

# Fellow Practitioner Issue 330 Dated 31 March 2017

# Always Consider the "A" Factor

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## **IN OTHER NEWS**

Letters to the editor



#### **Dear Editor**

#### The cost of hidden costs

Every day we hear on the news about high house prices the costs of building and people making money from the sale of houses.

As a tradesman I seem to be stuck in the middle where I get continually beaten down in price but yet my costs go up.

I'm looking at my end of year tax and I'm shocked by the hidden costs. A lot of those hidden costs are costs imposed by the Government.



Industry experts are calling on tradespeople to take the risk of asbestos exposure seriously ahead of NZ's first ever Asbestos Awareness week in April.

Asbestos is the country's number one killer in the workplace, with around 170 people dying each year from asbestos-related diseases. Due to its common use in building products from the 1940s onwards, many buildings built or renovated before 1990 are likely to contain some type of asbestos materials and tradespeople are likely to come across some form of asbestos every single day.

The NZDAA (New Zealand Demolition & Asbestos Association) and industry partners 3M, Bunnings and WorkSafe, are highlighting the dangers posed by asbestos exposure and encouraging people to consider the Asbestos factor and get asbestos aware.

Asbestos Awareness Week will run from 3–7th April, with a free educational event at Sky City in Auckland on Wednesday 5th April featuring an information expo and seminars on a range of asbestos topics including safe working practices, asbestos awareness training and personal protective equipment. There is also a new website for tradespeople with the information they need to know when it comes to becoming asbestos aware.

For a full agenda, more information or to register for the free asbestos educational event, visit www.theafactor.co.nz or 'like' their page on Facebook.

Do you have any thoughts

about the cost of hidden costs as I believe they are suffocating my business.

#### ED:

Yes there are a lot of hidden costs imposed on us every day. Most of them the consumer doesn't care about.

It seems to us there is a limit to what people will pay for a tradesperson but no limit to the profit they can make out of their ventures.

Here's an example. The tradesperson gets hit with the increasing costs of, OSH, ACC and regulation not to mention any increases in government duties on materials and petrol etc.

Everyone expects the tradesperson to absorb the costs and increases.

When a project is finished the developer or the home owner can make a huge profit but have not contributed to the real costs imposed to do the project.

Perhaps what is needed is a tax on the profit for all the costs imposed by government regulation to have the project completed. Why should the tradesperson foot the bill and not be in a position to recover their costs.

## **Classes of Registration and NZQA Qualifications**



The Government seems to be relying on the workforce from overseas to supplement our industry due to the shortage of New Zealand qualified tradespeople. That's fine to a certain degree as it brings

a different dynamic to the industry but moving to the future we need a more positive plan rather than a patch up job.

Last week the industry took a step away from a "Might Work" plan to a brighter future for the industry. As reported two weeks ago the Federation submitted a letter to the Plumbers Gasfitters and Drainlayers Board requesting they explore the option of consultation regarding one class of registration before the acceptance of the new NZQA qualifications.

The Board extended an invitation to the Federation to speak at a Board Meeting regarding the letter. This meeting was held last week and the Federation made its submission.

The Federation submitted that the current registration classes and the qualifications being developed are focused more on individual and organisational needs and wants, rather than what is best for the future of the apprentices and tradespeople in the industry moving forward.

The Federation submitted its vision is of a registration system and qualifications matrix that sees registered people being able to perform all duties, without supervision. This would require a longer training period and the addition of more formalised off site training.

We would have to say it was the most responsive and positive meeting the Federation has attended. By the end of the same day the Federation received a response from the Board.

The response stated the issues the Federation raised did cause a lot of debate and there was an acknowledgment that those issues do need careful consideration that shouldn't wait until the next planned review of registration and licensing in 2020. For that reason the Board has resolved to carry out some focused consultation on the issue of one licensing class and associated issues such as supervision during the 2018/19 year.

That will allow the Board to consider the issue in detail along with the various views within the industry about the number of licensing classes. You may have noticed on television the other night about "Shadow Work". This is where you do the work yourself for limited or no benefit whilst saving the supplier money.

The examples were self service at the petrol station, self service checkout at the supermarket and check-in for some domestic flights. All activities that save the supplier money.

Another example of "shadow work" where tradespeople not only do the work but also take on all the responsibilities is Self Certification. In the case of Self Certification the tradesperson not only does the work, but they then certify it and take on sole responsibility for it forever and a day!!

So in the case of self certification, who actually benefits from it?

The council benefits from it by having fewer inspections, by having less liability and by being able to keep their costs down.

The tradesperson may save a few minutes by not having to attend an inspection however they take on the added responsibilities as well as the liability for the future. We understand that research and information gathering will be undertaken prior to next year in preparation for the consultation so everyone can be well informed.

The Board were conscious of the level 4 and 5 qualification review currently underway and the ramifications of any changes to the classes of registration.

The Federation feels the Board's decision is a great step in the right direction to bring the industry into the realm of its primary business and that's plumbing, gasfitting and drainlaying as defined in the Plumbers Gasfitters and Drainlayers Act 2006.

There has been a great deal of work put into the qualifications and now the onus is on The Skills Organisation and others assisting with the qualifications review to ensure the level 4 and 5 qualifications can combine seamlessly.

They will need to ensure that level 5 is a continuation of training from level 4 and not separate training of an advanced nature remembering that the level 5 qualification (Certifiers) is primarily to ensure the tradesperson is competent to perform the functions of a plumber, gasfitter or drainlayer unsupervised.

The Federation believes the main qualification should be that of a Registered Plumber, Gasfitter or Drainlayer, or a combination, where the tradesperson is deemed workplace competent and does not require supervision as defined currently.

We recognise some aspects of the industry require extra training which should be acknowledged at an advanced trade level such as design, domestic fire installations, solar, backflow prevention and others. The knowledge and specialist skills are great to have and should be acknowledged but shouldn't be part of the requirements to become a "workplace competent" plumber, gasfitter or drainlayer as defined in the Act.

The Federation is happy the review has been bought forward by 2 years and as an industry we can all prepare to state our cases for improvement. We are fully aware there will be people and organisations that will oppose change for their self interest so that's where the majority of the industry needs to step up and be heard.

Give the classes of registration and qualifications careful thought ready for next year. We all need to be ready to put in the effort to change before the industry is again swallowed into a path of partial training and partial qualifications.

One person posted this on the Plumbers Forum:

Wal, your `Classes of Registration` letter to Mr. Jackson was

So writer we understand where you are coming from and thank you for drawing it to our attention. We believe this is a bigger problem than most people have thought about or want to admit.

#### **Situations Vacant**

Throughout the country there is a huge shortage of qualified tradespeople.

The Federation has been approached by two reputable plumbing gasfitting and drainlaying businesses in Upper Hutt and Lower Hutt.

Both businesses are caught in the skills shortage and want New Zealand registered tradespeople to help their businesses grow.

We normally don't get involved in the recruitment side of the industry but we said we would put the word out there just in case there were people wanting to move into the Hutt Valley Area.

If you are interested send a message to wal.gordon@xtra.co.nz obviously viewed with much interest hence your invitation to the meeting. You are to be congratulated for such an in depth letter that probably everyone in our trades would agree with I hope you can attend the meeting as I am sure that you would make more sense than many others who attend including the minister (if he is there) probably won't be but should be, they need to be on the tools to see what is happening and how fed-up tradespeople are with all the ducking and diving to avoid setting the correct way forward for our industry, cheers and good luck on behalf of us all.

Fine words from a supporter and it is proof there are people in the industry that think the same way. Our job is to combine those thoughts and come up with solutions that are fair and equitable. The Board have taken a huge step in helping to make that happen.

Minister Nick Smith had this to say with regard to managing fresh water;

"I think public policy around managing fresh water needs to be on the basis of good evidence and fact,"

We are hopeful he will apply the same to our industry when he is provided with "evidence and facts".

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