

Discussion Document

Electrical Workers Registration

Board Fees

November 2004

1. Purpose of this paper

The purpose of this paper is to provide interested people with the opportunity to comment on proposals to review fees payable for Electrical Workers Registration Board (Board) services. The present fees are listed in schedules to the Electricity Regulations 1997.

2. Executive Summary

It is proposed to

- reduce the cost of on line applications for electrical worker practising licences from \$92.00 to \$60.00 for the 2005 practising licence round;
- reduce Certificate of Compliance fees from \$6.00 and \$50.00 to \$4.00 and \$25.00;
- reduce registration fees for National Certificate holders from \$103.00 to \$70.00;
- introduce new fees and rationalise existing fees.

It is considered that the proposed fee amendments have the potential to reduce the cost of compliance to practising licence holders and those people who purchase Certificates of Compliance by approximately \$1,100,000 per annum.

3. Introduction

The fees payable for Board functions were set in 1993 and apart from changes relating to practising licences and the reduction of the cost of Certificates of Compliance, the fees have remained at the levels introduced at that time.

The Board and the Electrical Workers Licensing Group (EWLG) have made cost savings in relation to Board functions and it is considered that such savings should be passed on to Board fee payers at this time.

In addition, it is proposed that new fees be introduced to reflect the costs of providing services that are not presently charged.

4. Background

In 2001 the Board and the EWLG commenced work on a new strategic direction and in 2002 a three-year Strategic Plan (copy available at www.ewrb.govt.nz) was introduced. The key objective in introducing the Strategic Plan was for the Board and the EWLG to be an efficient and effective business unit.

For many years sectors of the industry have been concerned at what was seen as the excessive costs practitioners were required to pay through their licensing and associated fees.

Those concerns, along with opportunities to integrate Board functions and the overall desire to increase the efficiency and effectiveness of the work and services performed by the organisation, were the drivers for a three-year strategic direction.

5. Benefits

When the Strategic Plan was introduced, it was anticipated that considerable cost savings were possible and that such savings would be realised during the 2003/2004 financial year and out years.

6. Savings

Since the introduction of the Strategic Plan total monetary Board and EWLG savings in excess of \$600,000 have been realised for comparable functions carried out before and after the implementation of the strategy.

7. Reasons for the savings

The savings have resulted from amended Board policies, coupled with EWLG savings made as a direct outcome of combined staff and management commitment to the objectives of the Strategic Plan.

The Board amended its policies in relation to publicity programmes, dissemination of information and worker competency auditing.

Following the establishment of the Board in 1993 arrangements were entered into for publicity programmes and the dissemination of information. During the six-year period between 1995 and 2001 the Board spent approximately \$2,100,000 on publicity campaigns and the dissemination of Board information. Five providers co-ordinated the publicity programmes and the main dissemination of information was done through ElectroLink magazine.

In March 2001, following a “zero based” budgeting exercise, the Board agreed to:

- curtail its publicity spend and engage the EWLG to co-ordinate publicity programmes;
- engage the EWLG to produce and distribute the Boards own ELECTRON newsletter;
- further develop its World Wide Web functions.

In the area of worker competency auditing the Board reduced its auditing function under the Certificate of Compliance programme and highlighted the auditing of registered persons who did not uplift practising licences.

A Memorandum of Understanding was also developed with the Electrical Contractors Association of New Zealand, which in part entitles the Board to rely on the Association to have systems in place to ensure that the organisation’s participating (branded) membership, and employees of that membership, maintain the level of competency required by regulation.

Fundamentally the Memorandum of Understanding requires practising licences to be uplifted where required, prescribed electrical work to be certified where necessary and appropriate supervision of workers to be undertaken. It is considered that such agreements have positive outcomes and cost benefits for both parties.

From a Board perspective, less money is expended auditing an organisation compared to individuals while the Association’s participating membership, and employees of that membership, are afforded low risk status in the Board’s audit strategies.

The EWLG, in accordance with the Strategic Plan, aligned its personnel structure with the strategy and in so doing reduced its personnel costs by approximately \$320,000 per year for comparable functions carried out before and after the implementation of the Strategic Plan.

This reduction has been achieved whilst the EWLG continued to carry out all administration functions and provide professional services to the Board.

The EWLG has integrated its financial management, call centre and IT functions into

the Ministry. This has resulted in improved financial management and improved client service.

An average of one hundred and fifty telephone calls per day are being answered for the Board through one call centre and a “state of the art” on line licensing system. In conjunction with the licensing system fully revised licence issuing techniques have been introduced through one processing centre. The practising licence initiatives have resulted in the costs of licence issuing being reduced considerably.

The EWLG has established new procedures and agreements for Board examinations following the Boards decision to continue with the administration of registration examinations.

Examinations which were conducted in the United Kingdom and South Africa have been discontinued.

New policies have also been introduced for the issuing of provisional licences and the handling of registration applications from overseas trained electrical workers.

An agreement was entered into between the Board and SiteSafe that enables electrical workers to attend one tuition course to satisfy both the Board practising licence and SiteSafe Passport requirements. Again lower costs have resulted from the new policies and procedures.

8. Tangible benefits from the savings to date

The savings made by the Board in relation to its revised publicity and dissemination of information policies have enabled the Board to enter into agreements with Standards New Zealand to provide Standards AS/NZS 3000, and AS/NZS 3760 to practising licence holders and trainees.

The Board also entered into an agreement with the Electricity Engineers Association, which enabled the Board to provide a line mechanics handbook to line mechanics that uplifted practising licences. Legislation/regulation amendments and an Electricity Regulations 1997 compilation have also been provided to practising licence holders and trainees.

The Board has continued with its two waves of advertising in print in 2003 and 2004 to make the public aware of the need to engage suitably authorised electrical workers who certify their work.

9. Proposed fees

It is proposed to introduce a new fee structure for Board services to recognise the gains obtained from Board policy changes and EWLG initiatives.

The proposed new fee structure will revise and rationalise existing fees. It introduces new fees for overseas-trained electrical workers seeking registration and those New Zealand applicants seeking registration who have not completed competency based or time served training agreements. These two registration functions take considerable EWLG staff time to complete because of the complexities involved.

It is proposed to revise fees for practising licence applications made on line, and Certificates of Compliance. It is considered that the fees payable for practising licence applications made on line should be revised to recognise the decreased costs due to the implementation of high quality IT systems and improved issuing processes.

It is further considered that the fees for Certificates of Compliance should be revised so that the fees directly relate to the cost of auditing work carried out under the Certificate of Compliance programme and administering that programme.

It is proposed to rationalise fees for a number of functions that are of a similar nature and where annual volumes are low, and delete some fees.

It is proposed to delete fees for registration applications considered under the Trans Tasman Mutual Recognition Agreement (TTMRA), remarking of examination answer scripts, return of examination answer scripts, and late examination entry fees.

Persons applying for registration under the TTRMA have previously been licensed by Australian Licensing Authorities to Australian/New Zealand requirements and the majority of such applications take minimal time to process. Applicants under TTMRA will be required to uplift practising licences and pay the applicable licensing fees.

Identification cards for trainees including those issued under the Board/Site Safe agreement and any other such agreements that may be entered into will be issued free of charge.

The following fees are proposed for Board services

Service	Present fee	Proposed fee
	(\$)	(\$)
	GST (Inc)	GST (Inc)
Practising licence (on line)	92	60
Practising licence (manual)	92	92
Application for registration (National Certificate holders) including trades person and for a provisional licence	103 and 34	70

Written examination entry		
(all categories)	85 and 60	85
Special examination entry	149	149
Practical assessment		
(all categories)	25	25
Application for registration		
(overseas workers)	103	348
Application for registration		
(NZ informally trained workers)	103	174
Certificates of compliance	6 and 50	4 and 25

The fee revision proposals will

- reduce practising licence fees by \$32.00 (35%) for applications made on line;
- reduce certificate of compliance fees by \$2 (33%), and \$25 (50%);
- reduce registration fees for National Certificate holders by \$33 (32%);
- introduce fees for provisional licences, tradespersons certification and specific registration applications that reflect the cost of the services provided;
- rationalise examination entry fees by increasing those fees applicable to electrical service technicians to the level which presently applies to electricians, electrical inspectors and line mechanics;
- provide for the free remarking and return of examination answer scripts;
- provide free late entry to examinations.

10. Cost of Compliance

One of the Board and EWLG key priorities is to reduce the cost of compliance to people who pay fees for Board and EWLG services.

Based on present volumes of practising licences issued and Certificates of Compliance sold it is considered that the proposed fee amendments have the potential to reduce the cost of compliance to practising licence holders and Certificate of Compliance purchasers by approximately \$1,100,000 per annum.

11. Introduction of proposed fees

The Board has agreed in principle to the reduction for the on line practising licence and subject to the outcome of the consultative process, it is expected that the new fee will take effect from 1 July 2005.

12. Future initiatives

As indicated above the Board and the EWLG are committed to providing a cost-effective service and as such the EWLG has either commenced work or is planning for the following initiatives:

- The introduction of an on line “bookshop”. This will enable Certificates of Compliance to be purchased, recorded and receipted on line;
- The scanning of Board records into databases so that the vast amount of hard copy material stored by the Board can be dispensed with;
- The introduction of the form of the Certificate of Compliance on line. This will enable Certificates of Compliance to be downloaded and used as and when required;
- The introduction of two-year practising licences. This will enable the validity of the practising licence to be aligned with prerequisite refresher training and it will also require only one practising licence application to be made every two years with a fee of \$100.00 per two year period.

It is considered that the above future initiatives, along with the ongoing work being done with training organisations and training providers in relation to the alignment of qualification/registration/licensing requirements, will lead to further cost reductions for Board services.

13. Other EWLG functions

The EWLG carries out a number of other functions for the Ministry of Economic Development such as complaints assessment, employer licensing and investigations for alleged breaches of the electrical registration requirements.

All Ministry of Economic Development functions such as those cited above are separately funded through the Electricity Levy do not form part of the Board cost structures and as such do not form part of this discussion paper.

14. Public Comment on proposed fees

All interested persons are invited to provide comment on the proposed fees revision.

If you would like to comment on the proposed fees review, please address your correspondence to me at:

PO Box 10156, Wellington or

email to john.sickels@med.govt.nz

by 8 December 2004.

John Sickels

Group Manager

5 November 2004