



Plumbers, Gasfitters
& Drainlayers Board

| 2012

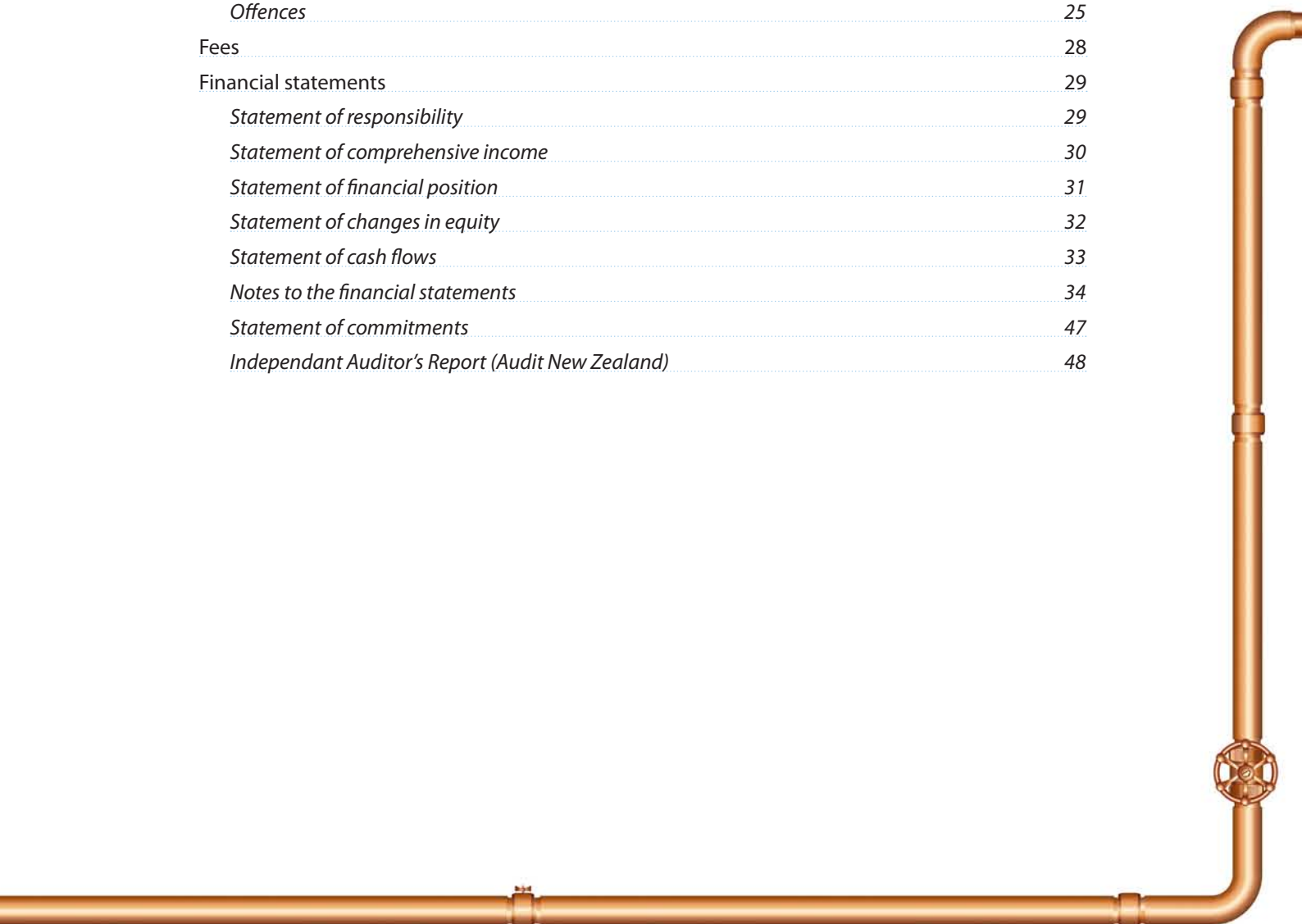
ANNUAL REPORT



The Board's purpose is to protect public health and safety in New Zealand by ensuring that people involved in the provision of plumbing, gasfitting and drainlaying services are competent.

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Introduction



The Board has made substantial progress over the past year in addressing issues in relation to the Board's accountability to the Minister and in resolving the legacy issues identified in the report from the Office of the Auditor General (OAG).

Work is well under way to meet the remaining targets within the accountability agreement that relate to the forthcoming year and the recommendations in the OAG report.

I remain committed to my personal goal of restoring the reputation of the Board so that it is respected and appreciated as a fair and responsible regulator in the public's interest and I am confident that the Board's progress in 2011 will significantly contribute to this goal.

The past year has been both challenging and rewarding and I would like to acknowledge the efforts and professionalism of the Board's members. I would also like to thank the Board's Chief Executive and staff for contributing to a very sound performance in 2011/12.

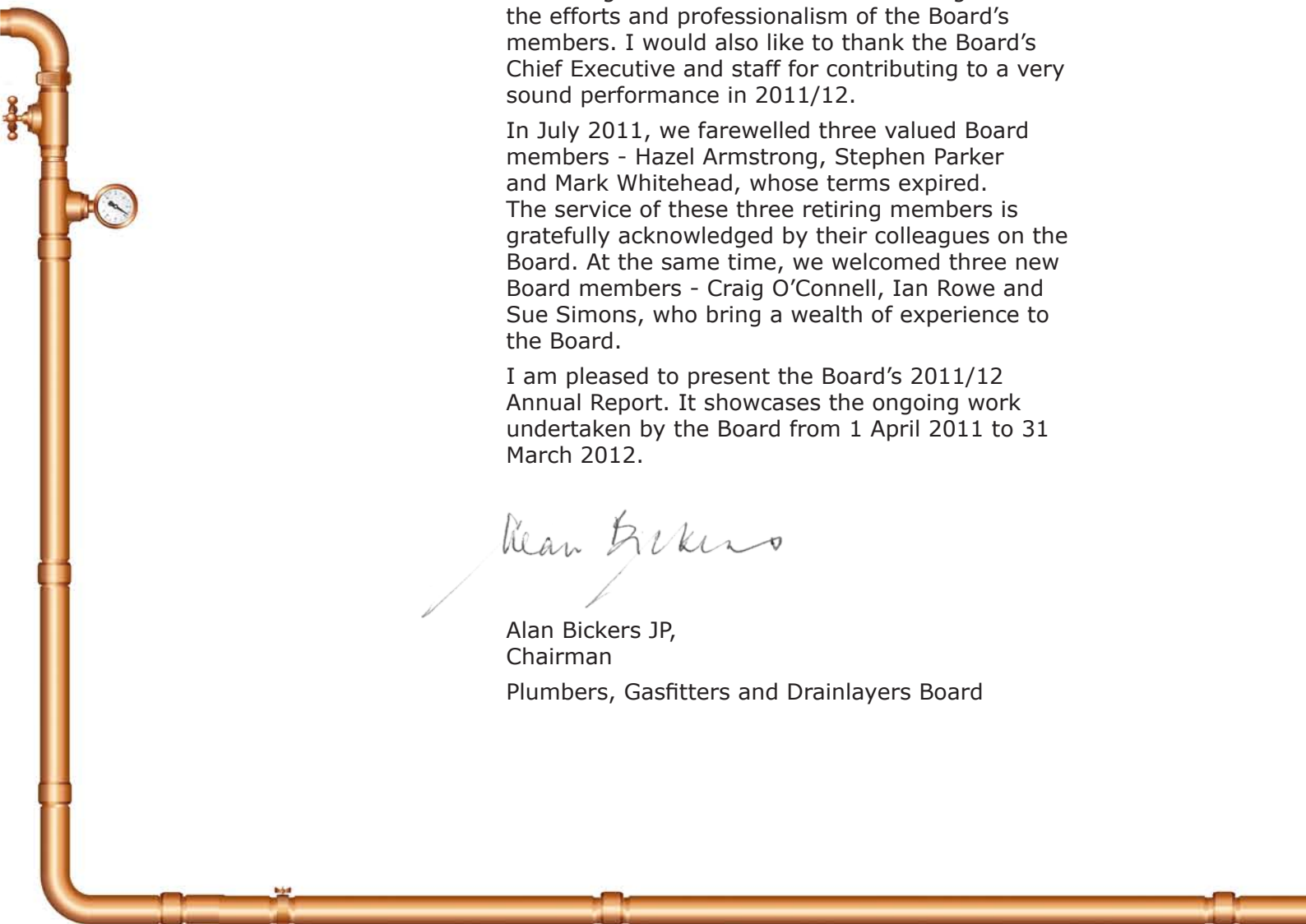
In July 2011, we farewelled three valued Board members - Hazel Armstrong, Stephen Parker and Mark Whitehead, whose terms expired. The service of these three retiring members is gratefully acknowledged by their colleagues on the Board. At the same time, we welcomed three new Board members - Craig O'Connell, Ian Rowe and Sue Simons, who bring a wealth of experience to the Board.

I am pleased to present the Board's 2011/12 Annual Report. It showcases the ongoing work undertaken by the Board from 1 April 2011 to 31 March 2012.

A handwritten signature in dark ink, appearing to read 'Alan Bickers', with a long horizontal stroke extending to the left.

Alan Bickers JP,
Chairman

Plumbers, Gasfitters and Drainlayers Board



Foreword

The Board has entered a period of strategic rebuilding of its direction and is moving to strengthen the capacity, capability and credibility of the organisation.

In February 2011, the Board adopted its strategic plan which set out the significant challenges facing the Board and how it planned to address them over the coming three years. The Board's business plan, also adopted in early 2011, outlined the program of work the Board will deliver from 1 April 2011 to 31 March 2012.

In 2011, the Board undertook a review of its governance and operational policies. The Board developed and adopted a wide-range of policies including a policy on historical complaints resolution, general complaints resolution, employer licences and separate policies on the granting of exemptions. The core decision-making policy, that covers licensing and registration matters, was adopted by the Board in March along with separate policies relating to supervision and provisional licences.

The Board developed and implemented its first communications strategy in June 2011. The strategy outlines a coordinated approach to the Board's communications activities to support the strategic objectives of the Board. Significant emphasis is placed on keeping target audiences effectively informed and increasing stakeholder engagement. During 2011, the Board continued to regularly communicate and engage with key stakeholders through its e-newsletter and consultation opportunities.

In September, the Board launched an important public awareness campaign, *Ask for the Card*. The campaign aims to drive up public awareness of the importance of hiring authorised tradespeople. Marketing materials were distributed nationally and this campaign continues throughout 2012 with the distribution of vehicle stickers and a series of articles in community newspapers. The Board will also target an, as yet, unidentified region with the objective of identifying and prosecuting those people it finds are working illegally.

During the last year, the Board has undertaken public consultation on a range of important matters relating to registration and licensing, including: a review of fees and the disciplinary levy, a review of continuing professional development (CPD), a competencies review and a review of the minimum requirements for the registration of overseas-trained tradespeople.

In October, during the public consultation period, the Board held a series of nine regional public meetings which provided people with an opportunity to express their views in person or ask the Board questions. The Board was very pleased with the level of response received in all its consultations and listened very carefully to the diversity of views that were expressed.

In December 2011, following public consultation, the Board reset the fees and disciplinary levy. The disciplinary levy was reset from \$271.91 to \$175 and reflects only the cost of discipline. A new offences fee (\$90) was introduced to fund the cost of prosecuting people working illegally in the industry. These changes took effect from 12 January and addressed the issue of non-compliance that was the subject of a complaint to the Regulations Review Committee. A number of other fees were revised at this time including the fee for a practical test of workmanship, an employer license and an exemption under Section 24. A new fee was introduced for an exemption under Section 52 of the Plumbers, Gasfitters and Drainlayers Act 2006.

Further consultation on the Board's proposed minimum requirements for the registration of overseas-trained tradespeople will be undertaken later this year along with a comprehensive fees review in August. While the comprehensive fees review forms part of our Accountability Agreement with the Minister, it is also essential following the government's review of gas certification in New Zealand which will see the Board lose its gas certification role and income from 1 April 2013. This is not only challenging for the Board from a financial position, but there is also the question of how the Board will monitor gasfitter competence in the future if it no longer has a role in auditing installations.

The Board undertook its first stakeholder satisfaction survey in February 2012. The survey helped the Board gain an understanding of how its performance is perceived by tradespeople and the results from this first survey establish a satisfaction baseline from which to compare the results of future surveys and measure improvements. 406 randomly selected registered tradespeople were interviewed by telephone and given the opportunity to have their say on a range of matters. Overall, a relatively high level of satisfaction was recorded in terms of the Board's performance in the areas of general service and communications (ranged from 81.5%-86%). Respondents were less satisfied with the Board's consultation (56%-65%) and licensing and/or registration processes (59%). These results were clearly influenced by views held on CPD and the disciplinary levy. Respondents provided a wide-range of suggestions for improving our performance and many of these provide valuable opportunities for the Board to do just that.

2011 was a record year for candidates sitting the Board's examinations. More candidates sat exams and passed in 2011 than in any previous year. This high level of achievement is reflected in higher levels of registration recorded in 2011.

The Board worked collaboratively with the PGDR ITO during 2011 on the concept of integrating the Board's examinations into the National Certificates. Good progress was made but no decision can be reached until the final form of the new National Certificates is known.

The Plumbers, Gasfitters and Drainlayers Act 2006 was implemented only two years ago and, as with all new legislation, experience gained in operating it will identify areas that could benefit from review. Thus, during 2011 the Board worked with the Department of Building and Housing to identify aspects of the Act that should be considered for review.

The Board reviewed its disciplinary processes in 2011. In conducting the review, the Board was mindful of the need to undertake this role in a cost-effective manner and also to focus on rehabilitative rather than punitive outcomes.

The Board has another busy year ahead. The strategic plan, a summary of which is contained in this report (page 10-11), shows what the Board's focus will be during that time.



Alan Bickers,
Chairman



Max Pedersen,
Chief Executive



Photo caption: (seated left to right) Sue Ineson, Alan Bickers, Peter Jackson, Craig O'Connell (standing left to right) James Fruean, John Simmiss, Bill Irvine, Sue Simons, Graham Hardie, Ian Rowe.

Role and functions

The services performed by plumbers, gasfitters and drainlayers have a direct effect on the health and safety of all New Zealanders, their property and the environment. These services help ensure that drinking water is high quality, that waste water is disposed of in a sanitary manner and that gas installations in homes and other places are safe.

The Plumbers, Gasfitters and Drainlayers Board ("the Board") is the statutory body established under the Plumbers, Gasfitters, and Drainlayers Act 2006 ("the Act") to regulate these trades and promote the health and safety outcomes that New Zealand wants and deserves.

The Board is responsible for administering the registration and licensing systems of plumbers, gasfitters and drainlayers and in doing so, is responsible for setting the minimum standards for registration and ensuring those persons carrying out regulated work are competent to do so. Broadly speaking, the Board's powers and functions can be categorised into registration, licensing, competence, discipline and prosecution.

The Board receives complaints and, as a result, may investigate and discipline registered persons (including provisional licence holders) or instigate a prosecution in the District Court against those working illegally in the industry, most commonly unregistered or unlicensed persons.

The Board is a not-for-profit body whose operational revenue is derived from fees (such as registrations, licences, examination) and levies on the tradespeople who are registered and licensed. There is no general tax payer contribution to any of its operations.

The Board operates within the building industry framework, including the Gas Act 1992 and the Building Act 2004.

The Board consists of ten ministerially-appointed members representing both the trade and the public. A CE/Registrar is appointed by the Board and supported by 17 employees to undertake the Boards day-to-day operations.



Membership

Board membership as at 31 March 2012 is indicated below in blue.

Alan Bickers	Chairman (Chair since 26 July)
Peter Jackson	Deputy Chairman (Deputy Chairman since 14 February)
John Simmiss	Member (Deputy Chairman from 26 July - 14 February 2012)
James Fruean	Member
Graham Hardie	Member
Sue Ineson	Member
Bill Irvine	Member
Craig O'Connell	Member (since 12 July 2011)
Ian Rowe	Member (since 12 July 2011)
Sue Simons	Member (since 12 July 2011)
Hazel Armstrong	Chairperson (until 11 July 2011)
Stephen Parker	Deputy Chairman (until 11 July 2011)
Mark Whitehead	Member (until 11 July 2011)

Committees

As at 31 March 2012, the Board had two committees: the Audit and Risk Committee and the Employment Committee. The Audit and Risk Committee was chaired by Sue Ineson and included members Alan Bickers, John Simmiss and Craig O'Connell. The Employment Committee was chaired by Alan Bickers and included members Peter Jackson and Sue Ineson.

Alan Bickers (Chairman)

Mr Bickers provides dispute resolution, management and governance services to public and private sector clients and is an independent resource consent commissioner for regional and territorial authorities. Mr Bickers also chairs the Building Practitioners Board and the disciplinary committee for the Chartered Professional Engineers Council and IPENZ.

Mr Bickers has worked in local government engineering and management with his last position as Chief Executive of Tauranga City/District Council (1987-1995). He has served on the Standards Council of New Zealand (1993-1997), on the Board of Transit New Zealand (1997-2004), where he was Chair for three and a half years, and in other governance roles.

Mr Bickers holds a Bachelor of Engineering (Civil), Graduate Diploma in Business Studies (Dispute Resolution) and is a Chartered Professional Engineer. He is a Distinguished Fellow of the Institution of Professional Engineers New Zealand, a Fellow of the Arbitrators' and Mediators' Institute of New Zealand and the Institute of Directors and is a Justice of the Peace.

Mr Bickers was appointed in January 2011 and is from Tauranga. His current term expires in January 2014.

Peter Jackson (Deputy Chairman)

Mr Jackson is registered as a certifying plumber, gasfitter and drainlayer. He is the Director of H²O Design Ltd and Site Safe New Zealand. Mr Jackson serves as the Director and Deputy Chair of the New Zealand Plumbers Merchants and a trustee of the Apprenticeship Training Trust. He is also an Accredited Director of the Institute of Directors. Mr Jackson served earlier terms on the Plumbers, Gasfitters and Drainlayers Board during 1992-2000.

Mr Jackson was most recently appointed in September 2010 and is from Invercargill. His current term expires in September 2013.



James Fruean

Mr Fruean is registered as a certifying drainlayer and is the co-owner of Wellington Pipelines Ltd. Mr Fruean is involved in both public and private drainage and water supply projects. He served an earlier term on the Plumbers, Gasfitters and Drainlayers Board during 2008-2010.

Mr Fruean was most recently appointed in September 2010 and is from Lower Hutt. His current term expires in September 2012.



Graham Hardie

Mr Hardie is registered as a certifying gasfitter and drainlayer and as a licensed plumber. Mr Hardie is the owner of River City Gas, a gas appliance and servicing company, and New Zealand Gas Group Ltd, whose purpose is to increase practitioner awareness and education of gas appliance servicing and installations specifically around health and safety.

Mr Hardie was appointed in September 2010 and is from Wanganui. His current term expires in September 2012.



Sue Ineson

Ms Ineson has worked for over 20 years as a leader, CEO and Board member in the not for profit and health sectors. Ms Ineson is now the Director of Karo Consultants Ltd, consulting in health and occupational regulation. She served as the Chief Executive Officer of the Medical Council of New Zealand for seven years. Ms Ineson holds a Bachelor of Arts degree, Diploma of Business Studies and is a Fellow of the New Zealand Institute of Management and a Member of the Institute of Directors.

Ms Ineson was appointed in September 2010 and is from Wellington. Her current term expires in September 2012.



William Irvine

Mr Irvine is registered as a certifying drainlayer and currently works as an educator and consultant. Mr Irvine is a former Technical Adviser to the Building Research Association of New Zealand and holds a Diploma in Business Studies Dispute Resolution. Mr Irvine is a Director of Arbitration New Zealand Ltd.

Mr Irvine was appointed in September 2010 and is from Taupo. His current term expires in September 2013.



Craig O'Connell

Mr O'Connell is the owner/Director of the Management consulting firm, Recruitment and Performance (RAP) Consulting Limited. Mr O'Connell served as the acting Chief Executive of the Plumbers, Gasfitters and Drainlayers Board from February to November 2010. He holds a Bachelor of Arts in psychology and a Bachelor of Commerce and Administration in economics.

Mr O'Connell was appointed in July 2011 and is from Wellington. His current term expires in July 2014.



Ian Rowe

Mr Rowe is registered as a certifying plumber and has a BA in education and psychology. He has taught in several polytechnics and is a former Associate Director of Wanganui Polytechnic. He was a Field Officer for NZ Educational Institute and is currently the Regional Manager of the Central Hub of Ako Aotearoa, the National Centre for Tertiary Teaching Excellence.

Mr Rowe was appointed in July 2011 and is from Palmerston North. His current term expires in July 2014.



John Simmiss

Mr Simmiss is registered as a certifying plumber and drainlayer. Mr Simmiss served as the Deputy Chair of the Plumbers, Gasfitters and Drainlayers Board from July 2011 to February 2012. Mr Simmiss currently represents New Zealand on the World Plumbing Council.

Formerly, Mr Simmiss was a chair and board member of the Plumbing, Gasfitting, Drainlaying and Roofing Industry Training Organisation and a past president of Master Plumbers.

Mr Simmiss was appointed in September 2010 and is from Havelock North. His current term expires in September 2012.

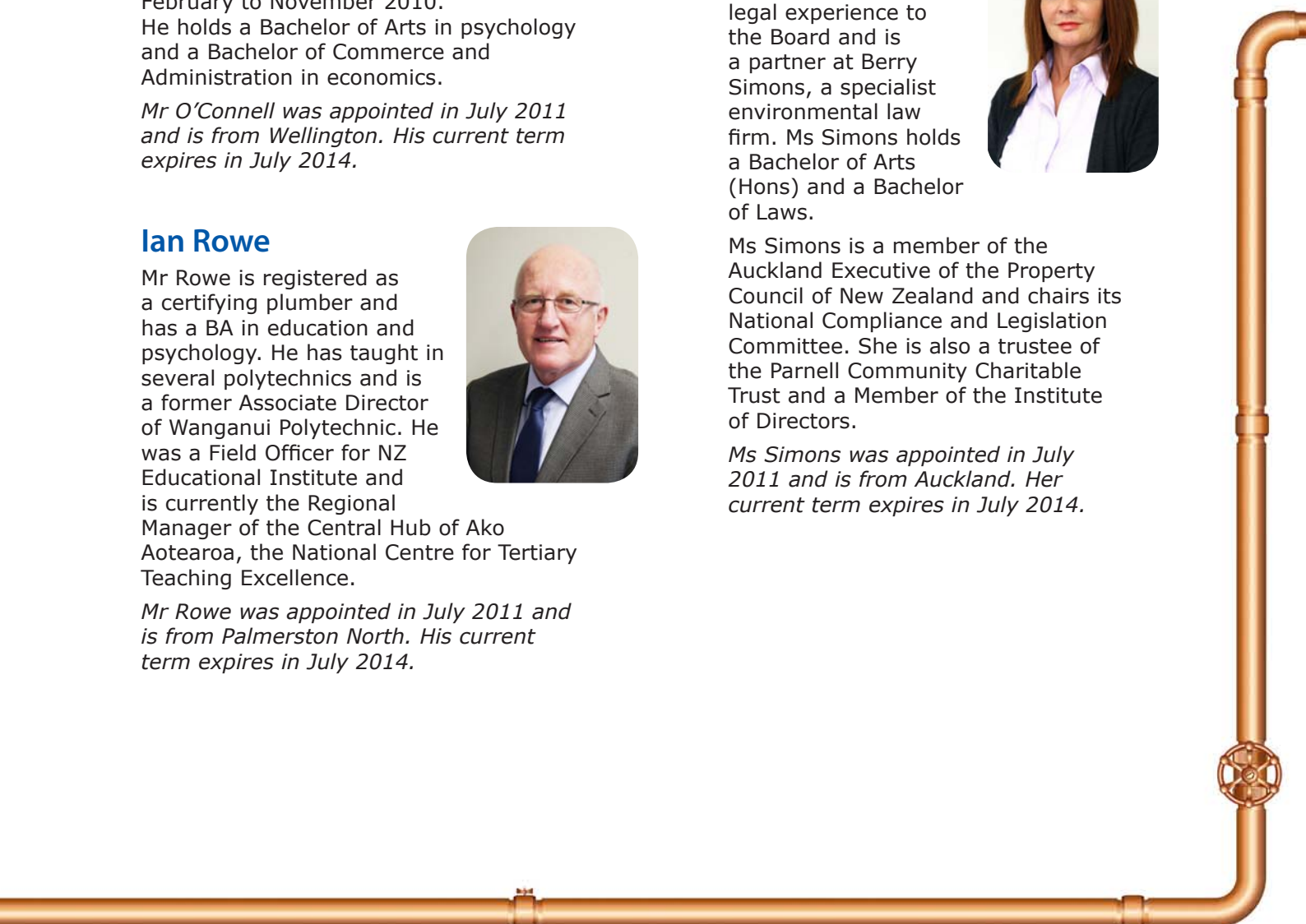


Sue Simons

Ms Simons brings over 25 years of legal experience to the Board and is a partner at Berry Simons, a specialist environmental law firm. Ms Simons holds a Bachelor of Arts (Hons) and a Bachelor of Laws.

Ms Simons is a member of the Auckland Executive of the Property Council of New Zealand and chairs its National Compliance and Legislation Committee. She is also a trustee of the Parnell Community Charitable Trust and a Member of the Institute of Directors.

Ms Simons was appointed in July 2011 and is from Auckland. Her current term expires in July 2014.



Strategic objectives

During the year the Board reviewed its Strategic Plan and a new plan was adopted on 14 February 2012. The Strategic Plan sets out the significant challenges facing the Board and how it plans to address them over the coming three years. The Board is entering a period of strategic rebuilding of its direction and is moving to strengthen the capacity, capability and credibility of the organisation.

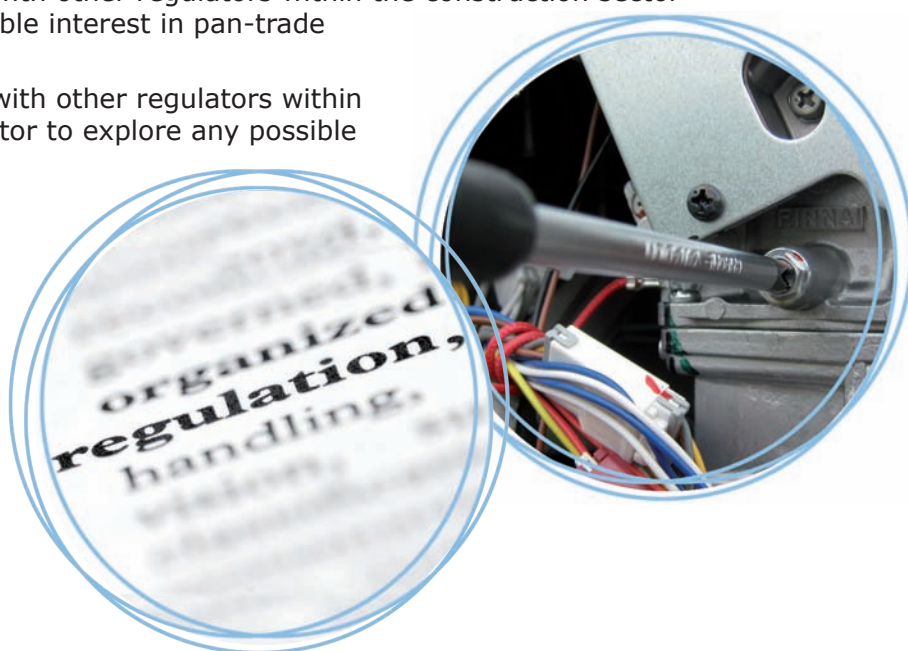
The Boards' 2012/13 strategic objectives include:

REGULATION OF THE TRADES

- set standards that ensure the competency of tradespeople at the time they are registered
- prescribe requirements that promote the ongoing competence of licensed tradespeople
- undertake discipline in a way that is lawful, fair and reasonable, and is proportionate to the severity of any alleged offence
- support the regulated trades through the prosecution of unregistered and/or unlicensed people identified as undertaking plumbing, gasfitting or drainlaying work illegally
- advocate for changes to the Act to enable greater regulation of people working under exemptions.

GOVERNANCE AND SERVICE DELIVERY

- review all governance policies at intervals no greater than two years
- initiate discussions with other regulators within the construction sector to explore any possible interest in pan-trade reorganisation
- initiate discussions with other regulators within the construction sector to explore any possible interest in seeking common legislation
- explore the potential for shared or contracted services with other regulators.



THE ORGANISATION

- review fees at least every three years to ensure that income is adequate to fund the Board's functions
- advocate for some statutory functions to be funded from sources other than fees and levies paid by tradespeople
- review strategic and business plans annually
- monitor performance of the organisation against financial and non-financial targets and measures on a regular basis
- periodically measure the human resource establishment against business needs to ensure that capability and capacity is optimal
- maintain a robust risk management framework
- review all governance and operational policies, and delegations to ensure that they continue to be appropriate at intervals no greater than two years.

COMMUNICATIONS

- measure tradesperson opinion on key aspects of the Board's performance annually
- regularly inform stakeholders on matters relating to the Board, trade regulation and emerging compliance issues
- undertake research to identify the most effective way to communicate with tradespeople
- consult broadly and in a meaningful way, on all significant issues relating to registration, licensing and fees
- annually hold stakeholder meetings around New Zealand
- undertake initiative to increase public awareness of the need to use licensed tradespeople through highlighting the health and safety risks of not doing so.

LEGAL COMPLIANCE

- engage competent legal advisors who are experienced in administrative law
- maintain a rigorous organisation wide training and development programme related to regulatory compliance
- continue to develop sound policies to guide the exercise of decision-making powers
- review all regulatory policies at intervals no greater than two years
- review all delegations at intervals no greater than two years
- monitor the impact of changes introduced by the Act
- advocate for changes to the Act where this would lead to more efficient and effective implementation of the legislation.

Statement of service performance

Accountability Agreement with the Minister

Output	Performance criteria	Performance criteria achieved
Develop a framework to monitor the impact of the changes introduced by the 2006 Act	Target completion date: 30 October 2011	This project was completed on 14 February 2012.
Develop a comprehensive communications strategy	Target completion date: 30 June 2011	This project was completed on 28 June 2011.
Develop infrastructure, policies and processes for considering and resolving grievances under the 1976 Act	Target completion date: 1 May 2011	The grievance resolution policy was adopted by the Board on 26 April 2011 and was operational on Monday 2 May 2011. The closing date for lodging complaints under this policy was 1 November 2011. Ten complaints were lodged. One complaint was progressed to a decision by 31 March 2012. One complaint was withdrawn.
Develop infrastructure, policies and procedures to facilitate resolution of complaints made by tradespeople	Target completion date: 1 July 2011 Individual complaints progressed to a recommendation to the Board within 20 working days of lodgement	This project was completed on 28 June 2011 and was operational on 1 July 2011. Decisions on 11 complaints were reached. Of these, 9 were progressed within the target timeframe. 6 complaints were still open at 31 March 2012. Of these, 4 had not been progressed within the target timeframe.
Review and develop policies in respect of licensing and registration that are compliant with the 2006 Act	Develop a licensing policy, including a definition of supervision. Develop a registration policy, paying particular to use of provisional licenses. Target completion date: 31 March 2012	The core decision-making policy, that covers licensing and registration matters, was adopted by the Board on 27 March 2012. Separate policies relating to supervision and provisional licences were adopted on the same date.



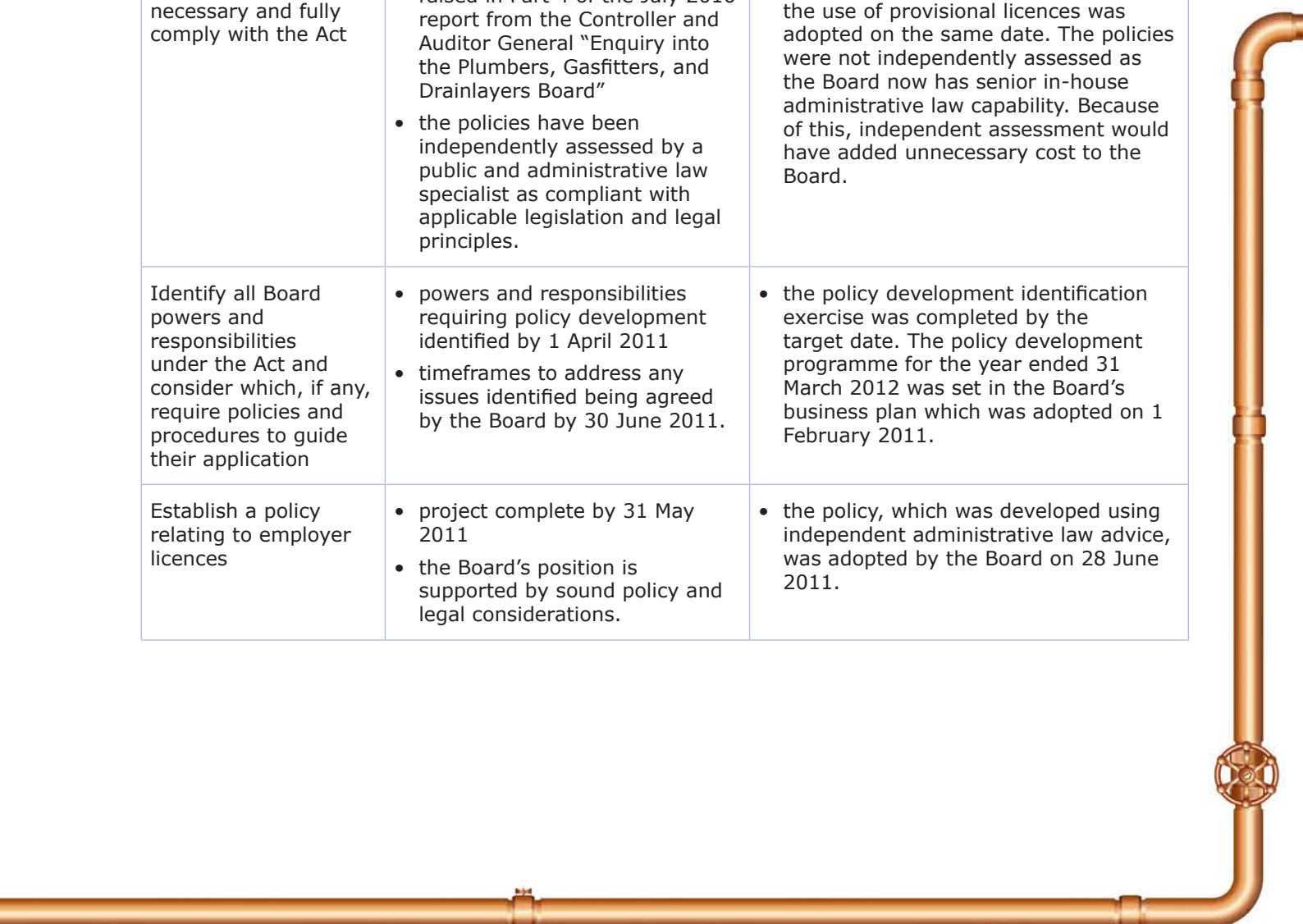
Output	Performance criteria	Performance criteria achieved
Develop a streamlined registration process and policies for registering overseas-trained tradespeople	Target completion date: 31 March 2012	The Board commenced consultation on an options paper on 21 February 2012. Submissions close on 5 April 2012
Review the Board's continuing professional development (CPD) scheme	Target completion date: 31 March 2012	Following input from an industry advisory group, the Board commenced consultation on a proposed new CPD scheme on 6 October 2011. 444 submissions were received, the majority of which opposed the proposed new scheme. As a consequence of this the Board amended its proposal and commenced a new round of consultation on 21 February 2012. Submissions closed on 5 April 2012.
Ensure examination questions are appropriate and able to be answered in the June 2011 examination	Target completion date: 1 June 2011	Pass rates for the June 2011 examination were as follows: <ul style="list-style-type: none"> • 9192 Licensed Plumber 87% • 9193 Licensed Gasfitter 72% • 9194 Certifying Common 85% • 9195 Certifying Plumber 62% • 9196 Certifying Gasfitter 81% • 9197 Licensed Drainlayer 83%
Work with Ministry of Economic Development and Department of Building and Housing to develop a gas audit process that provides adequate assurance of the safety of self-certified gas installations	Target completion date: 1 August 2011	This project was superseded by the Government review of gas and electrical certification.
Report to the Minister for Building and Construction on the impact on the Board of removing its gas certificate fee revenue	Target completion date: 31 January 2012	This task can not be completed until the final form of the gas certification review and the Board's role in auditing is known.
Consider what, if any amendments may be necessary to the Plumbers, Gasfitters and Drainlayers Act 2006	Target completion date: 31 March 2012	The Board approved a schedule of suggested amendments to the Act, at its meeting on 27 March 2012. These have since been forwarded to the Department of Building and Housing.
Conduct a review of, and reset, the disciplinary levy	Target completion date: 31 March 2012	The Board reset the disciplinary levy at its meeting on 5 December 2011. This was published in the <i>Gazette</i> on 15 December 2011.
Develop terms of reference for a fees review, considering all Board functions, to be undertaken during the 2012/13 year	Target completion date: 31 March 2012	The Board approved the Terms of Reference at its meeting on 27 March 2012.

Business Plan

Output	Performance criteria	Performance criteria achieved
Ensure the Board's policies are compliant, effective and efficient	<ul style="list-style-type: none"> review all policies, processes and delegations to ensure compliance with legislation every two years. 	<ul style="list-style-type: none"> the Board commenced a review of its policies in April 2011 and will conclude this in March 2013. After that date policies will be subject to rolling review on a two yearly cycle.
Develop a monitoring framework to monitor the impact of changes introduced by the 2006 Act	<ul style="list-style-type: none"> framework in place by 31 October 2011 the Board is well informed on the impact of the 2006 Act and can produce robust information in support of any requested legislative changes that are sought. 	<ul style="list-style-type: none"> the framework was approved by the Board on 14 February. Baseline data will be recorded for the year ended 31 March 2012. Trend data will become available in future years.
Grievance resolution mechanism in place relating to Board decisions under the 1976 Act	<ul style="list-style-type: none"> resolution mechanism in place on 1 May 2011 all grievances progressed to a decision by 31 March 2012 all grievances lodged with the Board are processed in accordance with the resolution mechanism and within a reasonable time period. 	<ul style="list-style-type: none"> the grievance resolution policy was adopted by the Board on 26 April 2011 and was operational on Monday 2 May 2011 the closing date for lodging complaints under this policy was 1 November 2011. Ten complaints were lodged. The 31 March date for progressing all grievances to a decision is incorrect. The target date which was set within the output agreement with the Minister, is 1 May 2012. One complaint was progressed to a decision by 31 March 2012. One complaint was withdrawn.
General complaints and decision review mechanism in place	<ul style="list-style-type: none"> resolution mechanism in place by 1 July 2011 all complaints and requests for the review of Board decisions are processed in accordance with the resolution mechanism individual grievances progressed to a recommended course of action within 20 working days of lodgement unless the timeframe is extended in accordance with the mechanism. 	<ul style="list-style-type: none"> This project was completed on 28 June 2011 and was operational on 1 July 2011. Decisions on 11 complaints were reached. Of these, 9 were progressed within the target timeframe. 6 complaints were still open at 31 March 2012. Of these, 4 had not been progressed within the target timeframe.



Output	Performance criteria	Performance criteria achieved
Review the licensing policies to ensure that their requirements are necessary and fully comply with the Act	<ul style="list-style-type: none"> • policies reviewed by 31 March 2012 • the policies address the issues raised in Parts 3 and 4 of the July 2010 report from the Controller and Auditor General "Enquiry into the Plumbers, Gasfitters, and Drainlayers Board" • the policies have been independently assessed by a public and administrative law specialist as compliant with applicable legislation and legal principles. 	<ul style="list-style-type: none"> • the core decision making policy that covers licensing matters was adopted by the Board on 27 March 2012. A separate policy relating to supervision was adopted on the same date. The policies were not independently assessed as the Board now has senior in-house administrative law capability. Because of this, independent assessment would have added unnecessary cost to the Board.
Review the registration policies to ensure that their requirements are necessary and fully comply with the Act	<ul style="list-style-type: none"> • policies reviewed by 31 March 2012 • the policies address the issues raised in Part 4 of the July 2010 report from the Controller and Auditor General "Enquiry into the Plumbers, Gasfitters, and Drainlayers Board" • the policies have been independently assessed by a public and administrative law specialist as compliant with applicable legislation and legal principles. 	<ul style="list-style-type: none"> • the core decision-making policy that covers registration matters was adopted by the Board on 27 March 2012. A separate policy relating to the use of provisional licences was adopted on the same date. The policies were not independently assessed as the Board now has senior in-house administrative law capability. Because of this, independent assessment would have added unnecessary cost to the Board.
Identify all Board powers and responsibilities under the Act and consider which, if any, require policies and procedures to guide their application	<ul style="list-style-type: none"> • powers and responsibilities requiring policy development identified by 1 April 2011 • timeframes to address any issues identified being agreed by the Board by 30 June 2011. 	<ul style="list-style-type: none"> • the policy development identification exercise was completed by the target date. The policy development programme for the year ended 31 March 2012 was set in the Board's business plan which was adopted on 1 February 2011.
Establish a policy relating to employer licences	<ul style="list-style-type: none"> • project complete by 31 May 2011 • the Board's position is supported by sound policy and legal considerations. 	<ul style="list-style-type: none"> • the policy, which was developed using independent administrative law advice, was adopted by the Board on 28 June 2011.

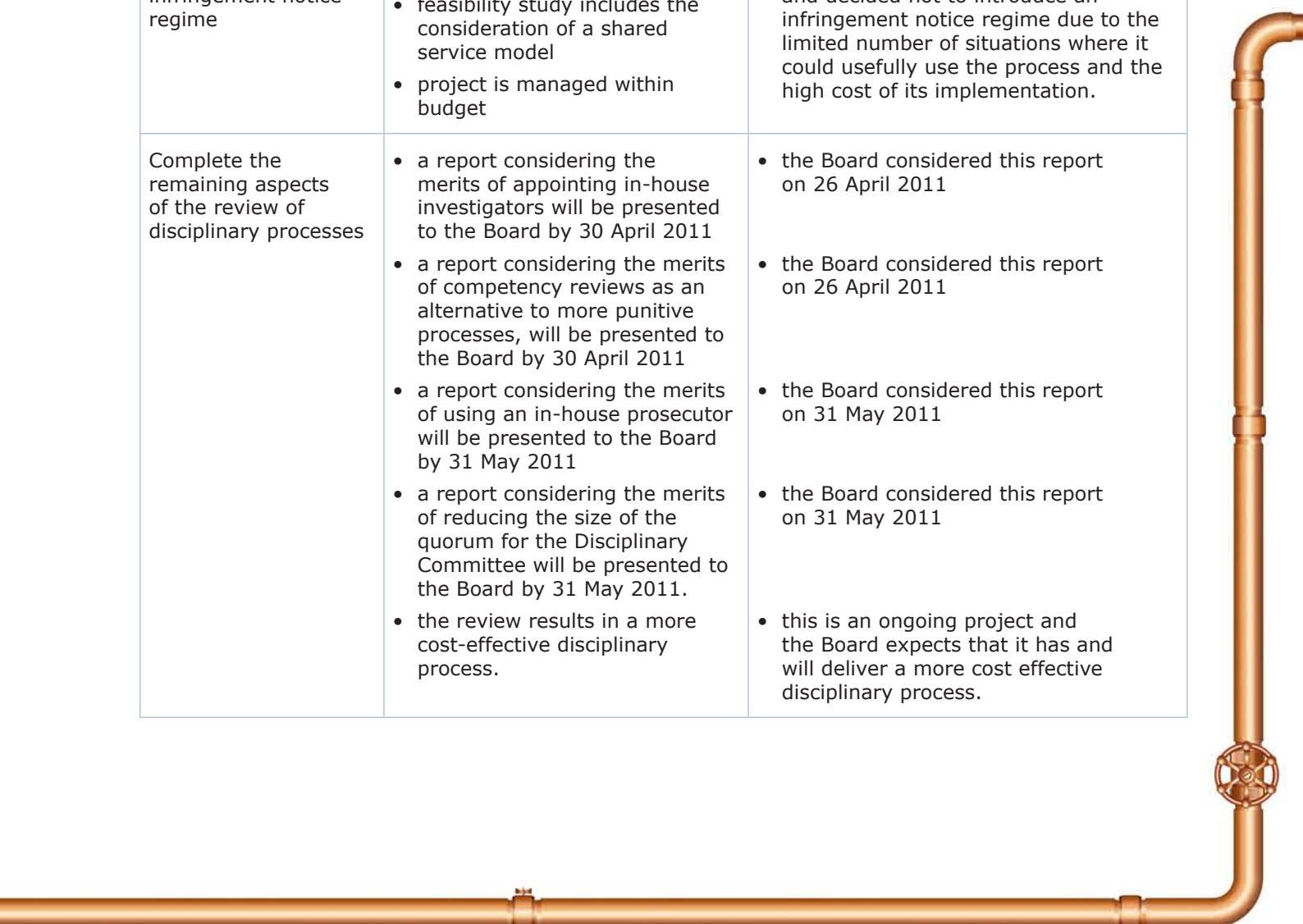


Output	Performance criteria	Performance criteria achieved
Deliver the Board's registration and licensing services effectively and efficiently	<ul style="list-style-type: none"> initial processing of applications for registration is completed within three working days of receipt complying applications for registration are considered for approval at the next Board meeting except for those achieving complying status less than ten working days before a Board meeting, in which case they will be considered at the following meeting applications for licensing are processed to the status of complying or non-complying within three working days of receipt. 	<ul style="list-style-type: none"> these processes have been measured since October 2011. During that time there has been a 100% achievement of the performance targets.
Develop a streamlined registration policy and processes for registering overseas-trained tradespeople	<ul style="list-style-type: none"> new process and policies in place by 31 March 2012 the new process and policies reduce cost and time barriers when compared to the status quo. 	<ul style="list-style-type: none"> the Board commenced consultation on an options paper on 21 February 2012. Submissions closed on 5 April 2012.
Adopt a policy that aids definition when issues of demarcation between plumbing and drainlaying arise	<ul style="list-style-type: none"> project complete by 31 March 2012 the Board's position is supported by sound policy and legal considerations. 	<ul style="list-style-type: none"> the Board adopted the policy at its meeting on 26 October 2011. The policy was supported by sound policy and legal considerations.
Review how the Board deals with exemptions under sections 18, 20, 24, 52	<ul style="list-style-type: none"> projects complete by 31 December 2011 the Board's position is supported by sound policy and legal considerations. 	<ul style="list-style-type: none"> the Board adopted policies in relation to exemptions under section 52 of the Act at its meeting on 26 July 2011, and for exemptions under sections 18, 20 and 24 of the Act at its meeting on 30 August 2011.
Consider whether there is a case for a review of areas gazetted for exemptions under sections 15 and 16 of the Act	<ul style="list-style-type: none"> projects complete by 31 December 2011. 	<ul style="list-style-type: none"> the Board considered these exemptions at its meeting on 26 October 2011 and has requested that a review of the <i>gazetted</i> areas be undertaken by the Department of Building and Housing during the 2012/13 year.

Output	Performance criteria	Performance criteria achieved
Review how the Board deals with exemptions under sections 12, 22 and 23 of the Act	<ul style="list-style-type: none"> • projects complete by 31 December 2011. • the Board's position is supported by sound policy and legal considerations. 	<ul style="list-style-type: none"> • the Board considered exemptions under sections 22 and 23 of the Act on 26 July 2011 and reached the view that policy development was not necessary since sections 22 and 23 do not involve the exercise of a discretion by the Board • the Board considered exemptions under sections 12 of the Act on 30 August 2011 and reached the view that policy development was not necessary since the Board had not invoked its powers under section 12 of the Act.
Deliver the Board's examinations effectively and efficiently	<ul style="list-style-type: none"> • examinations are held in June and November • examination results are released: <ul style="list-style-type: none"> • <i>for the June examination by 10 August following</i> • <i>for the November examination by 31 January following.</i> • the Board's examinations result in a minimum 70% pass rate overall. 	<ul style="list-style-type: none"> • the June results were released on 10 August 2011 and the November results were released on 1 February 2012. The overall pass rates were 80% for the June examinations and 76% for November.
Review the policies on continuing professional development (CPD)	<ul style="list-style-type: none"> • the Board determines its proposed policy position by 30 September 2011 • the Board completes consultation on its proposed policy by 30 November 2011 • the policy is enacted by <i>gazette</i> notice by 31 March 2012 • the Board can demonstrate that the costs imposed on practitioners in relation to continuous professional development are not dissimilar to the costs imposed by other organizations having similar public safety responsibilities • the Board can demonstrate that a competitive market exists for the provision of continuous professional development training • the project is managed within budget. 	<ul style="list-style-type: none"> • following input from an industry advisory group, the Board commenced consultation on a proposed new CPD scheme on 6 October 2011. 444 submissions were received, the majority of which opposed the proposed new scheme. As a consequence of this the Board amended its proposal and commenced a new round of consultation on 21 February 2012. Submissions closed on 5 April 2012. The project was undertaken within budget.

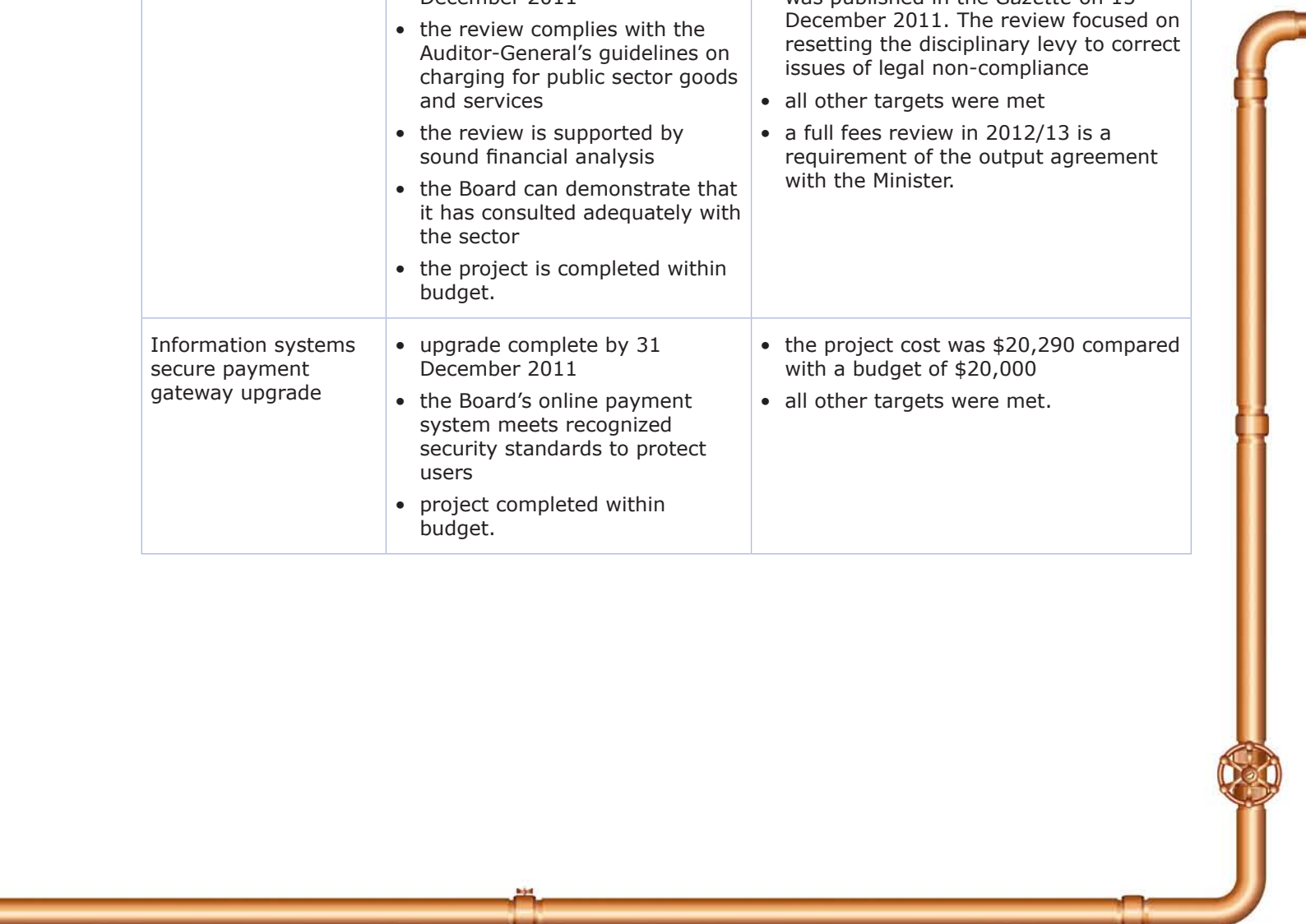
Output	Performance criteria	Performance criteria achieved
Merge the Board's examinations into the national qualifications	<ul style="list-style-type: none"> the Board's registration examinations are integrated into the National Certificate structure by 1 April 2012 so that separate examinations are not conducted during the year commencing 1 April 2012 the Board can demonstrate progress towards the certifier examinations being integrated into a National Level 5 qualification (yet to be developed). 	<ul style="list-style-type: none"> the Board is working with the Plumbing, Gasfitting, Drainlaying, and Roofing ITO to merge the licensing level examinations into the new version national certificates that are under development. These new national certificates are unlikely to be delivered before 2013. The new national level 5 qualifications have not yet been approved.
Complete the competencies development process	<ul style="list-style-type: none"> consultation on the Board's proposed competencies is completed by 30 June 2011 competencies are confirmed by the Board by 30 September 2011. 	<ul style="list-style-type: none"> consultation was completed on 11 July 2011 and competencies were adopted by the Board on 26 July 2011. The Board has since consulted on the inclusion of the competencies within a <i>Gazette</i> notice and these submissions closed on 5 April 2012.
Administer the self certification of gasfitting work and provide a risk based audit process to aid quality control	<ul style="list-style-type: none"> certification returns are checked against agreed risk criteria not later than five working days after receipt certificates that are categorized as having a risk that requires investigation are referred for audit within five working days of identification. 	<ul style="list-style-type: none"> all returns have been checked against agreed risk criteria within 5 days of receipt all "risk" certificates have been referred for audit within 5 working days of identification.
Contribute to the gas certification review being led by the Ministry of Economic Development and the Department of Building and Housing	<ul style="list-style-type: none"> new gas certification process being in place by 1 August 2011 (note: this is largely outside the control of the Board). Board is represented at all meetings, to which it is invited, that deals with this issue and meets all requests from project partners for information to agreed timeframes 	<ul style="list-style-type: none"> the Board has met the targets relating to participation in the review. The Government target for implementation of the new certification regime is 1 April 2013.

Output	Performance criteria	Performance criteria achieved
Deliver the Boards disciplinary and offence response processes effectively and efficiently	<ul style="list-style-type: none"> all new complaints acknowledged and processed within five working days 95% of complaint files are considered by the Registrar within 21 days of the complaint being opened 75% of all investigations are completed within two months of the appointment of an investigator all assessments of evidence in respect of potential prosecutions are completed within fifteen working days of referral to the prosecutor. 	<ul style="list-style-type: none"> 97% of new complaints were acknowledged and processed within 5 working days 100% of complaint files were considered by the Registrar within 21 days 63% of investigations were completed within 2 months 54% of potential prosecutions were completed by the prosecutor within the target timeframe.
Feasibility study into the introduction of an infringement notice regime	<ul style="list-style-type: none"> feasibility study complete by 30 June 2011 feasibility study includes the consideration of a shared service model project is managed within budget 	<ul style="list-style-type: none"> the Board considered a feasibility study at its meeting on 28 June 2011 and decided not to introduce an infringement notice regime due to the limited number of situations where it could usefully use the process and the high cost of its implementation.
Complete the remaining aspects of the review of disciplinary processes	<ul style="list-style-type: none"> a report considering the merits of appointing in-house investigators will be presented to the Board by 30 April 2011 a report considering the merits of competency reviews as an alternative to more punitive processes, will be presented to the Board by 30 April 2011 a report considering the merits of using an in-house prosecutor will be presented to the Board by 31 May 2011 a report considering the merits of reducing the size of the quorum for the Disciplinary Committee will be presented to the Board by 31 May 2011. the review results in a more cost-effective disciplinary process. 	<ul style="list-style-type: none"> the Board considered this report on 26 April 2011 the Board considered this report on 26 April 2011 the Board considered this report on 31 May 2011 the Board considered this report on 31 May 2011 this is an ongoing project and the Board expects that it has and will deliver a more cost effective disciplinary process.



Output	Performance criteria	Performance criteria achieved
Undertake the Board's governance responsibilities effectively and efficiently	<ul style="list-style-type: none"> the Board has clear governance policies in place that are comprehensively reviewed two yearly the Board has comprehensive delegations in place that are comprehensively reviewed two yearly the Board has a strategic plan in place that is reviewed annually the Audit and Risk Committee monitors financial reporting on a monthly basis the Board monitors progress against the business plan on a monthly basis. 	<ul style="list-style-type: none"> the Board considered a comprehensive review of its governance policies at its meeting on 27 March 2012. Deliberations will be completed on 15 May 2012 comprehensive delegations are in place and will be reviewed in accordance with the proposed cycle the Board reviewed and approved the 2012-2015 Strategic Plan at its meeting on 5 December 2011 the Audit and Risk Committee receives and reviews financial reports each month progress is monitored at each Board meeting. Meetings are now held on a 6 weekly cycle.
Investigate the feasibility of conducting (some) Board meetings by video-conferencing	<ul style="list-style-type: none"> feasibility study complete by 31 October 2011. 	<ul style="list-style-type: none"> the feasibility of conducting some meetings by videoconferencing was considered by the Board on 26 October 2011. The Board has not yet reached a decision on whether or not to proceed with the project.
Review all governance policies	<ul style="list-style-type: none"> review completed by 31 March 2012. 	<ul style="list-style-type: none"> the Board considered a comprehensive review of its governance policies at its meeting on 27 March 2012. Deliberations will be completed on 15 May 2012.
Undertake the Board's communications and corporate support functions effectively and efficiently	<ul style="list-style-type: none"> the Board operates within overall budget financial reserves are maintained within a range of three months to six months of operating expenditure a minimum of six newsletters to stakeholders are distributed each year the budget for 2012/13 is approved by the Board by 30 September 2011. 	<ul style="list-style-type: none"> achieved the position at 31 March 2012 meets this target twelve newsletters were distributed a preliminary budget was approved by the Board for fees review purposes by the target date. The final budget was approved on 14 February 2012.

Output	Performance criteria	Performance criteria achieved
Communications strategy in place	<ul style="list-style-type: none"> strategy in place by 30 June 2011 a customer satisfaction baseline is established by 31 March 2012 to enable trend measurement to occur in future years. 	<ul style="list-style-type: none"> a communications strategy was adopted by the Board at its meeting on 28 June 2011. a survey of tradespeople was undertaken in February 2012. This resulted in the following baseline satisfaction ratings being established. The figures are a combination of those who responded as fairly satisfied or very satisfied: <ul style="list-style-type: none"> <i>General service</i> - 84.6% <i>Communications</i> - 81.5% <i>Info Brief</i> - 86% <i>Consultation</i> - 61% <i>Registration and licensing</i> - 58.9%
Conduct a review of all fees and charges	<ul style="list-style-type: none"> review completed, including <i>gazette</i> notices, by 31 December 2011 the review complies with the Auditor-General's guidelines on charging for public sector goods and services the review is supported by sound financial analysis the Board can demonstrate that it has consulted adequately with the sector the project is completed within budget. 	<ul style="list-style-type: none"> a partial review was approved by the Board 5 December 2011. This was published in the <i>Gazette</i> on 15 December 2011. The review focused on resetting the disciplinary levy to correct issues of legal non-compliance all other targets were met a full fees review in 2012/13 is a requirement of the output agreement with the Minister.
Information systems secure payment gateway upgrade	<ul style="list-style-type: none"> upgrade complete by 31 December 2011 the Board's online payment system meets recognized security standards to protect users project completed within budget. 	<ul style="list-style-type: none"> the project cost was \$20,290 compared with a budget of \$20,000 all other targets were met.



Statistics

Registration

The Board administers applications from:

- persons trained in NZ who have sat the Board's registration examination and who have passed the National Certificate
- persons applying from overseas
- persons applying under the Trans-Tasman Mutual Recognition Agreement 1997 (TTMRA)
- persons who have five years time served.

As at 31 March 2012, the Board's register held 12,655 registered tradespeople. For the year 1 April 2011 to 31 March 2012, the Board received 864 (855 approved +9 with pending issues) applications for registration and the Board approved the registration of individuals in the followings classes:

	Number of individuals		
	2009/2010	2010/2011	2011/2012
Certifying plumber	45	78	110
Certifying gasfitter	26	70	73
Licensed plumber	194	262	393
Licensed gasfitter	88	120	160
Licensed drainlayer	156	164	119
TOTAL	509	694	855

Note: 3,142 individuals were added to the register as certifying drainlayers under the transitional provisions of the 2006 Act.



The following table shows the number of individuals holding one, two or three registrations.

	Number of individuals 2011/2012
Holding 1 registration	6,928
Holding 2 registrations	4,339
Holding 3 registrations	1,388

During the period 1 April to 31 March, the Board:

- suspended the registration of one individual
- cancelled the registration of one individual
- issued no registrations under the Electricity Act 1992
- issued 30 registrations under the TTMRA

Immigration Qualification Assessment System (IQAS)

From 1 April 2010 to 31 March 2011, the Board carried out 22 profiling interviews for plumbing applicants and 10 for gasfitting applicants and 9 for drainlaying applicants. All applicants interviewed, with the exception of 1 drainlayer, moved through to the next stage towards registration.



Licensing

From 1 April 2011 to 31 March 2012, the Board received applications for, and granted, 15,760 authorisations to 9,521 people.

Authorisations	Number granted
Certifying plumber	3,293
Certifying gasfitter	1,110
Certifying drainlayer	3,434
Licensed plumber	1,589
Licensed gasfitter	603
Licensed drainlayer	228
Limited certificate trainee plumber	1,473
Limited certificate trainee gasfitter	976
Limited certificate trainee drainlayer	707
Exemption plumbing under supervision	921
Exemption fitting of water heaters	15
Exemption gasfitting under supervision	356
Exemption specific gasfitting equipment	42
Exemption drainlaying under supervision	711
Provisional plumber licence	175
Provisional gasfitter licence	85
Provisional drainlayer licence	42
TOTAL	15,760

During the period 1 April to 31 March, the Board:

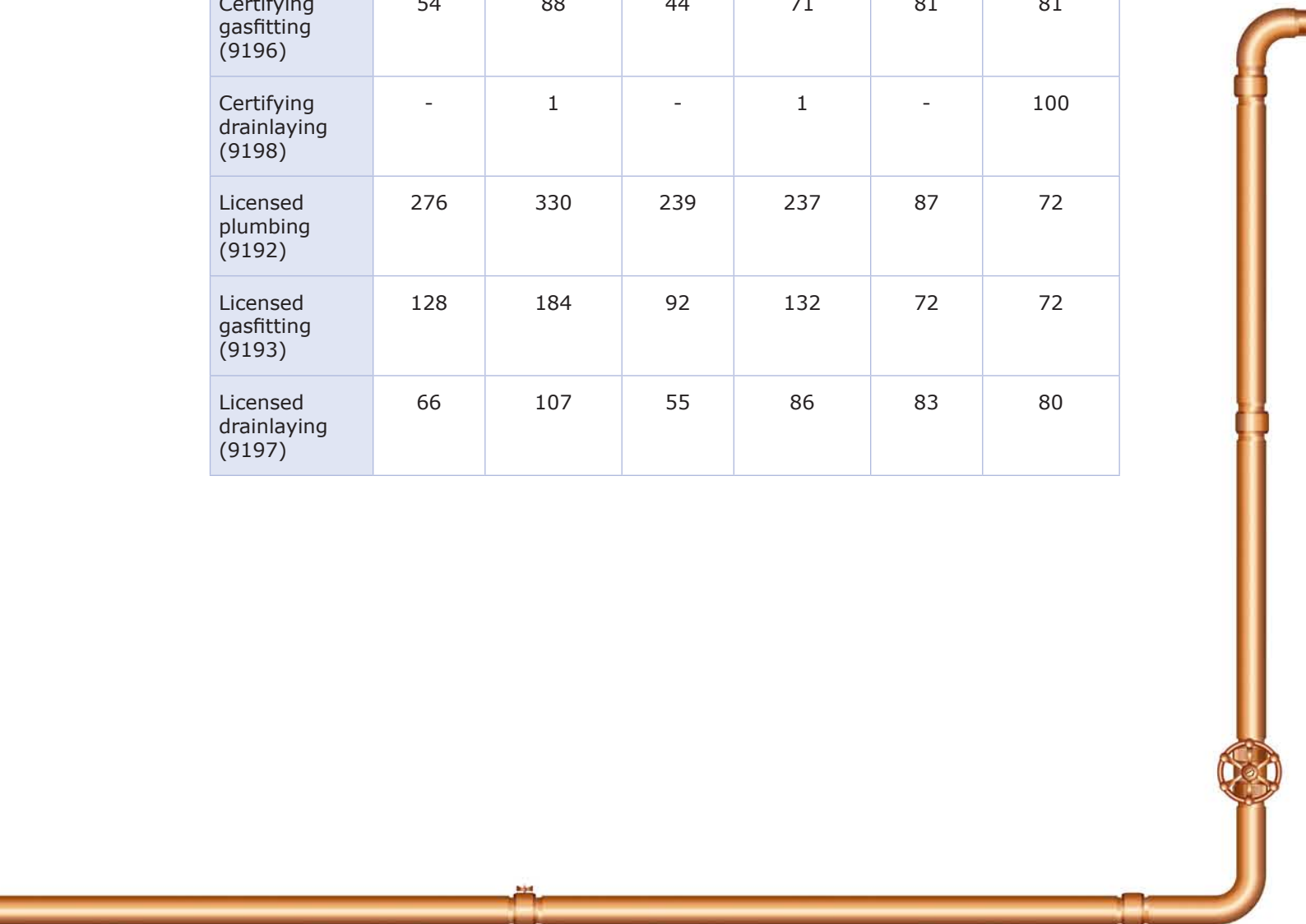
- suspended no licences
- cancelled no licences
- issued no licences under the Electricity Act 1992



Examinations

Board examinations are held in June and November each year. There are seven written examinations, each three hours in duration.

Examination	Number of candidates sitting exam		Number of candidates who passed exam		Pass rate (%)	
	June	November	June	November	June	November
Certifying common (9194)	62	117	53	105	85	90
Certifying plumbing (9195)	92	127	57	89	62	70
Certifying gasfitting (9196)	54	88	44	71	81	81
Certifying drainlaying (9198)	-	1	-	1	-	100
Licensed plumbing (9192)	276	330	239	237	87	72
Licensed gasfitting (9193)	128	184	92	132	72	72
Licensed drainlaying (9197)	66	107	55	86	83	80



Complaints and discipline

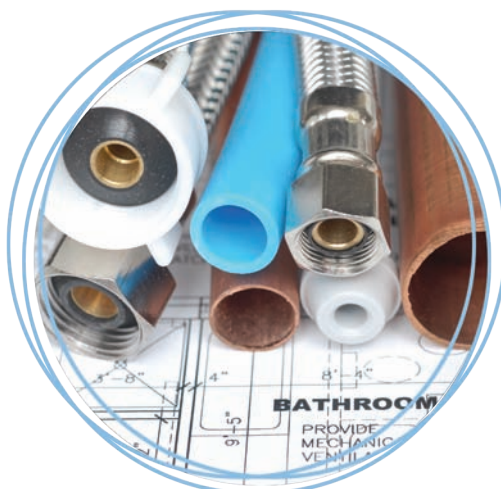
Complaints may be made about registered persons, provisional licence holders, persons no longer registered who were at the time of the relevant conduct, and persons subject to an order of the Board under Part 3, Subpart 1 of the Plumbers, Gasfitters and Drainlayers Act 2006 ("Act"). A complaint may result in a disciplinary hearing before the Board.

In the financial year ended 31 March 2012, the Board received 57 complaints about 61 people.

The complaints were about the following:

- 16 were about gasfitting only
- 23 were about plumbing only
- 9 were about drainlaying only
- 4 were about gasfitting and plumbing
- 0 were about gasfitting and drainlaying
- 3 were about plumbing and drainlaying
- 2 were about gasfitting, plumbing and drainlaying

In the year ended 31 March 2012, using its disciplinary powers, the Board made 45 orders under Part 3 of the Act against 14 people.



Offences

The Board has a function to institute prosecutions against persons. Part 3, Subpart 1 of the Plumbers, Gasfitters and Drainlayers Act 2006 ("Act") sets out a number of offence provisions.

In the year ended 31 March 2012 the Board instigated prosecutions in the District Court against 13 defendants in respect of 15 breaches of the Act.

Of the prosecutions instituted:

- 2 were under section 122 against unlicensed or unregistered persons claiming to be licensed or registered
- 13 were under section 123 for engaging in work in breaches of section 8 to 10 or employing persons to do work in breach of those sections.



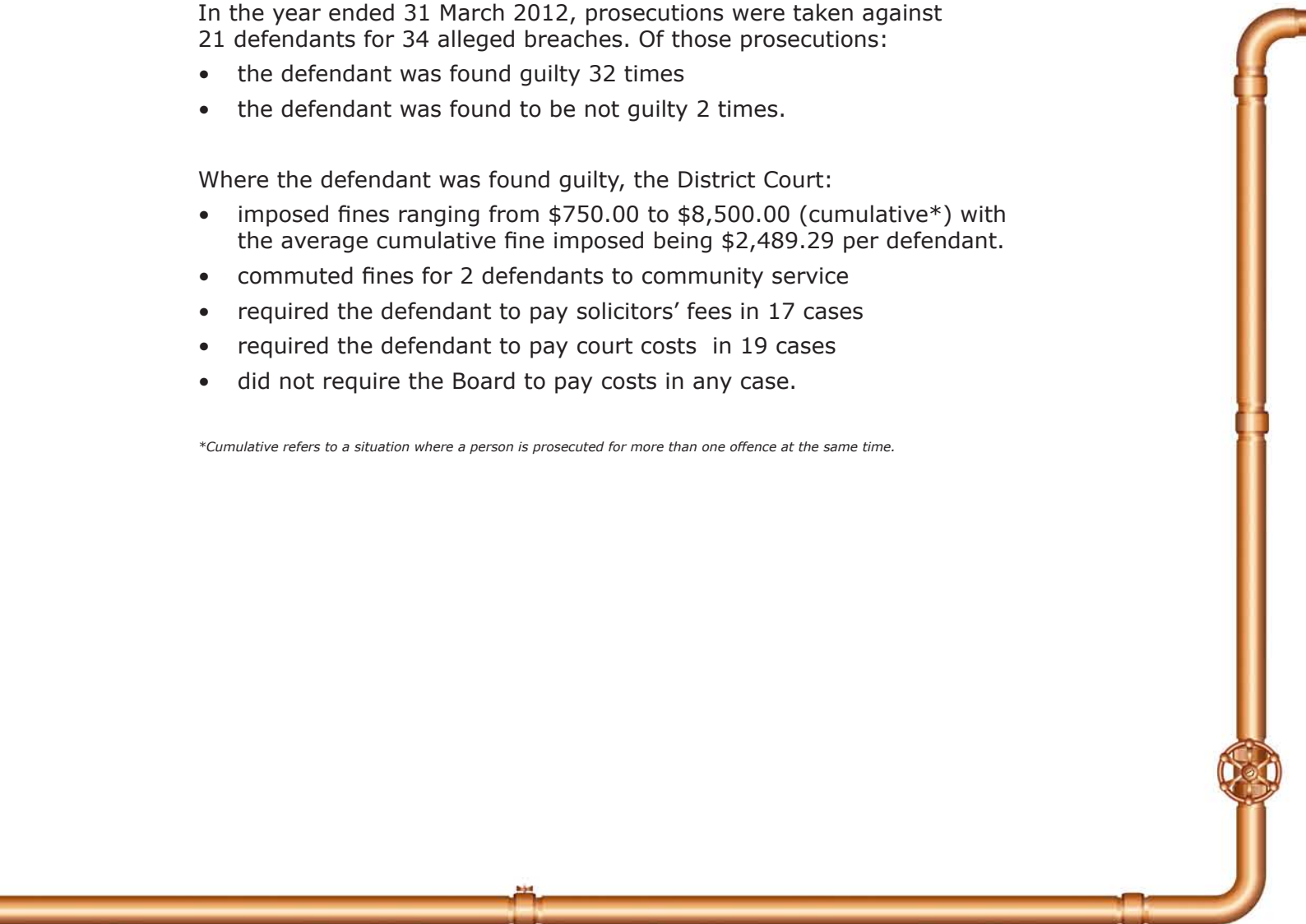
In the year ended 31 March 2012, prosecutions were taken against 21 defendants for 34 alleged breaches. Of those prosecutions:

- the defendant was found guilty 32 times
- the defendant was found to be not guilty 2 times.

Where the defendant was found guilty, the District Court:

- imposed fines ranging from \$750.00 to \$8,500.00 (cumulative*) with the average cumulative fine imposed being \$2,489.29 per defendant.
- commuted fines for 2 defendants to community service
- required the defendant to pay solicitors' fees in 17 cases
- required the defendant to pay court costs in 19 cases
- did not require the Board to pay costs in any case.

*Cumulative refers to a situation where a person is prosecuted for more than one offence at the same time.



Fee structure

Fee type	\$ (GST inclusive)
Registration only	\$408.89
Registration with annual practising licence	\$511.11
Annual practising licence	\$102.22
Annual disciplinary levy*	\$175.00 (\$271.91)
Annual offences fee**	\$90.00
Exemption for fixing of water heaters by gasfitters (under section 24)*	\$102.00 (Nil)
Exemption for specific sanitary plumbing work (under section 18)	\$102.22
Exemption for specific gasfitting work (under section 20)	\$102.22
Exemption from registration and licensing requirements and conditions (under section 52)**	\$102.00
Notification of an exemption under supervision (for plumbing, gasfitting or drainlaying under sections 19, 21, and 25)*	\$102.22
Provisional licence	\$102.22
Addition or alteration to the register (under section 81)	\$51.11
Restoration of a person's name to the register (under section 81)	\$86.89
Certificate of registration	\$51.11
Application assessment under Trans-Tasman Mutual Recognition Act 1997 (TTMRA)	\$86.89
Application assessment for registration from overseas applicant (other than under TTMRA)	\$408.89
Examination fee (for each 9192, 9193, 9194, 9195, 9196, 9197 and 9198 examination)	\$306.67
Examination paper reconsideration	\$102.22
Employer licence (issue or renewal)*	\$2,820.00 (\$511.11)
Practical test of workmanship*	\$1,410 (\$3,271.11)
Re-audit fee	\$138.00
Gasfitting certification certificate	\$25.56

*Revised fees were *gazetted* on 15 December 2011 (notice number 8695) - former fee is noted in brackets.

**A new offences fee and a new exemption fee (section 52) was also *gazetted* on 15 December 2011 (notice number 8695).



Financial statements

Statement of responsibility

The Board is responsible for the preparation of the Plumbers, Gasfitters and Drainlayers Board's financial statements and statement of service performance, and for the judgements made in them.

The Board has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of service performance fairly reflect the financial position and operations of the Plumbers, Gasfitters and Drainlayers Board for the year ended 31 March 2012.

Signed on behalf of the Board:



Alan Bickers JP
Chairman
25 June 2012



Sue Ineson
Chair of Audit and Risk Committee
25 June 2012



Statement of comprehensive income for the year ended 31 March 2012

	Notes	2012 Actual	2012 Budget	2011 Actual
REVENUE				
Examination fees		451,976	306,668	397,141
Gas certificates		734,538	685,000	664,678
Interest received		87,097	40,000	82,074
Licence fees		1,081,975	1,137,664	1,665,838
Registration fees and registration certificates		352,333	223,000	157,077
Disciplinary levy		1,590,572	1,655,080	539,309
Offences fee		5,478	-	-
Other income	2	186,269	85,000	118,979
TOTAL REVENUE		4,490,238	4,132,412	3,625,096
LESS: EXPENDITURE				
Administration	3	2,244,746	2,330,600	2,587,454
Governance		274,698	325,000	262,766
Examinations		264,866	222,500	355,258
Gas certification		171,400	300,000	64,731
Registration and licensing		183,971	219,800	226,746
Complaints and discipline		297,449	471,000	560,062
Prosecutions		312,152	234,000	286,246
TOTAL EXPENDITURE		3,749,282	4,102,900	4,343,263
NET SURPLUS/(DEFICIT)		740,956	29,512	(718,167)
Other comprehensive income		-	-	-
TOTAL COMPREHENSIVE INCOME		740,956	29,512	(718,167)

The accompanying notes form part of, and are to be read in conjunction with, these financial statements.

Statement of financial position as at 31 March 2012

	Notes	2012 Actual	2012 Budget	2011 Actual
PUBLIC EQUITY				
Accumulated funds		1,789,977	1,078,533	1,049,021
TOTAL PUBLIC EQUITY		1,789,977	1,078,533	1,049,021
<i>Represented by:</i>				
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	290,053	150,000	1,488,724
Accrued interest		11,010	20,000	15,653
Prepayments		34,221	35,000	37,388
Receivables	6	60,227	55,000	35,237
Investments	7	2,556,953	1,800,000	313,800
TOTAL CURRENT ASSETS		2,952,464	2,060,000	1,890,802
NON-CURRENT ASSETS				
Receivables	6	79,728	55,000	53,894
Property, plant and equipment	8	236,652	230,000	276,844
Intangible assets	9	133,440	127,000	219,912
TOTAL NON-CURRENT ASSETS		449,820	412,000	550,650
TOTAL ASSETS		3,402,284	2,472,000	2,441,452
LIABILITIES				
CURRENT LIABILITIES				
Fees paid in advance		1,066,706	900,000	863,891
Creditors and other payables	10	279,610	262,238	313,343
Employee entitlements	11	105,795	100,000	94,871
GST payable		137,451	115,000	104,097
Provisions	12	4,564	2,968	2,968
TOTAL CURRENT LIABILITIES		1,594,126	1,380,206	1,379,170
NON-CURRENT LIABILITIES				
Provisions	12	18,181	13,261	13,261
TOTAL NON-CURRENT LIABILITIES		18,181	13,261	13,261
TOTAL LIABILITIES		1,612,307	1,393,467	1,392,431
NET ASSETS		1,789,977	1,078,533	1,049,021

Statement of changes in equity for the year ended 31 March 2012

	2012 Actual	2012 Budget	2011 Actual
BALANCE AT 1 APRIL	1,049,021	1,049,021	1,767,188
COMPREHENSIVE INCOME			
Surplus/(deficit)	740,956	29,512	(718,167)
Other comprehensive income	-	-	-
TOTAL COMPREHENSIVE INCOME	740,956	29,512	(718,167)
BALANCE AT 31 MARCH	1,789,977	1,078,533	1,049,021

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Statement of cash flows for the year ended 31 March 2012

	Notes	2012 Actual	2012 Budget	2011 Actual
CASH FLOWS FROM OPERATING ACTIVITIES				
Revenues fees and levies		4,555,133	4,107,652	3,520,913
Interest received		91,741	35,653	119,732
Payments to suppliers		(2,284,836)	(2,620,064)	(2,876,727)
Payments to employees		(1,342,500)	(1,385,000)	(1,602,220)
GST (net)		31,646	9,235	37,040
NET CASH FROM OPERATING ACTIVITIES	14	1,051,184	147,476	(801,262)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts from sale of investments		3,163,800	3,000,000	2,449,975
Acquisition of investments		(5,406,952)	(4,486,200)	(300,000)
Purchase of property, plant and equipment		(6,703)	-	(44,097)
Purchase of intangibles		-	-	(51,835)
NET CASH FROM INVESTING ACTIVITIES		(2,249,855)	(1,486,200)	2,054,043
Net increase (decrease) in cash and cash equivalents		(1,198,671)	(1,338,724)	1,252,781
Cash and cash equivalents at beginning of year		1,488,724	1,488,724	235,943
CASH AND CASH EQUIVALENTS AT END OF YEAR	5	290,053	150,000	1,488,724

The GST (net) component of cash flows from operating activities reflects the net GST paid to and received from the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes and to be consistent with the presentation basis of the other primary financial statements.

Notes to the financial statements

1. Statement of accounting policies for the year ended 31 March 2012

Reporting entity

The Plumbers, Gasfitters and Drainlayers Board ("the Board") is constituted under Section 133 of the Plumbers Gasfitters Drainlayers Act 2006 ("the Act"). The Board is a body corporate under section 133(2) of the Act.

The Board is charged with protecting the health and safety of the public by means of registering and licensing persons engaged in the provision of sanitary plumbing, gasfitting and drainlaying services. The Board is a not for profit organisation and is entirely funded by revenue from licences and registration fees.

Basis of preparation

The financial statements of the Board have been prepared in accordance with the requirements of the Act including the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

These financial statements have been prepared in accordance with NZ GAAP. They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Measurement base

The financial statements have been prepared on a historical cost basis except where modified by the impairment of receivables to fair value.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Revenue

Revenue is measured at the fair value of consideration received or receivable. Interest income is recognised using the effective interest method. Interest income on an impaired financial asset is recognised using the original effective interest rate.

Leases classification

Leases that do not transfer substantially all of the risks and rewards incidental to ownership of an asset to the Board are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

Cash and cash equivalents

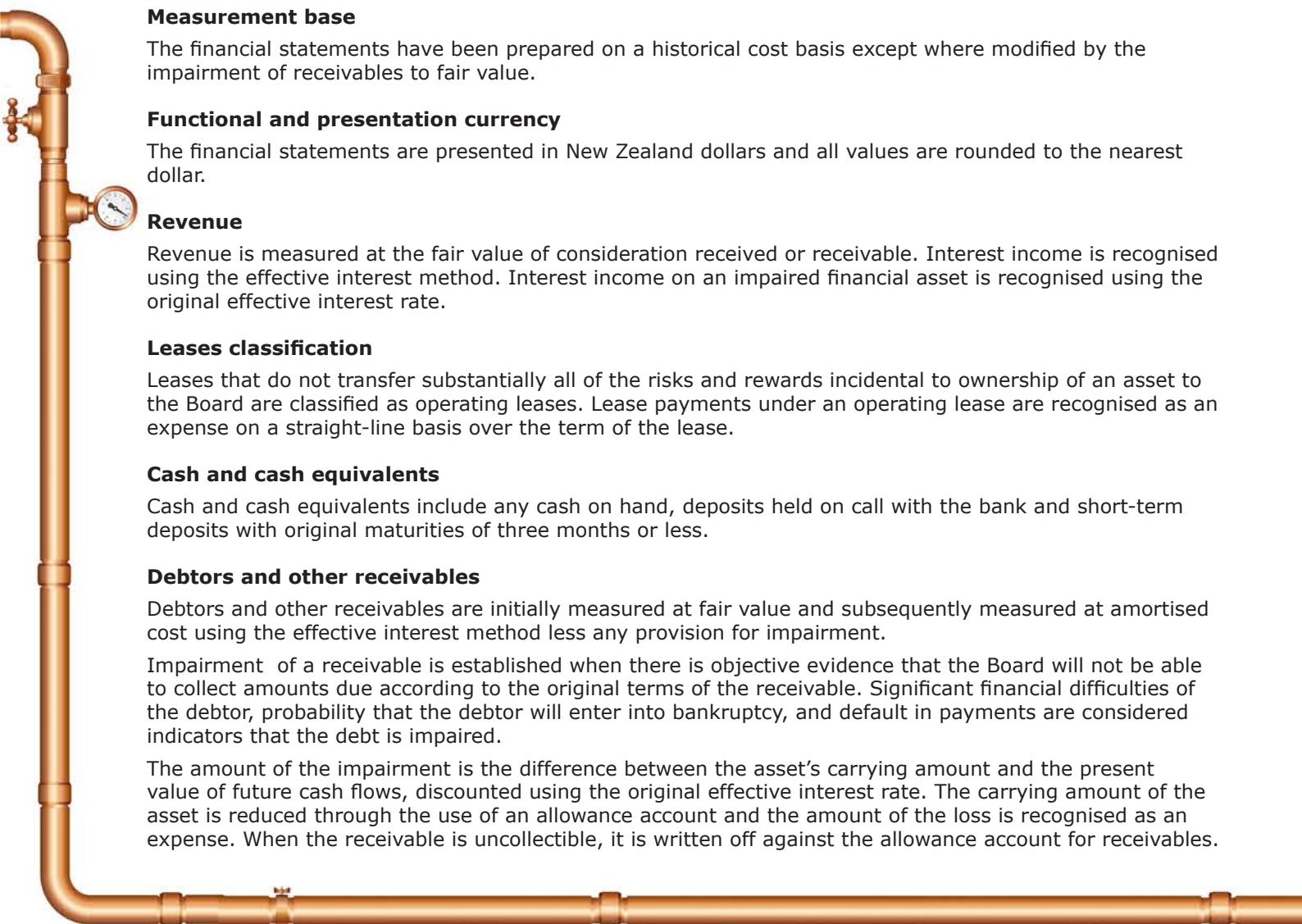
Cash and cash equivalents include any cash on hand, deposits held on call with the bank and short-term deposits with original maturities of three months or less.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Board will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the debt is impaired.

The amount of the impairment is the difference between the asset's carrying amount and the present value of future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised as an expense. When the receivable is uncollectible, it is written off against the allowance account for receivables.



Investments

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition investments in bank deposits are measured at amortised cost using the effective interest method.

The fair value of investments approximates the carrying amount disclosed in the financial statements. At each balance date the Board assesses whether there is any objective evidence that an investment is impaired.

Property, plant and equipment

The Board reviews the fair value of assets and the depreciation rates at each balance date so that the value in the accounts is not materially different from fair value. Items of property plant and equipment costing more than \$500 are initially capitalised and recorded at cost.

Property, Plant and Equipment are shown at cost or valuation, less any accumulated depreciation and impairment losses.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably.

DISPOSALS

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

DEPRECIATION

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives.

The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

- Leasehold improvements - ten years - (10%)
- Furniture and office equipment - ten years - (10%)
- Computers and electronic equipment - four years - (25%)

Intangible assets

The database and website are capitalised on the basis of costs incurred in development by outside suppliers.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Board's website are recognised as an expense when incurred.

The carrying amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of the database and website have been estimated as follows:

- Database - four years - 25%
- Website - four years - 25%

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

The Board has no employee entitlements which span greater than 12 months. Employee entitlements that

the Board expects to be settled within 12 months of balance date are measured at undiscounted nominal values on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date.

Superannuation schemes

Employer contributions to Kiwisaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the surplus or deficit as incurred.

Provisions

The Board recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that expenditure will be required to settle the obligation and a reliable estimate can be made of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the current market assessments of the time value of money and the specific risks of the obligation. Changes in provisions are recognised as expenses in the surplus or deficit as incurred.

Goods and Services Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net GST paid to, or received from, the IRD including the GST relating to investing and financing activities are classified as an operating cash flow in the statement of cash flows.

Income tax

The Board is a registered charity and is therefore not subject to income tax. Accordingly no charge for income tax has been provided for.

Budget figures

The budget figures were approved by the Board in December 2010 and were calculated on a consistent basis with previous years. The budget will be prepared in accordance with NZ IFRS.

Critical accounting estimates and assumptions

In preparing these financial statements the Board has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next financial year are addressed below:

PROPERTY, PLANT AND EQUIPMENT

The Board reviews the useful lives and residual values of its property, plant and equipment.

Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires the Board to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by the Board and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciation expense recognised in the year, and carrying amount of the asset in the statement of financial position.

The Board minimises the risk of this uncertainty by:

- physical inspection of assets
- asset replacement programmes
- review of the second-hand market prices for similar assets
- analysis of prior asset sales

The Board has not made significant changes to past assumptions concerning useful lives and residual values.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying the Board's accounting policies for the year ended 31 March 2012.

LEASES CLASSIFICATION

Determining whether a lease agreement is a financing or operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of the ownership to the Board.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the statement of financial position as property, plant and equipment whereas for an operating lease no such asset is recognised.

The Board has exercised its judgement on the appropriate classification of equipment leases and has determined the Board currently has no finance leases in place.

2. Other income

	2012 Actual	2012 Budget	2011 Actual
Fines and costs	124,280	85,000	118,979
Miscellaneous income	61,989	-	-
TOTAL	186,269	85,000	118,979

3. Administration

	2012	2011
Audit fees	22,820	22,160
Depreciation and amortisation expense	133,367	131,645
Salaries and wages	1,288,864	1,024,324
Other personnel	7,451	520,420
Legal expenses	118,459	152,669
Computer expenses	34,565	129,503
Rent	145,444	145,444
Communications and consultation	108,104	153,066
Other administrative expenses	385,672	308,223
TOTAL COSTS	2,244,746	2,587,454

4. Personnel costs

	2012	2011
Salaries and wages	1,288,864	1,024,324
Employer contributions to defined contribution plans	16,882	12,237
Increase/(decrease) in employment entitlements	10,924	14,654
Contract staff	6,737	491,905
Temporary staff	714	28,515
TOTAL COSTS	1,324,121	1,571,635

Employer contributions to defined contribution schemes are for Kiwisaver only. All employees are on salary only contracts and do not receive any other benefits either during or on cessation of their contracts.

5. Cash and cash equivalents

	2012	2011
Cash on hand and at bank	290,053	1,488,724
TOTAL CASH AND CASH EQUIVALENTS	290,053	1,488,724

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

6. Receivables

Except for miscellaneous items and recoveries from discipline proceedings all other services are provided by the Board on payment. All receivables are from disciplinary fines and costs and many of these are being paid by instalment.

	2012	2011
CURRENT RECEIVABLES	80,869	51,890
LESS: PROVISION FOR IMPAIRMENT	(20,642)	(16,653)
TOTAL CURRENT RECEIVABLES	60,227	35,237
NON-CURRENT RECEIVABLES	119,706	90,794
LESS: PROVISION FOR IMPAIRMENT	(39,978)	(36,900)
TOTAL NON-CURRENT RECEIVABLES	79,728	53,894

Fair value

The carrying value of receivables approximates their fair value.

Impairment

The aging profile of receivables at year end is detailed below:

	2012			2011		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	24,950	-	24,950	-	-	-
Past due 1-30 days	-	-	-	15,626	(1,380)	14,246
Past due 31-60 days	1,000	-	1,000	9,600	(7,813)	1,787
Past due 61-90	-	-	-	-	-	-
Past due over 90 days	174,625	(60,620)	114,005	117,458	(44,360)	73,098
	200,575	(60,620)	139,955	142,684	(53,553)	89,131

Movements in the provision for impairment of receivables are as follows:

	2012	2011
Balance at 1 April	53,553	36,522
Additional provisions made during the year	7,067	17,031
Receivables written off during the year	-	-
BALANCE AT 31 MARCH	60,620	53,553

7. Investments

	2012	2011
CURRENT INVESTMENTS		
Term deposits	2,556,953	313,800
TOTAL CURRENT PORTION	2,556,953	313,800
NON-CURRENT PORTION INVESTMENTS		
Term deposits	-	-
TOTAL NON-CURRENT PORTION INVESTMENTS	-	-
TOTAL INVESTMENTS	2,556,953	313,800

There were no impairment provisions made for term deposits.

The maturity dates and weighted average for term deposits are:

	2012	2011
CURRENT INVESTMENTS		
Term deposits with maturities of 4-6 months (average maturity 180 days)	2,556,953	313,800
Weighted average effective interest rate		
Term deposits with maturities of 6-12 months (average maturity)	-	-
Weighted average effective interest rate	4.43%	5.1%
NON-CURRENT INVESTMENTS		
Term deposits with maturities in excess of 12 months	-	-
Weighted average effective interest rate	-	-

The carrying amounts of term deposits approximate their fair values.



8. Property plant and equipment

Cost	Computers and electronics	Office equipment and furniture	Leasehold improvements	Total
Balance at 1 April 2010	348,285	246,205	114,291	708,781
Additions	29,627	14,452	-	44,079
Disposals	-	-	-	-
Balance as at 31 March 2011	377,912	260,657	114,291	752,860
Balance at 1 April 2011	377,912	260,657	114,291	752,860
Additions	-	6,703	-	6,703
Disposals	-	-	-	-
Balance as at 31 March 2012	377,912	267,360	114,291	759,563
Accumulated depreciation				
Balance at 1 April 2010	301,364	130,246	1,904	433,514
Depreciation expense	23,111	7,962	11,429	42,502
Balance at 31 March 2011	324,475	138,208	13,333	476,016
Balance at 1 April 2011	324,475	138,208	13,333	476,016
Depreciation expense	19,021	16,445	11,429	46,895
Balance as at 31 March 2012	343,496	154,653	24,762	522,911
Carrying amounts				
At 31 March 2011	53,437	122,449	100,958	276,844
At 31 March 2012	34,416	112,707	89,529	236,652



9. Intangible assets

Cost	Database	Website	Total
Balance at 1 April 2010	729,051	24,700	753,751
Additions	51,853	-	51,853
Disposals	-	-	-
Balance as at 31 March 2011	780,904	24,700	805,604
Balance at 1 April 2011	780,904	24,700	805,604
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March 2012	780,904	24,700	805,604
Accumulated amortisation			
Balance at 1 April 2010	496,549	-	496,549
Amortisation expense	82,968	6,175	89,143
Balance as at 31 March 2011	579,517	6,175	585,692
Balance at 1 April 2011	579,517	6,175	585,692
Amortisation expense	80,297	6,175	86,472
Balance as at 31 March 2012	659,814	12,350	672,164
Carrying amounts			
At 31 March 2011	201,387	18,525	219,912
At 31 March 2012	121,090	12,350	133,440

There are no restrictions over the title of the Board's intangible assets, nor are any intangible assets pledged as security for liabilities.

10. Creditors and other payables

	2012	2011
Creditors	189,692	202,791
Accrued expenses	60,179	81,893
Other payables	29,739	28,659
TOTAL CREDITORS AND OTHER PAYABLES	279,610	313,343

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximates their fair value.

11. Employee entitlements

	2012	2011
Accrued salaries	52,631	44,726
Annual leave	53,164	50,145
TOTAL EMPLOYMENT ENTITLEMENTS	105,795	94,871

12. Provisions

	2012	2011
CURRENT PROVISIONS		
Lost interest on receivables	4,564	2,968
TOTAL CURRENT PROVISIONS	4,564	2,968
NON CURRENT PROVISIONS		
Lease make good	8,000	6,000
Lost interest on receivables	10,181	7,261
TOTAL NON CURRENT PROVISIONS	18,181	13,261
TOTAL PROVISIONS	22,745	16,229

Movements for each class of provision are as follows:

2010/11	Lease make-good	Lost interest on receivables	Total
BALANCE AT 1 APRIL 2010	4,000	5,957	9,957
Additional provisions made	2,000	4,272	6,272
Amounts used	-	-	-
Unused amounts reversed	-	-	-
BALANCE AT 31 MARCH 2011	6,000	10,229	16,229

2011/12	Lease make-good	Lost interest on receivables	Total
BALANCE AT 1 APRIL 2011	6,000	10,229	16,229
Additional provisions made	2,000	4,516	6,516
Amounts used	-	-	-
Unused amounts reversed	-	-	-
BALANCE AT 31 MARCH 2012	8,000	14,745	22,745

Lease make-good

In respect of the leased offices at Level 9, 70 The Terrace, the Board is required at the expiry of the lease term to make good any damages caused to the premises from installed fixtures and fittings and remove any fixtures and fittings installed by the Board. The cash-flows associated with the non-current portion of the lease have been determined on the basis of the lease expiring in 2017.

13. Related party transactions and key management personnel

The make up of the Board is defined in the Plumbers, Gasfitters, and Drainlayers Board Act 2006. Some of the Board members are required to be industry members. These Board members are required to transact with the Board in the course of their business. The Deputy Registrar and the Trade Compliance Officer are also current tradespeople and transact with the Board. These transactions may include payment for licences, registrations, examinations and gas certificates. All transactions have been at arms length in the same circumstances as if those people had not held those positions.

In conducting its activities the Board is required to pay various taxes and levies (such as GST and PAYE) to the Crown and entities related to the Crown. The payment of these taxes and levies, is based on standard terms and conditions that apply to all tax and levy payers. The board is exempt from paying income tax.

The Board also purchases goods and services from entities controlled, significantly influenced, or jointly controlled by the Crown. Purchases from these government-related entities for the year ended 31 March 2012 totalled \$126,412 (2011 \$138,871). These purchases included air travel from Air New Zealand, and postal services from New Zealand Post.

The Board purchased legal services of \$1,311 (2011 \$525) from Hazel Armstrong Law, a firm owned by the previous Board Chair Hazel Armstrong. The services were in relation to the insurance claims of the Board.

Key management personnel compensation

Key management personnel include all Board members, the Registrar and Deputy Registrar.

	2012	2011
Salaries and other short-term employee benefits	501,896	489,980

Board members' remuneration

Board members' remuneration paid or payable to each Board member during the year was:

	2012	2011
Alan Bickers (Chair since 26 July)	29,650	800
Peter Jackson (Deputy Chair since 14 February)	8,550	4,933
John Simmiss (Deputy Chair from 26 July - 14 February 2012)	23,196	8,125
James Fruean	9,650	8,250
Graham Hardie	22,463	7,788
Sue Ineson	14,390	6,838
William Irvine	12,040	4,800
Craig O'Connell	10,600	-
Ian Rowe	6,510	-
Sue Simons	7,100	-
Hazel Armstrong (Chair until 11 July 2011)	9,331	33,723
Stephen Parker (Deputy Chair until 11 July 2011)	10,250	25,150
Mark Whitehead	6,262	24,436
Hylton Chard	-	5,275
Michael Carmichael	-	8,329
Robin Hapi	-	11,350
Anthony Salisbury	-	7,025
Marjorie Noble	-	13,913
TOTAL REMUNERATION	169,992	170,735

There have been no payments to committee members appointed by the Board who are not Board members during the financial year. The Board has effected Directors and Officers liability insurance cover during the financial year in respect of the liability or costs of Board members and employees.

Employee remuneration

Total remuneration paid or payable:

	2012	2011
\$100,000-\$109,999	1	1
\$130,000-\$139,999	1	1
\$200,000-\$209,999	1	-

There was a payment of \$6,547 paid to one employee on cessation.

14. Reconciliation of net operating surplus/(deficit) with net cash flow from operating activities

	2012 Actual	2012 Budget	2011 Actual
NET SURPLUS/(DEFICIT) FROM STATEMENT OF COMPREHENSIVE INCOME	740,956	29,512	(718,167)
PLUS/(LESS) NON-CASH ITEMS			
Changes in provision for impairment	7,067	-	17,031
Depreciation and amortisation	133,367	140,000	131,645
Other provisions	6,516	-	6,272
	146,950	140,000	154,948
PLUS/(LESS) MOVEMENTS IN WORKING CAPITAL ITEMS			
<i>Add (less) Movement in Working Capital Items:</i>			
(increase)/decrease in prepayments	3,167	2,388	(2,238)
(increase)/decrease in accrued interest	4,643	(4,347)	37,658
(increase)/decrease in receivables	(57,891)	(20,869)	(8,672)
increase/(decrease) in fees paid in advance	202,815	(46,220)	(30,466)
increase/(decrease) in accounts payable	(33,734)	36,109	(335,330)
increase/(decrease) in employment entitlements	10,924	-	33,814
increase/(decrease) in GST owing	33,354	10,903	67,191
	163,278	(22,036)	(238,043)
PLUS/(LESS) ITEMS CLASSIFIED AS INVESTMENT ACTIVITIES			
Loss/(gain) on disposal of property, plant and equipment	-	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	1,051,184	147,476	(801,262)

15. Events after the balance date

There were no significant post balance date events (2010-2011 Nil).

16. Contingencies

Contingent liabilities

There are no known contingent liabilities as at 31 March 2012 (2011 \$5,000).

Contingent assets

There are no known contingent assets as at 31 March 2012 (2011 Nil).

17. Financial instrument risks

The Board's activities expose it to a variety of financial instrument risks, credit risk, and liquidity risk. The Board has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Fair value interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Board's exposure to fair value interest rate risk is limited to its bank deposits which are held at fixed rates of interest. The Board does not actively manage its exposure to fair value interest rate

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Investments and borrowings issued at variable interest rates expose

the Board to cash flow interest rate risk.

The Board's investment policy requires a spread of investment maturity dates to limit exposure to short-term interest rate movements. The Board currently has no variable interest rate investments.

The Board's borrowing policy requires a spread of interest rate repricing dates on borrowings to limit the exposure to short-term interest rate movements. The Board's borrowing policy does not permit the use of interest rate derivatives to manage cash flow interest rate risk.

Credit risk

Credit risk is the risk that a third party will default on its obligation to the Board, causing it to incur a loss. Due to the timing of its cash inflows and outflows, Board invests surplus cash with registered banks.

In the normal course of business, the Board is exposed to credit risk from cash and term deposits with banks, debtors and other receivables. For each of these, the maximum credit exposure is best represented by the carrying amount in the statement of financial position.

The Board limits the amount of credit exposure to any one financial institution for term deposits to no more than 35% of total investments held. The Board invests funds and enters into derivative financial instruments only with registered banks that have a Standard and Poor's credit rating of at least A2 for short term and A- for longterm investments. The Board has experienced no defaults of interest or principal payments for term deposits. The Board holds no collateral or other credit enhancements for financial instruments that give rise to credit risk.

Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and the ability to close out market positions.

The Board mostly manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

18. Explanation of significant variances against budget

STATEMENT OF COMPREHENSIVE INCOME

Income

Examination fees

Examination fees were \$145,308 above the budget of \$306,668 as some 493 more entrants applied to sit the exams than had been budgeted.

Gas Certificates

Gas certificates income was \$49,538 more than the budget of \$685,000. This represented a better than expected recovery from the low numbers of the 2010-2011 year.

Interest received

The \$87,097 actual was above the \$40,000 in the budget. This occurred due to unbudgeted surplus funds being available for investment, cash flow variations and better interest rates than anticipated.

Licence fees

The actual of \$1,081,975 was \$55,689 below budget which is a 4.9% variance. This drop in numbers of licences issued was in the plumbing and drainlaying sectors whilst gasfitters licenses showed a small increase in licences issued. The Board has budgeted for 12,800 paid licences to be issued compared to the 12,172 that were issued.

Registration Fees and Registration Certificates

As a result of the very high numbers of people sitting and passing the exams in June and November 2011 there has been a subsequent flow on effect to registration applications for the year producing \$129,333 more income than was budgeted.

Discipline levy

As noted in licence fees there was a similar drop in actual discipline levies paid compared to the budget.

Offences fee

The offences fee was not budgeted for and \$5,478 represents income from the 12th of January 2012 when this fee became payable.

Other income

The \$101,269 that the actual was above the budget is a result of fines and costs imposed being \$39,280 more than the budget and an insurance recovery of \$61,989 for the costs of an employment matter.

Expenditure

Administration Expenses

The positive variance of \$91,148 is made up of a number of small savings over the thirty plus cost codes that make up the Administration expenses.

Governance

The Board fees and Honoraria have come in under budget because of the decision by the Board to hold their meetings on a six weekly basis rather than the previous monthly basis beginning from the end of October 2011.

Examinations

The \$264,866 cost of the examinations were \$42,366 above budget due to the increased numbers of entrants sitting the exams combined with an unbudgeted fee for writing the Certifying drainlayer exam.

Gas certification

The gas certification expenses of \$171,400 were below the budget of \$300,000 due to constraints relating to auditor and support resources availability.

Registration and licensing

The registration and licensing expenses of \$183,941 were below the budget of \$219,800 mainly due to the Competency review costs of \$19,030 coming under budget by \$33,770.

Complaints and Discipline

The costs of complaints and discipline is demand driven and is also dependant on the complexity of cases.

Prosecutions

The costs of prosecutions is demand driven and is also dependant on the complexity of cases.

STATEMENT OF FINANCIAL POSITION

Cash & Cash Equivalents

The reason the actual cash and cash equivalents was more than budget was the last two days of payments before the 1st of April 2012 fell on a Friday and Saturday which meant these large amounts were not available to place on deposit before year end cutoff.

Investments

The \$2,556,953 on term deposit is greater than the budget of \$1,800,000 as the licensing process was commenced two weeks earlier than last year so licence fees were received earlier than expected. Also increased funds from the higher than expected surplus in the 2011-2012 year were available to invest.

Fees paid in Advance

As noted above licence processing began two weeks earlier than we had provided for in the budget hence the actual fees paid in advance of \$1,066,706 was larger than the \$900,000 in the budget.

GST Payable

As a result of the fees in advance being above budget the GST payable for the February – March period increased also.

Statement of Changes in Equity

The surplus for the year was \$720,681 greater than budgeted due to the budget variances explained in the statement of comprehensive income above



Statement of changes in cash flows

Revenue from fees and levies were \$447,481 more than budget as explained in the income variances in the Statement of comprehensive income.

Payments to suppliers were \$335,228 as explained in the expenditure variances in the Statement of comprehensive income.

Statement of commitments

Capital commitments and operating leases

There have been no capital commitments entered into as at 31 March 2012.

The Board has entered into two leases:

1. Office premises at 70 The Terrace, Wellington. The lease is for nine years from 1 April 2008. Rent reviews are three yearly. Present annual rental is \$145,444 plus GST.
2. A photocopier lease of five years from 15 August 2010. Present annual rental is \$29,700 plus GST.

	2012	2011
Non-cancelable lease		
Not later than 1 year	175,144	175,144
Later than 1 year and not later than 2 years	175,144	175,144
Later than 2 years and not later than 5 years	475,932	505,631
Later than 5 years	-	145,444
	826,220	1,001,363

Signed on behalf of the Board



Alan Bickers JP
Chairman
25 June 2012



Sue Ineson
Chair of Audit and Risk Committee
25 June 2012

Independent Auditor's Report**To the readers of the
Plumbers, Gasfitters and Drainlayers Board's
financial statements and statement of service performance
for the year ended 31 March 2012**

The Auditor-General is the auditor of the Plumbers, Gasfitters and Drainlayers Board (the Board). The Auditor-General has appointed me, Kelly Rushton, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Board on her behalf.

We have audited:

- the financial statements of the Board on pages 30 to 47, that comprise the statement of financial position as at 31 March 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the statement of service performance of the Board on pages 12 to 21.

Opinion

In our opinion:

- the financial statements of the Board on pages 30 to 47:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Board's:
 - financial position as at 31 March 2012; and
 - the results of its operations and cash flows for the year ended on that date;
- the statement of service performance of the Board on pages 12 to 21:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the service performance achievements measured against the performance targets adopted for the year ended on 31 March 2012.

Our audit was completed on 26 June 2012. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.



An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Board's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Board;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Board

The Board is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Board's financial position, financial performance and cash flows; and
- fairly reflect its service performance achievements.

The Board is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Board's responsibilities arise from the Plumbers, Gasfitters and Drainlayers Act 2006.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Board.



K M Rushton
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



HOW TO CONTACT US

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This document is also available on the Board's website.