

TABLE OF CONTENTS

- What do YOU want?
- The Cost of CPD

IN OTHER NEWS

What do others think of us?

Gas Fitting -  
Oven 2

Stove / Oven

Not your trade?

[Change your trades](#). Incorrectly assigned or spam? [Report](#).

Kilbirnie,  
Wellington

Looking for a cheap gas fitter for oven (in between 70 to 90 bucks. Straight forward job. Gas pipe easily accessible - Just needs to be fitted from oven to gas pipe.

Do you want  
to chase?

Here is another example of an advertisement for gasfitting work.

Last week people wanted to supply gear, now different people want to dictate price.

It's never JUST a matter of fitting from oven to pipe, often a new flexi hose is needed, testing and certification is required. "Straight forward" \$70 - \$90 bucks, what a joke.

What do YOU want?



No matter what the Government offers the tradespeople in the Plumbing Gasfitting and Drainlaying industries, you can rest assured it won't be free and it won't be to our advantage. We have to fend for ourselves and fight for what we believe is right.

We find it amusing that people who treat you like shit get offended when you finally do the same to them. The Government has called the Federation "malcontents", a "couple of plumbers", we've been told we are rebellious, destructive and the list goes on, but in reality it's not because we are ANY of those things, it's simply because we refuse to be what everyone else is and we stand by our beliefs - (no cookies for us)!

We often get asked about Federation numbers by the Government and others but we don't defend or justify ourselves. Gene Crawford once said "**Never defend yourself of words from a fool unless you are willing to become his or her equal**". We believe that if it is wrong and it affects even ONE person, then it needs correcting.

When you look back over the last five years there has been a lot happen, a lot of comments, arguments, debates, legal battles, Regulation Review Committee hearings, Ombudsman Investigations, Office of the Auditor General investigations, retrospective law changes, numerous threats of defamation action, and the list goes on, but eventually any battle reaches the stage where people walk away or change happens. In our industry both are happening.

Numbers have decreased as people have turned their backs on the regulation of the industry which has increased the size of the "cashie market", some people are tolerating the regulation of the industry which affects productivity and training, and some people hold hope that change will happen - so the BIG question is - what do YOU want in the future? What do YOU want to happen?

This is your opportunity to let US know what you want to happen because the Federation has been given the chance to give a presentation to the Plumbers Gasfitters and Drainlayers Board on where we see the industry in three years time.

They have invited us to give our views on:

- What is working well and how could it be improved further?
- What is not working well and how should it be changed?

Imagine, just imagine going to Boulcott Specialist centre, standing in the middle and saying "I'm looking for a cheap specialist – all you need to do is just cut me open and slap a couple of staples in a loose tendon" I want to pay no more than \$100. You'd be escorted out by security, or the men in white coats.

This is ridiculous and demeaning to our trades.

Perhaps Federation members could drop "Builders Crack" a line and ask them to write some information on regulated trades and just what members of the public need when they employ them i.e. a licence, certification for some jobs etc.

This behaviour shows what a lot of people think of tradespeople. They all think they can do the job and it's all so easy.

If it was so easy and safe for the public to do their own work why has the Government regulated a lot of industries, in particular ours.

What are you worth?



Numerous times over the last few weeks we have mentioned about getting paid what we are worth.

There are plenty of formulas to work out what you should be charging but a lot of people just seem to be taking a guess and do what others

- What is your vision for regulation of the industry in three years' time?

The opportunity is there so let us know your views and keep this in mind, last week a supporter of the Federation sent us this:

***"Defend the weak and the fatherless; uphold the cause of the poor and the oppressed. Rescue the weak and the needy."***

We thought that was pretty deep thinking and then we were told it was from the bible -Psalm 82:3. so obviously he holds us in good company.

Keep the support and donations coming.

## The Cost of CPD



With the consultation of Continuing Professional Development (CPD) underway a lot of discussion is generated and different views come to light. Just be wary of views that only show one side of the story and try to support activities which the industry has already rejected.

Some suppliers of CPD have been touting the benefits of the current system including the supply of free CPD courses where under the

proposed scheme there may be a cost.

Well as we all know nothing is free. Think of this - there is no cost to course providers to have a course accredited to the Plumbers Gasfitters and Drainlayers Board, and there is no cost to them to have the course reaccredited every two years. Those costs fall on you the tradesperson.

In fact all costs associated with CPD land with the **registered tradespeople in the industry NOT ALL the industry**. Even the suppliers hand on the cost of CPD to the tradespeople as part of the purchase price of the product. They don't do it for free it's just another overhead which is passed on. What they like about CPD is that they get to push their product to a captive audience.

Tradespeople in the industry need to have a good look at the CPD micro industry that has been formed on the back of our regulated industry. The Government implemented a competency based act, the Plumbers Gasfitters and Drainlayers Act 2006 and numerous organisations and individuals took the opportunity to use the captive audience to make money and in some cases to appease and increase membership - a simple business decision and risk.

No doubt suppliers of courses support CPD in its current form because of the captive audience. They know they can tout their product or run a course for money and tradespeople are compelled to attend.

People running free courses are saying it's now going to cost \$75.00 for CPD where theirs are free, but that is not entirely true as the tradespeople are already paying for CPD before they even attend the "FREE" courses and there

are doing.

We suggest you work out what you think you are worth and then discuss it with your accountant or financial adviser.

Careers New Zealand state plumbers, gasfitters and drainlayers usually start out on about \$35-\$45,000 per year.

With three or more years experience, they usually earn \$50-60,000 per year before tax.

Look at your charge out hours for a sole trader.

40hrs x 52 weeks equals 2080hrs minus

- 4 weeks holidays, 160hrs
- 2 weeks stat holidays 80hrs
- 7 days sick leave 56hrs
- Current CPD 24hrs

That's 320hrs from 2080 equals 1760.

But it doesn't finish there, so let's say other issues suck away 20% of your time, quotes, dealing with customers, OSH, etc., that's another 352hrs.

You are now left with 1408 chargeable hours. To earn \$60,000 you need to charge out at \$42.61 an hour just for wages.

Then you have downtime due to unexpected weather, unforeseen problems, material issues. Let's say one day a month that's 96hrs.

Now there is only 1312 chargeable hours to earn

is still the time spent attending the "FREE" courses.

We are not going to teach you to suck eggs so you do the figures - 4 hours of CPD under the new proposed scheme compared to 24 hours if you have three licences.

A saving of 20 hours. 20 hours with the family or 20 hours working charging out at \$80.00 an hour sure as hell is worth more than 4 hours of time and 4 hours of charge out, and remember these course will be able to be done on line so no charge out is lost.

No cost in paying for courses apart from the estimated \$75.00. No worrying about slotting CPD into your yearly schedule. No worrying about keeping a diary of your training and last but not least, you can now spend your money on training relevant to you and not simply on buying points.

Put simply, don't let the people riding on the coat tails of the practitioners dictate what is being done in the industry. We have been through that already where everyone jumped on the CPD bandwagon to make money and look where it got us.

For those who have invested money in CPD courses, well that was your business risk and why should your benefit be at the cost to the tradespeople? Perhaps the suppliers need to remember that they need the practitioners not the other way around. CPD in its current form cost the tradespeople in the industry over \$28 million a year in lost productivity and other associated costs.

We would have thought suppliers would have wanted tradespeople on the tools more using more product rather than buying points to license each year.

For those who state they run CPD courses "FREE" for the good of the industry - you now have the option of continuing with your courses or even better, you can use the money to sponsor practitioners to attend the proposed CPD training.

We recommend everyone have their say during the consultation because if you don't, those who oppose the proposed scheme may stall development and prolong the pain of the existing scheme because remember the **consultation about the existing scheme has already been conducted and 80% were against it.**

Some people are now trying to reverse that consultation by saying they oppose the proposed scheme, yet they haven't come up with a viable alternative except for retaining CPD as it is, but the industry has already rejected that so have your say.

We are absolutely sick of people in the industry hijacking what is required of tradespeople in the industry for their own self gain. If people or organisations are truly for the industry then they should support the proposed scheme and if they are in the position to sponsor the scheme for no gain then we would welcome that.

There will be more loyalty from tradespeople to those who support the proposed scheme than to those who stall the process or try to support that which the industry has already rejected.

your \$60,000. Your rate is now up to \$45.73.

Add on your costs for overheads of say \$30,000 annually divided by 1312 which is \$22.86. Your hourly rate moves to \$68.59

Add on profit for the business of say 15% which is \$10.28 per hour and your hourly rate has moved to \$78.87 and remember this is only to earn \$60,000 a year which is only just above the average wage in New Zealand!

The bottom line is if you are charging between \$45 and \$65 an hour the chances are you are not even earning the average wage in New Zealand.

### CPD Consultation

You have heard and read a lot about the Boards CPD proposal and you have read a Letter to the Editor where we are very sure the supporter is having their say so make sure you do the same.

If you don't want to write anything then simply send an email to [submissions@pgdb.co.nz](mailto:submissions@pgdb.co.nz) saying you support the Federations submission on CPD.

Submissions close on 16 October 2015.

**Take ownership of YOUR industry and have your say.**

This sums it up from one supporter:

### Dear Editor

*The true cost of CPD to my business is \$3,900.00 per man under the existing scheme. This is to buy the points from good quality courses and for all courses to be done in work time. That's \$27,300.00 in total for the seven employees.*

*Under the proposed scheme that cost will drop to less than \$650.00 per man which is a total of \$4,550.00 for it to all be done during normal working hours. Under the new scheme, as it is available on line, I can get that cost down even further by staff doing the training in down time. Even so the saving to my business is \$22,450.00.*

*I see the proposed scheme as providing the necessary information my staff need to perform competently in the industry and with the saving of \$22,450.00 I will be able to spend that on relevant training for the individuals or the business not just buy points to license.*

*So if any supplier thinks they can come along and cost me \$22,450 annually so they have a captive audience they have another think coming. I won't buy their product and I'll encourage other to do the same.*

Don't get us wrong – many suppliers have run courses for tradespeople well before CPD came along, and many will continue to if it changes. Suppliers have a vested interest in teaching us about new products, how to install them – and we thank them by purchasing their goods.

We don't believe suppliers have a right to dictate what is a term and condition of our licence, nor do we think they should be speaking untruths by saying that these courses are "Free" – WE in fact are paying for them, and have always paid for them – via the fees we pay to the PGDB and the money we pay for goods.

If there are any suppliers out there who can honestly say they don't pass on the costs of this overhead in the purchase price of their goods then we want to hear from them.

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Plumbers Gasfitters and  
Drainlayers Federation 6 Tacoma  
Drive, Totara Park, Upper Hutt  
5018 Ph (04) 5277977 Mob  
0276564811 Fax (04) 5277978  
[information@pgdf.co.nz](mailto:information@pgdf.co.nz)

