contaminated land practitioners. The regulation is also supported by the derivation of Soil Contaminant Standards for 12 contaminants that are of primary concern in New Zealand. Soil Contaminant Standards have been derived using human-health toxicological intake values and standardised receptor and exposure parameters for five generic land use scenarios including rural residential, residential, high density residential, parks/recreational and commercial/industrial land uses.

If a Detailed Site Investigation finds that a site contains contaminant concentrations that exceed a relevant soil contaminant standard, controls under the NESCS require that the land is remediated or managed to ensure that it is safe for its intended use.

In New Zealand, remediation of contaminated soil is often driven by a change of land use or will be undertaken when fuel storage facilities are removed are replaced.

Some examples where remedial measures are required to support landuse change include:

- residential development of former timber treatment plants that have elevated arsenic concentrations associated with the use of copper chromium arsenate,
- residential development of orchards with elevated arsenic and lead concentrations associated with the historic use of lead arsenate, and
- residential development of rural land that may include sheep dips, stock yards that have utilised persistent pesticides such as arsenic, dieldrin and DDT.

The majority of remedial work that is undertaken across New Zealand is colloquially known as 'dig and dump' where contaminated soils are excavated and transported to an approved landfill facility. This approach to remediation has been adopted largely because it has been seen by land developers to be the most time effective and lowest cost solution for a development project. However, the costs of contaminated soil disposal have climbed significantly, and alternative approaches to remediation and risk management are being employed more frequently.

To reduce the costs of transporting and disposing of contaminated soils into landfills, on-site encapsulation of contaminated soils in purpose-built containment cells is being utilised. We have successfully consented and constructed two relatively large encapsulation cells on residential subdivisions in Wanaka and Queenstown. Both encapsulation cells were constructed below the surrounding ground surface to a depth of approximately three metres and covered with an impermeable HDPE liner. This approach ensures people cannot be exposed to the soils and prevents leachate generation and subsequent discharge to groundwater.

Photo showing a constructed contaminated soil encapsulation cell containing approximately 3000 cubic metres of persistent pesticide impacted soils in Queenstown.

Recently, we completed the remediation of a sheep dip in Queenstown which utilised two remedial approaches including traditional excavation and disposal to landfill and also soil blending to reduce arsenic concentrations below the remedial target.

Remediation of a sheep dip site involving the removal of soils with higher concentrations and the blending and backfilling of soils with lower concentrations to achieve the remedial objective.

Other measures that are being employed to reduce the reliance on 'dig and dump' remediation methods include deriving site-specific soil contaminant standards where there is evidence to support a change in the generic settings. We have recently completed a detailed assessment of the bioavailability of arsenic in soils in Queenstown to support a residential subdivision. In this study we found arsenic bioavailability to be much lower than the 100 per cent assumed in the generic standard. This allowed the derivation of a site-specific soil contaminant standard that found much of the development site was suitable for residential activity.

Although there are a range of methods that can be used to successfully remediate or manage contaminated land, these can have implications for a project's schedule and budget. These implications can be particularly significant where contamination hasn't been expected or planned for. In some cases, well-known site history may clearly involve HAIL activities. In other cases, evidence of past contaminating activities may have gone undocumented, been removed from the site, or covered over. In these cases, a deeper dive into the site's history through a Preliminary Site Investigation may pick up the warning flags.

Identifying potential soil contamination as a risk early within the project lifecycle and seeking guidance from a suitably qualified and experienced contaminated land practitioner can help avoid substantial disruption mid-project. If soil contamination is identified early, it also allows time for innovative and optimised remedial solutions to be incorporated into the overall project design. ■

Glenn Davis

Glen is Managing Director and Principal Environmental Scientist with e3scientific and is based in Arrowtown.

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Change of use – a stitch in time

When a business is considering changing their current tenancy arrangements or occupying one for the first time, a commonly overlooked task in the due diligence stage is compliance with the existing building consent and requirements of the NZBC.

Under Section 114 of the Building Act 2004, the owner of a building must notify the Territory Authority (TA) if they propose to change the use of the building. Under Section 115 of the Building Act 2004, the TA must be satisfied on reasonable grounds that the building in its new use will comply with the following:

- means of escape from fire,
- protection of other property,
- sanitary facilities,
- structural performance,
- fire-rating performance, and
- access and facilities for people with disabilities (where Section 118 applies)

Due diligence during the tenancy selection stage can save the tenant a lot of time and money from potential Council require upgrade/compliance works, particularly where fitout works are proposed and a Building Act exemption or building consent would be required form the Building Consent Authority (BCA).

This can also save the tenant potential conflict with the building owner and have benefits, as a well prepared and informed tenant will certainly be more desirable to a landlord. Possible contract negotiations may be possible should the tenant manage and obtain the appropriate approval from the BCA, thus saving the building owner time and hassle.

As Near As Reasonably Practicable (ANARP) can be potentially be considered for any existing non-compliances within the proposed tenancy, however, where the tenants proposed use for the space is not consistent with that of the previous tenants consented use or if the space was not previously occupied – the original consented use, then an in-depth review of the "fire" and "access" compliance can often be requested by the BCA. It's important to note that where the building currently does not comply, compliance to the current NZBC is not always required but it may be possible to comply to at least the standard that last applied e.g. NZBC applicable at the approval of the last Building Consent.

MBIE have issued a guidance document for BCAs to follow in their review process, which includes a matrix to determine what level of review is required to be performed by the BCA. In turn, a prospective tenant and/or their consultant team can utilise this document and matrix to determine what information the BCA may require, if any. Thereby, allowing the easy comparison of pros and cons for prospective tenancies and potential upgrade costs.

A Building Surveyor with their background/experience in building auditing and assessing compliance is well equipped to perform these due diligence services on behalf of the client. An experienced Building Surveyor or team of surveyors can provide a multitude of services for the client (tenant or owner) on the single project, such as;

- Measured Surveys
- Lease Reinstatement Consultancy

Some projects are more straight forward than others and a recommended starting point can be performing means of escape assessments or gap analysis on small buildings. It's important to understand your limitations as a Building Surveyor and where a Fire Engineer should be utilised, although most can be easily resolved through partial upgrade works and agreement with the BCA on ANARP matters.

- Premises Condition Reports
- Commercial Pre-Purchase Vendor Surveys
- Insurance Damage Assessments
- Maintenance Strategies and Planning
- Compliance/Health & Safety Audits
- Project Management
- Contract Administration

Some projects are more straight forward than others and a recommended starting point can be performing means of escape assessments or gap analysis on small buildings. It's important to understand your limitations as a Building Surveyor and where a Fire Engineer should be utilised, although most can be easily resolved through partial upgrade works and agreement with the BCA on ANARP matters.

Documents that will be required to be obtained and reviewed, will generally consist of but is not limited to:

- Compliance Schedule / Building Warrant of Fitness (BWOF)
- Approved Building Consent / Code Compliance Certificate
- Architectural Floor Plans
- Fire Engineers Report
- Access Report
- Building Design Specification

It can prove beneficial as well as helpful for you client if you obtain a copy of the historic property file for the tenancy on their behalf. These can be easily obtained and are generally readily available for newer buildings from the local Council, whilst older buildings can incur delays due to the records being transferred from hard to soft copies before being released.

One of the main advantages of preparing this report in advance of submitting the Building Consent application is that the report can be utilised as a negotiation tool with the BCA. Poorly submitted Building Exemptions or Building Consent Applications can be subject to a higher level of scrutiny and sometimes rejection, due to a poor level of documentation provided or lack thereof. A well submitted application can boost the company's reputation with local Councils and thus make future applications more streamline as well as open the lines of communication. It is important to remember that you will need to satisfy both your client and the Building Surveyor acting on behalf of the BCA. Whilst you will be preparing the report to support the clients design, it can be beneficial to play an impartial / independent third-party role between that of the client and BCA, to ensure an unbiased compliance review.

Andrew Maxon
Andrew brings a great deal of experience and a solid understanding of building legislation and code to his role as Senior Building Surveyor, based in Prendos' Christchurch office.

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COVID-19: Commercial lease rent disputes

With many businesses forced to shut due to the COVID-19 lockdown, many tenants are questioning whether they are required to pay rent under commercial lease agreements when they cannot use the leased premises.

Since the Christchurch earthquakes, the Auckland District Law Society (**ADLS**) form of lease has contained a 'no access in emergency' clause whereby tenants who are unable to gain access to the leased premises can seek 'fair' rent and outgoings abatement for the period of the lockdown. Some other forms of commercial leases contain similar 'no access in emergency' clauses.

The ADLS lease 'rent abatement clause' 27.5 deals with the situation of an emergency when the premises are unavailable for a short period of time and is particularly relevant right now.

The ADLS clause is triggered when there is an *emergency* and the tenant is *unable to gain access to the premises to fully conduct the Tenant's business*. That inability must be linked to *reasons of safety... or the need to prevent reduce or overcome any... harm or loss*.

An emergency is defined in the ADLS lease as being a situation that *is a result of any event, whether natural or otherwise, including...plague, epidemic that causes or may cause loss of life, illness or in any way seriously endangers the safety of the public*. The COVID-19 Alert Level 4 and possibly Alert Level 3 requires most businesses to cease using their premises.

If the rent abatement clause is activated, then *a fair proportion of the rent and outgoings shall cease to be payable* for the period during which the tenant is unable to *gain access to the premises to fully conduct the Tenant's business*.

Accordingly, a tenant that operates a non-essential business may seek a rent reduction under the rent abatement clause.

The issue which then arises is how much rent and outgoings should be payable by tenants during the lockdown period? It's only natural that landlords and tenants will have differing views and sometimes they cannot reach agreement.

To best assist parties who find themselves in this type of dispute, the New Zealand Dispute Resolution Centre is offering reduced cost fixed fee arbitration and mediation services. These services provide parties with access to a time and cost-efficient process to resolve their rent abatement dispute.

This special service is in addition to our existing offerings including arbitration, mediation, and expert determination for disputes arising under, out of, or in connection with, commercial leases.

NZDRC

Details are on our website **https://www.nzdrc.co.nz/property-disputes/covid-19-lease-disputes/**.

For further information, please contact our Registry staff **https://www.nzdrc.co.nz/contact-us/**.

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