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## IN OTHER NEWS

### Are they Stupid?

The powers to be are wiping the Gas Certification scheme next year to supposedly save the public \$2 million dollars. They obviously haven't done their homework as it won't save the public a cent, but is more likely to increase costs for them.

ESS will now be responsible in whatever format they decide (which has yet to be released to the trades).

However they still want a certification scheme of some sort, the cost of which will be handed on to the industry and then the consumer.

Last year the Board's income from gas certification was \$664,678.00. They will want to cover that figure from the industry by way of fees increases. Sure costs will decrease if they don't handle the certification scheme – but we believe there was a profit in there of around 50% of this figure.

Then there will be the audits which not many people have mentioned

### Groundhog Day

Remember a couple of years ago we were told it was a new Board and to give them a chance? Remember how the Master Plumbers Executive set a date that the Board should have improved by? Well this has since passed without improvement or action by Master Plumbers.



And here we go again with the Minister of Building and Construction advertising for new members for the Plumbers Gasfitters and Drainlayers Board, and the Board advertising for a Senior Solicitor with at least 8 years Post Qualification Experience (PQE). I seems most 4 to 7 PQE jobs appear to offer a \$100,000 plus package so from research we have done we believe a PQE8 could be in the vicinity of \$150,000. We would ask where the output is that supports this expenditure.

The Minister is seeking people for the Board who are experienced in policy and the machinery of government as well as experienced in relevant tertiary or vocational education who can bring strong governance experience. "Experience in relevant tertiary or vocational education" - what the hell is he on about – how about some people with some COMMON SENSE that the industry can work with in mutual respect and trust instead of what we have?

If Mr Williamson is so confident about what the Board is doing let him pay the fees and levies, but quite frankly we are sick to death of paying for incompetence. Rest assured when the new members are appointed we will be providing them with an extensive portfolio on issues the Federation has with the industry's Governance.

If you wish to apply for the Board further information and application forms are available on [www.dbh.govt.nz](http://www.dbh.govt.nz), or contact Judi Maddever, 04 817 4878 or [governance@dbh.govt.nz](mailto:governance@dbh.govt.nz)

### Board and Government Force Prices up

The actions of the Board and Government are forcing the prices charged to the public up. An estimated \$2.75 increase per hour, to cover compliance costs will result in increased costs to members of the public of around \$33 million dollars annually.

Pansy Wong stated this in Hansard with regard to the Plumbers Gasfitters and Drainlayers Bill in November 2006:

*The group raised that subject on Tuesday, 19 October 2004. A delegation from the Society of Master Plumbers and Gasfitters met with the Hon Damien O'Connor, who was responsible for the bill at that stage. The Minister asked the tradesmen what their current charge rate was for plumbers. They told him that it differed, but that in the Horowhenua area it was around \$45 to \$50 an hour, plus GST. Well, the Minister's response was to ask why the group did not simply*

due to what it costs. The Board have stated it will be around \$350.00 per audit and that money has to come from somewhere (us).

And yes there will be auditing for three trades now with the Boards proposed CPD scheme. If every tradesperson is audited once a year it will cost \$2,485,000 annually.

Gas fitters will be expected to cover the costs of the new gas certification process and the Board will need to implement a scheme to collect the data from the gasfitters for auditing purposes. Where is that money coming from – **the industry.**

Where does the industry get all this money from? We either take a decrease in income or pass it on to the consumer who doesn't want to pay more.

Yet again the size of the cashie industry will increase and the government will miss out on the taxes.

**Maximum stupidity!!**

**Have people underestimated how far the Federation will go?**

The Federation has a number of times now asked for meetings to table issues but we get fobbed off and ignored and that will only happen so many times.

Every person and organisation has their breaking point and we think people have underestimated how far we will go.

We have been playing by others rules and putting faith in the system for a couple of years now and the Board and Government

*charge the consumer \$80 an hour, because of the introduction of this new bill.*

So even back as far as 2004 the Government of the time knew there would be cost increases to the public, but what we find quite disgusting is the people who are supposed to look after the interests of the ordinary New Zealanders simply don't care and simply say "put up the cost". A group of plumbers was taking the issue seriously and explaining that the bill would unnecessarily increase costs and that it would affect the charge-out fee to consumers, and all the Minister at the time could say was to put up the costs.

Not much has changed, as the Minister now seems to be siding with the recommendations of the Board where costs will need to increase by \$2.75 just to cover licensing and continuing professional development.

In 2006 the Government and Board had already been told wages in the industry were below the national average and yet they forged ahead and here we are with the 2006 Act and all the associated costs that come with it. Don't forget the projected costs for licensing and CPD are around \$4,500.00 annually per tradesperson and that's without the increases in fees and levies we will get hit with in this next licensing year.

In effect what is being imposed on the industry is a 10% decrease in wages. Even if a boss pays the licensing and CPD costs its still money that could have gone into wages to help keep up with inflation.

Remember that not all people have the ability to recover the costs. Sure a business can, but some plumbers, gasfitters and drainlayers are footing the bill themselves. When the Act was introduced the average wage was around \$45,130.00 (\$990 less than the national average of \$46,120.00) and since 2000, inflation has averaged around 2.7%. In December 2011 the national average wage was \$51,698 a year before tax (\$42,290 a year after tax and ACC) from 1 April 2012.

Take that \$42,290.00 after tax and deduct the \$4,500 for licensing and CPD and you get a total of \$38,400.00. Yes 10.64% of the average take home wage is spent on CPD and Licensing. Is the Registrar paying 10% of his \$200,000.00 plus pay for CPD or are the senior lawyers paying 10% of their take home pay for CPD, or is the Board paying it (which ultimately is you and me)?

This brings us to the impact on business. If the fees and CPD costs aren't paid by the individual then they are paid for by the employer. It seems 1640 hours is about what is charged out per employee annually if they are licensed. The estimated cost of CPD and Licensing per productive hour is \$2.75 but the Board have stated publicly its 18 cents per hour.

So the average hourly charge out rate discussed above with Damian O'Connor was \$47.50 in 2004. Keeping up with inflation that charge out rate would now be \$58.74 and add on the \$2.75 and we get a rate of \$61.49.

Damien O'Connor stated the industry should simply charge the consumer \$80.00 an hour to cover the extra cost associated with the implementation of the 2006 Act and this was back in 2004. Keeping up with inflation we would now be on \$98.96.

Lawyers can charge \$300.00 plus per hour, dentists charge \$95.00 for 15 minutes, dental hygienists are \$150.00 an hour and landscape architects are \$195.00 for the initial visit. So if the government and Board are going to put us in the same category for CPD and licensing

keep on pushing their luck.

One day the luck will run out and then they will have to take responsibility for the actions we take.

Do positive things for the industry and get a positive reaction – do negative things and get a negative reaction.

#### Letter to the Editor Possible action

*It's a sad state of affairs when we have to start planning action so we can get treated in a proper and legal manner.*

*As with a many others I am nearly ready to walk away from the industry and its overbearing regulation.*

*Why is it so hard to get it right?*

*My idea for action is that we pick a protest day and make every MP aware of our issues. On that day we all send our local MP's a letter regarding our dismay over the shit job the Board is doing.*

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*The Government and Board treat us with contempt so why not do the same to them and protest when the Prince of Wales and the Duchess of Cornwall visit Australia and New Zealand in November?*

*If the Government won't listen then maybe Prince Charles will. Imagine plumbers lining the streets sitting on toilet pans and the fun the international media would have with that scene?*

**Ed:** Good idea. If the Board and Government won't listen now then they can put up with the

then perhaps we should put ourselves in the same category for wages and charge out rates.

You have to ask yourself why on the impact statement for implementing the 2006 Act, DBH felt there would be little or no impact on members of the public. None of this nonsense is our fault but we are the ones suffering so tell us your thoughts – we're keen to here them and publish them.

#### A look to the Future

Is it crystal ball gazing or groundhog day? In the immediate future we await results of: The Regulation Review Committee; we await the results of the Social Services Committee review into the Office of the Auditor General Report; we await the follow up review by the Office of the Auditor General; we await the resolution of Complaints to the Office of the Ombudsman; we await the outcome of our petition submission to the Social Services Committee; we await the result of the Charities Commission complaint; we await the gazette notices from the Board after the Minister signs them and of course we await the outcome of all the issues with the ITO.

All this waiting because other people's failures – and who's paying in the mean time, us the industry! We keep paying to fix issues which are other people's responsibilities. We have been through nearly all the issues mentioned above before so that's the groundhog effect.

So what of the crystal ball gazing? – Well we await the Annual Report so we can read how well the Board believes it has done and listen to them collectively pat themselves on the back and then criticise the industry. Then there will likely be another Regulations Review Complaint if the Board follows through with Master Plumbers recommendations on CPD, the ITO will no doubt start feeding us information about how well they are doing and what they have planned for the future of training in the industry and of course we have the fees review scheduled for later in the year.

The fees review will be very interesting as we will be expected to believe the figures produced by the Board and accept the fees increases. Well we trust them the way you would trust a person wearing a great coat handing out boiled lollies.

The Federation believes the timing of the fees review is again planned so there will be insufficient time for us to appeal what they shove down our throats. Remember this year they will be wanting to get extra money to cover the drop in income from gas certificates, to conduct audits of the three trades to support the CPD scheme, to cover annual wage increases, to cover the increase in information requested from the industry which the Board don't volunteer to us and then who knows what else they want, oh and don't forget money to pay highly experienced lawyers to impose their will on the industry.

This week the Federation sent this letter to the Registrar:

*Dear Mr Pedersen*

*As you know the Plumbers Gasfitters and Drainlayers Federation exists to ensure our industry gets treated in a fair and equitable manner. In 2010 the Federation objected to the fees imposed on the industry which resulted in the Regulations Review Committee, in 2011, recommending the disallowance of the regulations supporting the fees. The Government subsequently voted against the motion stating it was a matter of timing and the Board would be technically insolvent.*

embarrassment.

Perhaps we should start collecting the pans as anything is possible if no one will listen to us.

We said the Board was forcing people to do things they don't want to do and protesting is one of them.

### Privacy issues

The Federation has not received a response from the Board regarding the Public Register but we did get a letter regarding the customer's telephone numbers on gas certificates.

The Board stated their action was to support "operational efficiency" and the result was an "unintended consequence of the change". (And we wonder how with so many lawyers on their payroll – not one of them could foresee this?)

Three privacy issues in as many weeks. Perhaps common sense counts for more than Post Qualification Experience?

### Spare a thought

Spare a thought for the **good** people caught up in the Mess at the Board.

They are just trying to earn a living like the rest of us.

As for the decision makers - they have to live with their decisions and will be held responsible for their actions.

*Those fees are again the subject of a complaint to the Regulations Review Committee.*

*We note that a full fees review is scheduled for later in the year, 18 months after the motion to disallow the regulations was voted against by the Government and 18 months after the Minister gave his assurance to the House and the public of New Zealand that a full fees review would be conducted prior to the 2012 licensing year.*

*We note that the timing of this fees review is again scheduled so there will be insufficient time for any submission to be dealt with by the Regulations Review Committee prior to the 2013 licensing period.*

*The Federation requests the review be brought forward so as to allow due process to occur before the implementation of the new fees.*

*The Federation is resolute it will take the issue to the courts to ensure the industry get a fair deal and to prevent the implementation of the fees until we have been afforded our rights to a decision following due process.*

*We find it very difficult to understand why the Board continues to push on with these delay tactics knowing full well they have limited industry support.*

The fees review fight is about to begin and we need to be prepared. If you have any ideas about building up the legal fund then get them to us. We are looking at a couple of initiatives now and of course we have the other option from Damian O'Connor where we just put up our charges.

### Don't Forget

Don't forget about our latest town visit.

In association with Zip Plumbing Plus New Plymouth, Robinhood would like to present to you, Wal Gordon, Chairman of the Plumbers, Gasfitters and Drainlayers Federation and Paul Luxton (past Chairman), who will be speaking on the governance of your industry, and what you can do to help.

Come along enjoy a beer, find out about what Robinhood is up to, and what you can do to help your industry.

All welcome so you do not want to miss this! 28 June 2012 See you from 4.30pm onwards. 25 Hurlstone Drive, New Plymouth Phone: (06) 769-6666

