

TABLE OF CONTENTS

- [The Fees Review](#)
- [20% increase in productivity?](#)

IN OTHER NEWS

Letter to the Editor (CPD Points)

Just thought I would through a thought out there.

Why is it that the PGDB, who are about to start a country wide information tour do not include and advertise that our time in attending to be part of our CPD upskilling?

Most other trades award points for similar attendances.

I Would think they would get a greater attendance rate if they did. Perhaps they scared of to many attending?

Letter to the Editor, Air Points

Dear Editor,

I agree with your correspondent-letter to editor this Edition 116. We would all like to get on with just doing our job and being compliant-very simple ideal.

All of us tradespeople are lucky not to be politicians or bureaucrats but, we wish to satisfy our customers by being professional and compliant.

We have all missed the main driving objective by these people in the last 30 to 40 years..

The Fees Review



The long awaited fees review is finally here and seems to be creating a bit of concern already regarding access to the information and the Board.

This was received by the Editor early this week:

Hi, I would value your opinion as to the Board's Comprehensive Fees Review. I note that it states Public Consultation.

Their two reasons for these meetings strike me as a thinly disguised attempt at raising License Fees to offset losing the Gas Certification function. What worries me and others is the more Draconian attitude the Board has adopted in recent times regarding the setting of levies and fees. Our closest meeting venue for us in the Hawkes Bay is Palmerston North which will preclude many Tradesmen from here.

The Federation has started to work its way through the consultation document and will get our views out to you - but at a first glance it looks like an exercise in covering excessive corporate overheads.

Lets have a look at a couple:

Licensing Direct costs \$360,000.00,
Direct Salaries \$207,000.00
Share of Corporate overheads \$695,000.00

Registration Direct costs \$20,000.00
Direct Salaries \$83,000.00
Share of Corporate overheads \$251,000.00

It looks like we have reached the stage where the primary tasks cost less than the overheads.

Look at registration \$103,000.00 in direct costs and \$251,000.00 in overheads. What are they doing to contain costs? What ARE they excessive overheads? What cuts have they made or are they willing to make?

The spin doctors have been out in force, with the written material portraying the Board as our friends and projecting the idea we are getting a good deal from them, even value for money, but the industry needs to be realistic – this is a “Fees Review” in name only.

The Board, (i.e. the appointed board and the senior management), have made their claims based on what they need for their projected cost increases, such as wage rises etc.

We believe the Board has created an environment of excess corporate overheads which increase each year with no perceived efficiency gains.

Take a brief trip back in time to a decade ago, when the Board had less than half the staff it has now, they were based in sound, low cost

How many reviews, changes and whatever other name you wish to call them, have we endured from the PDGB and more recently the ITO?

Have we all missed the main objective driving these people in the last 30 to 40 years?

For myself, I am no longer confused. You see it's all about air travel and gaining AIR POINTS.

More confusion-more reviews - more AIR POINTS- No Confusion - no AIR POINTS.

Can we ponder the suggestion of attaching AIR POINTS to CPD points?

Now that is just the incentive we need. I, like your correspondent read with interest your weekly issues and commend you on your tenacity.

It is a bloody shame that good logical and common sense practical solutions do not attract any AIR POINTS. Confusion is a winner every time and has the added bonus of AIR POINTS.

Regards ANON AIR POINTS

**Letter to the Editor
Keep it coming**

Keep the information coming guys.

Enjoy reading a lot of the info you guys send and agree with most of it.

As I'm without access to a computer don't hear sweet F.A from the Board.

Nothing about courses, who's running them, where they are or points etc., and not being a member of Master Plumbers who seem to be running the whole show.

What really does the Board actually do?

Once I was called a

office space in Lower Hutt, there was no discipline levy, no CPD costs, three licences could be obtained for \$75.00 and there were no major incidents caused by tradespeople in our industry – no outbreaks killing thousands of people, no towns exploding and no major floods of effluent.

Bring on the corporate image, the corporate wage, corporate egos and so called modern business techniques, flash offices on The Terrace (and for those of you out of Wellington – think Park Lane on the Monopoly Board), car parks undoubtedly, and you end up where we are today with a shrinking industry, where one license costs \$108.00 where you can't get that licence unless you spend thousands of dollars on CPD training and pay a levy of \$180.00 for discipline and a tax of \$86.00 for annual offences. The standard of training is down and has been railroaded by educationalists and training providers.

As far as the level of the fees go the Board and senior management for all intents and purposes are not accountable to anyone - and simply claim they need the level of fees to fulfil their obligations under the Plumbers Gasfitters and Drainlayers Act. No matter what the industry says, previous behaviour would indicate the total level of revenue the Board is claiming will not change as the Board have said what they want and, rest assured they will take it. For the rest of us it's simply - if you don't pay you don't work.

This isn't a review for the industry, but more notification to the industry of what is happening so the Board can cover their arse that they have consulted "constructively" with us. They are telling us what the fees will be and have added in a couple of questions as sweeteners to make it seem they are interested in our views, and yet again previous behaviour by this Board would indicate they are not!

We feel the review should be more about the corporate costs and what efficiencies, or lack of, are pushing up our fees. For example the Act allows for a Registrar but the position of CEO/Registrar has been created at a cost of \$230,000.00 annually and it appears the majority of the Registrar functions have been delegated to the Deputy Registrar. Just what are we getting for our \$\$\$? At best this is an Office Manager's position.

Anyone can hold out their hand for more money to support their inefficiencies. We would expect a senior management group costing over half a million dollars annually to be producing unquestionable work and would have the support of the industry, but after two years the behaviour of the past still exists, as does the mistrust towards the Board and senior management group.

We see that the Board have accumulated reserves of \$1,358,000.00 but none of it seems to be protected in Memorandum Accounts. Memorandum Accounts were brought up in the Office of the Auditor General's report, the Federation raised the issue with the CEO/Registrar two years ago and the Regulations Review Committee recommended the Board use them as well.

It appears the Board haven't implemented the memorandum accounts until they have accumulated reserves and now in this review they have stated they will implement them. We find this behaviour disgusting - when you look at the trend of the Board over the last few years where they have been in surplus before but then the unprotected money has been squandered and they have gone into deficit.

If Memorandum Accounts had been implemented there would have been plenty of money carried over for discipline/offence related matters. Don't forget fees have been increased to cover the overspending. It's only now that some in the industry are holding the Board accountable that they have decided to introduce the Memorandum Accounts.

registered plumber and drainlayer. Then Craftsman, now Certifying Plumber etc. What next? Sanitary Engineer!

That sounds real important don't you think?

Are you wasting your Training Dollars?

It looks like staff believe that businesses are wasting their money.

A Colmar Brunton-David Forman Business Training Survey shows only 28 per cent of New Zealanders think the work training they receive is linked to their career development and goals, and only half think it helps them to be more effective in their current role.

The CPD imposed on us is a prime example of the wasted dollars and the training can often be a "tick the box" exercise.

It's crucial that training is tailored to employees' needs.

If New Zealand Inc is to become more competitive the training dollar needs to be spent wisely to help improve productivity.

In a recent survey it was described as "sobering" the finding that half of those surveyed felt their training wasn't going to help them do their job better.

International research has shown that training is retained much better by staff if they believe it relates to their career development.

The survey was carried out by Colmar Brunton online in May 2012.

What do we want in a Board?

It is our view that overcharging in this manner, when it should be based on cost recovery, is nothing more than an illegal tax on us.

Another issue we picked up in our initial read of the consultation document was that the Board now claims the true cost of registration is \$564.00 dollars where in 2010 they stated emphatically that the real cost was close to \$1,500.00 and our fees over the last couple of years were based on that figure for cross-subsidisation. This is but one example of the sickening behaviour we are talking about. It makes us think that everything they tell us is a pack of lies.

Behaviours earn trust and this Board and senior management group have squandered the opportunity to earn that trust from the industry. We now rate them as one of the worst Board's and senior management groups of all time. Has this cost them? – yes it has, as they have lost the industry and only survive by forced implementation of their will.

You will notice the Board have stated the proposed fees have been calculated using a "Sophisticated Model" - this is simply the allocation of time to tasks, something we do daily. The only thing we see that is sophisticated is how they came to the figures used in the model – as the Federation requested the notes on allocation of time to tasks and the Board wasn't able to produce any!

The scary thing is that we got information from a very reliable source as to how they did the time allocation for working out the fees last time, it involved someone sitting on various employees desks with a pencil and paper saying "how long do you reckon you spend on this activity?" Perhaps an OIA request around the sophisticated model is in order?

In reality what apprentice can afford \$411.00 to sit an exam or \$231.00 for a recount and what does an annual trainee limited certificate fee give an apprentice?

There seems to be double dipping in licensing where we pay for CPD, we pay for its administration, but CPD doesn't mean anything as we still need competence reviews. The provision to supply access to standards on line is one positive step recommended to the Board a couple of years ago which they are now using as the sweetener.

However, the ITO has a million dollars ring fenced that will go over to ETITO and is for the express use of the plumbing, gasfitting, drainlaying and roofing industries – perhaps this could be used for Standards?

Don't forget they are consulting on the license period but the Board does not propose to move to a two year license period at this time but welcomes submissions on the matter if you want to waste you time writing to them.

Here's a newsflash – two year licensing will save money!!! Five year licensing will save even more!! That last paragraph in their propaganda sums up their attitude towards the industry and it seems to us at this early stage that the consultation is simply an exercise in tax collection, as anything over and above actual costs is deemed to be a tax. The Board are simply saying "we are putting up the fees like it or don't work".



- We want a Board that works to the rule of the law not opinion.
- We want a Board that is not self serving.
- We want a Board whose actions match its words.
- We want a Board that provides fairness and equality.

Audits



CPD has been pushed by the Board as being necessary for the industry to be competent.

We will be tested at each competence training session to ensure you are competent and then there is also the chance that the Board will want to conduct a Competence Audit.

So even though you are deemed to be competent you could still be audited.

Are the right people getting audited?

If you are getting provided with competence training then surely the training provided should be the one audited not the students.

What are your thoughts?

20% increase in productivity?

Is the fees review discussed above going to help in achieving the 20% increase in productivity that the government wants – we say no!

How can the 20% increase in productivity be reached if the majority of the industry does not support what is happening. Numbers are dropping, costs are increasing and the Board's attitude toward the industry is becoming more transparent as the days go by.



If some of the Board's actions matched its words something may be achieved. It's nearly 12 months since the meeting in Napier and what has been achieved by the Board? We believe nothing.

The Chairman of the Board Mr Bickers said "watch this space" and that if Maurice Williamson lost faith in him he would resign. Well Mr Bickers we are still watching the space and it seems to us the space is widening.

The Federation's offer still stands that is willing to meet with anyone, anytime to discuss the issues and find a way to resolve them, but remember our definition of working constructively is that something is actually agreed to and done not just talked about or put off to wait and see what happens.

The Federation has been criticised for costing the industry money by opposing and questioning the Board, but remember this – its the Board's behaviour and actions that are leaving them open to complaints and it's them who continually need to get legal representation and advice to try and justify their decisions.

Working "constructively", as people seem to call it, hasn't worked because look at the mess the industry is in. If people had the balls to start with we wouldn't be in this mess.

The industry and some of its representative groups have permitted others to muscle in on our industry - well not any more as the Federation is going to stand up and oppose them in the fight for justice and equality.

We would strongly encourage all Federation members and supporters to make the effort to attend the PGDB Fees Review Consultation and ask the hard questions – go armed with the facts, read the information on the Board's website, have a look at the last few annual reports and see where your money is going.

Don't be afraid to stand up and speak out – to tell the Board what your situation is. Ask them about savings, about Memorandum Accounts, about possible fee increases about efficiencies – just think of the questions you would have for your partner if the household budget was going down the toilet and you wondered where all your hard earned money was going.

Any feedback is welcome, any comments, questions or criticisms – we look forward to hearing what YOU think.