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IN OTHER NEWS

Letter to the Editor



I read your article on the vicious circle and the stress related to it and I have this to add to it.

I'M NOT A BLOODY BABYSITTER

We get all the rhetoric from the Government and everyone else about taking on apprentices but really - why would you?

The legislation, training agreements and requirements to have an apprentice have turned qualified tradespeople into a bunch of stressed out baby sitters.

A large proportion of young people have no work ethic and want good money for poor work performance and as an employer we have to baby sit their every whim

Where's My Money Going?



Some days we feel like Al Bundy. Some of you will remember Al and his never ending issues with money. We remember the weekly saga of him sitting on his couch handing out money to everyone, including his dog. He was forever trying different money making

schemes to keep his head above water and was forever failing.

A letter from the Accident Compensation Corporation (ACC) last week got us thinking about the costs imposed on practitioners and the same battles Al faced weekly.

It's a very simple concept around where the money comes from to pay costs and overheads – it's all from hard work and your bottom line. So if it's money spent on tools or prosecuting members of the public etc then it comes from your profit because if the money wasn't spent it would be sitting in the bank as profit.

ACC's latest promotion is "Making it easier to have a safer workplace"

The letter received was a nice invitation from ACC to participate in a trial regarding attending the CSC Managing Safely Training. A three day course at a cost of \$1,700.00 per person. Their offer was a refund of \$1,700.00 if two people attended.

A 50% refund sounds good until you look at the real costs.

- Loss of income for the three days - \$2,040.00 per person.
- Travel vehicle costs etc - \$50.00 per person.
- Course costs (after ACC contribution) - \$850.00 per person.

That equates to \$2,940.00 in direct costs but the issue to remember is that this amount comes off the **bottom line** so it is out of profits, and to get profit you have to have turnover. Only a portion of the turnover is profit.

and put up with their poor standards.

In reality taking on an apprentice in today's environment is a poor investment, especially when they don't qualify at the end of their apprenticeship and require further supervision until they gain higher qualifications.

Yet they deem themselves to be qualified and want to be paid as such.

Change is needed. What are your thoughts?

ED: Thanks for your thoughtful view on apprentices writer.

We feel there are three lines of thought regarding apprentices. Firstly they are seen as cheap labour to supplement qualified tradespeople and when we say qualified we mean Certified tradespeople.

The people with this line of thought only want the majority of apprentices to qualify at Tradesman Registration so they can't go into competition with them and then they don't have to pay them as much as they would if they were fully qualified.

The second line of thought is those people who want to return something to the industry and see the craft survive.

These people won't produce a lot of apprentices but those they do produce will be good at what they do and will mostly become fully

Your accountant will be able to help you work out a ratio by working out your profit on each dollar of turnover. The ratio we use is 6:1 so for every \$6.00 of turnover we make \$1.00 profit. That can be turned around also to 1:6 ratio so for every \$1.00 spent it takes \$6.00 of turnover to cut even.

So in this case $\$2,940.00 \times 6 = \$17,640.00$ in turnover per person just to cut even. That's around 220 hours of charge out per person. Five and a half weeks charge out to attend a course for one person and this is even before the information is handed on to other staff members and the cost associated with the passage of information.

So although the offer of \$1,700.00 refund for two people may seem generous it is only a drop in the bucket when the actual cost for two people is \$35,280.00 in turnover.

Quite simply the true cost of safety and the bureaucracy associated with it are driving people out of business or away from full compliance. People want to do what is right but the cost is prohibitive. The loss in productivity is the other downfall. We sent the calculations to ACC and are waiting for a reply.

Coincidentally this week Fletcher Construction had their issues and we thought about their costs regarding occupational safety and health - after all they were one of the major pushers behind Site Safe. They are around \$600 Million in strife (as of today), so we could only imagine what the costs are for workplace compliance with regard to occupation safety and health on the construction sites throughout New Zealand.

Looking at it, in numbers we can comprehend, we decided to take a business with ten employees. The legislation hints that we need to "take all practicable steps" with regard to safety in the workplace and one of those steps is toolbox talks on a weekly basis.

Here are our figures:

- We take our 10 staff once a week for a 1 hour toolbox talk. That's 10 hours that aren't charged out at \$87.00 an hour, \$870.00 per week.
- Take the \$870.00 multiplied by 52 weeks equates to \$45,240.00 annually not charged out.
- Multiply the \$45,240.00 by our ratio of 6 and you end up with a figure of \$271,440.00 in turnover required to cut even. Divided by our hourly rate and it is 3,120 hours of charge out to cut even. The average hours worked per person in New Zealand is 1,762 hours annually.
- The turnover recovery allocated per man is \$27,440.00 annually.

Some people say the costs get applied as overheads but looking at the toolbox talk per person you would have to increase the hourly

qualified because they want to be good at what they do.

The third group are employers who want to do well by the industry by taking on apprentices to get them fully qualified but also want a return on their investment which in turn increases productivity.

The needs of the third group are getting harder and harder to meet as costs and requirements increase and yes they are becoming baby sitters.

This group is starting to see apprentices as a bad investment or perhaps we should say a risky investment.

Current training and registration classes meet the needs of the first line of thought because apprentices are deemed not workplace competent upon qualification so they have to remain and do further study at a cost to them.

A lot don't or won't progress once they see the new proposed requirements of the Level 5 and the cost to them.

The employer benefits because they have a person who can mostly or even entirely do the work of a Certifier but doesn't get paid as one.

The needs of the second line of thought are met but even though they are bitter about it and they just get on, keep quiet and get their full qualifications.

charge out by \$15.40 for every hour charged out to recover the costs.

So that was our simple 1 hour toolbox talk every week for 10 practitioners. What is the cost on construction sites throughout New Zealand where toolbox talks are a daily occurrence?

Let's keep it simple – a 1 hour toolbox talk per week for 10,000 workers in the construction industry based on our figures above costs 520,000 actual no productive hours per being 3,120,000 turnover hours costing \$271,440,000.00.

We think it would be far to say that compliance with legislation is making companies bleed money. Perhaps teaching common sense at school would be a cheaper way of dealing with safety and health.

Companies are bleeding money just to comply with legislation invented by bureaucrats (the same bureaucrats who are moaning about the cost of construction), and it's not just OSH issues - it's most aspects of running a business. What about an hour wasted trying to contact the Inland Revenue Department. In real terms the one hour wait to achieve nothing has cost you \$525 in turnover just to cut even.

The argument that it's an administrative cost is fine if it is a necessary part of doing business, but if it's time wasting then it is not necessary.

All industries seem to have got caught up in systems of negative reporting, and when we say negative reporting we mean reporting on issues even if all is well. How about having to submit a report every month that the toilets have been cleaned and there are no issues to report?

What about reporting monthly that you have attended 20 callouts and there are no issues to report and no OSH incidents or near misses have occurred. Whatever happened to the saying no news is good news?

Perhaps too much reliance is being put on administrative safety and protection rather than actual safety and protection. Perhaps the money wasted on enforcement of administration would be better invested in practical hands on solutions provided free of charge?

Government and big business always harp on about productivity, well perhaps they should look at ways to minimise administration and negative reporting so small and medium sized businesses can get on and do what they do best and that's work!

What are your thoughts? And while you are writing to us, tell us your thoughts on a Governance Board voted on by the industry for the industry. A Board that will fight for the industry and help address the issues we have mentioned above. If we don't get some form of governance then the industry will continue to be the slaves of the bureaucrats.

The third line of thought is where the industry has its biggest problem. These people are sick of the costs and the baby sitting. Sick of the poaching of partially qualified apprentices and sick of waiting for things to change.

Most of them want to progress and increase productivity but are being held back by others in positions of influence who want to make money out of the apprenticeship scheme and training.

The current apprenticeship scheme is a failure - yet Skills keeps pushing on with it.

The Registration classes don't help as they cater for the first line of thought we mentioned above.

If the Bureaucrats aren't careful they will leave the run too late for the industry to recover.

It is time for the industry to stand up for itself and take the actions needed for self governance and TELL people what we need as an industry not ask them.

Statute of Limitations



of the Summary Proceedings Act 1957, an information in respect of an offence against this Act may be laid at any time within 3 years after the time when the matter of the information arose. Compare: 1964 No 132 s 36 Part

With the implementation of the 2006 Act it changed to the following:

127 Time for filing charging document

Despite anything to the contrary in section 25 of the Criminal Procedure Act 2011, the limitation period in respect of an offence under this Part ends on the date that is 5 years after the date on which the offence was committed. Section 127: replaced, on 1 July 2013, by section 413 of the Criminal Procedure Act 2011 (2011 No 81).

Before you celebrate too much you need to realise this; the statute of limitations only applies to non authorised people. Yes - they can only be held to account for 5 years but for those of us who adhere to the law are held to account forever because any offences we commit are classified as discipline and the statute of limitations doesn't apply.

Now this isn't the Plumbers Gasfitters and Drainlayers Boards fault but a fault of the legislation being the Plumbers Gasfitters and Drainlayers Act 2006. The same Act that should have been reviewed FIVE years ago but we are still waiting for action by the Government. An absolute joke and disgrace!

The statute of limitations is there to protect individuals from being held accountable **FOREVER**. Section 52 of the Plumbers Gasfitters and Drainlayers Act 1976 stated:

Time for laying information Notwithstanding section 14

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