



EWRB Consultation Document

To whom it may concern

We thank you for the opportunity to participate in and provide feedback on this consultation document.

Our entities, being the Institute of Heating, Refrigeration, Air Conditioning and Engineering (IRHACE), Climate Control Companies of New Zealand (CCCANZ) and Refrigerant Licensing New Zealand (RLNZ) on behalf of the HVAC&R industry have discussed your proposals in depth. Our entities represent a large proportion of the individuals, technicians, engineers and businesses in this industry. RLNZ as the training organisation for the industry have first-hand knowledge of the intricacies of the Electrical Workers Registration board and similar authorities.

As our members are required to complete Electrical Registrations or Licenses for their work, these changes will directly affect our membership. Therefore, following consideration of your questions provide feedback below

1. RLNZ as a training entity understand the complexity of delivering and pricing courses. To ensure that costs are covered, that training is not devalued, that the quality of training and therefore quality of the qualification is maintained. And on the other hand, to ensure that pricing is affordable to most registrants.
2. HVAC&R Industry technicians must complete requisite EWRB licenses for their work which include but are not limited; Electrical Service Technician, Electrician, Electrical Appliance Serviceperson (endorsed or not), Electrical Installers, Associated Tradesperson. to ensure compliance in their roles as Refrigeration and or Mechanical Services Technicians/ Engineers. As such the costs and potentially these price changes directly impact our membership. We have a strong appreciation therefore of the diverse mix of large commercial and SME enterprises and the financial considerations that must be made for these varying businesses in making this submission.
3. With an understanding of pricing models, the abovementioned entities question the EWRB pricing model, though acknowledge its creation is set in law. That said, a fairer, more commercial and sustainable model is also possible. We of course recognise and understand the need to ensure a form of 'Not for Profit' status is maintained, regardless there should be a method of predicting costs going forward. This, rather than the current method of managing arrears or surpluses based on a 'pot of money' seems outdated and unrealistic in this market.
4. We also point out that qualifying for and holding Electrical Registration is important. To ensure compliance and the assurance to the public, that workers can demonstrate training,

understanding, Continuing Professional Development, that compliance is vital. For the workers there must be a perceived value. That comes at a cost.

5. We understand EWRB may not wish to or be able to make a 'profit' however allowing a small contingency sum for unexpected eventualities is not unreasonable as long as your base pricing is fair and can be reasonably benchmarked.
6. Reading your Consultation document, you provide **Comparisons to other fee regimes**. Some of the benchmarks and parallels are feasible. However, your comparison with Registered Architects is somewhat flawed. Registered architects spend in excess of 7 years attaining that qualification, more than a Brain Surgeon or Barrister and certainly your Electrician.

Our industry thank you for the opportunity to provide this feedback and would be happy to provide further advice and feedback to MBIE and the EWRB to develop a workable model which would allow a sustainable, yet equitable format for the future.

We answer your questions below in detail.

Question 1: what impact will the change in registration fee have on you or your business? Do you agree that the fees should be simplified across the three different registration types?

Regardless of how you view these increases they are substantial. Unless where justified due to previous incorrect pricing (as in the justifiable case of the Application for overseas trained registrations), 372% increases are totally out of step with comparable course costs in similar industry sectors. Whilst most larger businesses will no doubt see the increases as 'a cost of doing business' and shrug them off, such sizeable increases to smaller businesses and SME's may be perceived as prohibitive. That said it seems that the pricing 5 years ago may have been undercosted and unrealistically low and it is likely that EWRB are only now playing catch-up.

Despite no increases for 5 years and potentially what may have been unrealistic pricing established at the time, due to the surplus you quoted, the substantial increase cannot be disregarded.

We also don't see satisfactory justification of what the actual pricing should be. Pricing (regardless of the legal status that created this scenario) should not be based on the 'pot of money' available or not available at any given time. Other businesses can cost their activities satisfactorily and EWRB should be no different.

As with any Not for Profit scenario, any surplus can be reinvested for the good of the industry, training or developing the industry or even the certification policy.

Question 2: What are your views on the proposed fee for overseas trained registration applications? What impact will it have on your business?

The HVAC&R Industry and our entities aren't generally involved in registration for overseas applications but make 3 comments

1. With the shortage of trained staff in the construction sector (which can include Registered Electricians), we must ensure we don't deter applicants through unrealistic pricing.

Similarly, employers who may look to assist financing applicants also must not be deterred from supporting these applicants, if they see prices as prohibitive.

2. That's said, if the cost of application is not inconsiderable, as outlined, so be it. The cost of immigrating to NZ is substantial and the cost of registration is not great in comparison to the overall cost of immigrating.
3. Another consideration is there is no point in devaluing the qualification that overseas applicants must make. Safety and compliance are of importance to us and the cost is commensurate with that.
4. Also, if that is what it costs to process overseas applications, so be it. The applicants should pay what it costs

Question 3: What impact will the change in limited certificate fee have on you or your business? Do you agree with the approach to simplify fees across the three different application types?

1. This change is less likely to affect our business, but if it did we feel that a higher fee would be reasonable. Build 'a bit of fat in' as mentioned prior.
2. I understand the theory as to why you want to simplify fees but feel there is no need. On the scheme of things, you don't have that many fees. As long as applicants understand what the registration is for and feel they are getting the qualification and credential they need they will see the value. You don't need to smooth the pricing schedule.

It is possible that by simplifying fees you will only create a new set of problems going forward if in 5 years you choose to revert. The old saying 'if it isn't broken don't fix it' is correctly applied here.

Question 4: What impact will the change in practising licence fees have on your business? Do you agree that the fees should be simplified across online and manual applications?

1. The cost as below for the practicing license would be better separated for online and manual licenses with realistic costs applied. A small increase in line with increases in other areas of the table would be reasonable for the online license say 15-30%, but to have the online registrants 'fund' manual license applications seems ludicrous and unfair.
2. What is more, we do not feel that such an increase is feasible, when you consider a comparable (also 5 yearly) license with the Refrigerant License New Zealand for our engineers and technicians is only \$149.
3. We can appreciate that simplifying costs is a logical construct. But we don't agree at all with the thought to have a flat (single) fee for online or manual applications.

As businesses move to online transactions, which are often less costly to administer why on earth are you considering showing favour to the manual model? We expect that the manual model would be less efficient, more time consuming and slower, therefore, more, costly.

The online model is far more efficient and should be encouraged. Therefore, the HVAC&R Industry don't agree with this proposal.

Question 5: What impact will the change in the 'Other fees 'have on you your business? Do you agree with the approach to simplify fees across the three categories?

1. The 'other fees' increases read as fair. The increases are not excessive and are to our knowledge comparable with similar fees elsewhere. As mentioned in our preface however, it is logical to allow a small premium if this can be benchmarked against other similar services.
2. As in Q3, #2 we believe that the method of fee costing is a flawed model and should be reconsidered

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