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IN OTHER NEWS

A day without sarcasm is a day wasted



A day without sarcasm is a day wasted but this is fact and shows where your money goes.

These are the estimated costs for a minor offence and a one day hearing.

Investigation

Investigator fees and disbursements \$1,934.37
Investigator's travel \$492.70
Photocopying postage etc \$9.00
Sub total \$2,436.07

Prosecution costs and expenses

Prosecution assessment of evidence \$643.50
Prosecutor's fees \$7,500.00
Investigator's fees \$1,601.00
Photocopying postage etc \$8.00
Sub Total \$9,751.50

Board hearing costs and experience

Service of notice \$90.00
Pre-hearing teleconference \$30.00
Legal advisor costs \$2,750.00

Fees Review - The Truth is Hidden



We just don't believe what the Board is expecting us to believe! We are of the opinion there have been so many exaggerations of the truth that the truth no longer exists.

This is from the 2010 review by the PGDB:

"Currently the income from registration fees is less than the actual costs incurred by registration activities. As a result of the small number of registrations per year (approximately 500) the true costs of registration activities should be approximately \$1,500 per registration.

If this is charged on a true cost basis the fee level may create a barrier to those wanting to enter the trades. However, as the number of licence holders is substantially higher (over 16,000) than the 500 registering each year, a small increase in licence fee could be used to significantly reduce the registration fee. It is proposed to set a registration fee of \$500 and a licence fee of \$100 per annum.

This would be a form of cross subsidisation but could be justified in terms of the benefit to the individual as a whole"

And that's what happened - the licensing fees were increased to subsidise the registration fee. The documents claim a true licensing fee of \$65. So the cross subsidisation was in the vicinity of \$35 per licence.

500 registrations x \$1500	= \$750,000	True cost minus.
500 registrations x \$500	= \$250,000	Set cost
Balance	= \$500,000	Minus
16,000 licences x \$35	= \$560,000	Subsidisation equals
Difference	= -\$ 60,000	

A minus figure is a surplus so the Board took an extra \$60,000 that they weren't entitled to based on their own figures.

Now the Board are saying the true cost of registration is \$564 which they say is an increase of \$155 over the existing fee and their view is the figure of \$564 would act as an undue barrier so they are proposing to hold it at the existing level of \$409 and that would be achieved by a cross subsidisation from licensing which would increase the licensing fee by \$8.

715 registrations x \$564	= \$403,260	True cost minus
715 registrations x \$409	= \$292,435	Set cost
Balance	= \$110,825	Minus
12,405 licences x \$8	= \$ 99,240	Subsidisation equals
Difference	= \$ 11,585	

This time they are short of money. But don't worry as we still haven't

Board member fees
\$2,200.00
Board member costs
\$1,175.52
Stenographer \$760.00
Catering \$176.53 (this is
only for the Board,
lawyers and investigator
and Board witness.
Everyone else has to fend
for themselves)
Photocopying postage etc
\$20.00
Mailing costs for the
Board hearing \$11.90
Sub Total \$7,214.35

**Estimated Total Costs
\$19,401.92**

How long would it take
you to make this money?

*Investigator \$3,535.37
Lawyers \$10,893.50
Board \$2,200.00*

Remember this is a minor
case and a hearing of
less than a day.

Your defence costs and
travel etc are your
responsibility and if you
win there is no recourse
for a refund of your
money spent defending
yourself.

We believe this is
absolutely ridiculous and
the Board will no doubt
state it's their function
under the Act but they
can still use common
sense.

We're not saying they're
stupid we're just saying
they've got bad luck when
it comes to thinking.

And you need to note the
money on lawyers is not
the Board's in-house
lawyers but external
lawyers.

If common sense isn't to
be applied then why do
we need all these highly
qualified people?

**Don't push us to the
edge of the cliff as you
will get a response!**



This featured in issue 25

taken into account the \$120,000 they have overcharged us in the previous two years or the previous cross subsidisation of \$560,000 which the Board seem to have forgotten about. (Might be part of their latest strategy which is to refuse to discuss anything from "the past"). Lets forget about the \$120,000 overcharged and put that down as an illegal tax. We are left with the \$560,000 the Board had already taken from us to subsidise registration so we'll take off the \$11,585 short fall and are left with \$548,415 which we are being overcharged on licensing. That's about \$44.50 overcharged per license.

Perhaps they need to look towards a forensic accounting specialist to go BACK over their accounts and explain it to them, but then again, the Acting CEO at the time the first lot of fees were reviewed and introduced is now a Board member so surely he can explain how he came to the conclusions he did.

This is what Mr Bickers said recently:

You told us that you thought we were holding too much money in reserves and that we should show that we are spending all the levy monies collected on discipline. So we've decided to utilise \$474,000 of reserves to reduce your relicensing costs over the next three years. \$174,000 of these reserves were generated from an under spend on discipline last year, so this amount will be directly utilised to lower the levy paid at relicensing time.

This is the second year in a row that we have reduced the costs that a person has to pay to relicense!

Well it's no wonder he can make statements like that when the figures supplied by the Board show we are paying \$548,415 too much annually just on licensing. And you are right Mr Bickers – we DO think you are holding TOO much in reserves!!

If the Board decide to claim that \$101 is the true cost of licensing then it throws doubt on Mr Bicker's claim that fees have gone down as based on the Board's figures they would have increased by \$36 because of the cross subsidisation.

Could the Board claim they didn't know where the figures came from – well we doubt it because the two people who instigated the 2010 fees were on the Board for the last two years being Sue Ineson and Craig O'Connell. What of the examination fees – what inefficiencies have caused the fees to increase by 34.02% when the \$300.00 in 2010 reflected the actual costs?

The new Trainee Fee of \$45.00 has never been collected before so obviously the costs were paid out of other fees so where are the reductions in these fees?

Remember the Office of the Auditor General recommended Memorandum Accounts be used, the 2011 Discipline Levy and Fee Review stated Memorandum accounts would be used and again in this fees review that stated they would be used. WHEN is this going to happen?

The Board have stated the review is based on the Board's total annual budget of \$3,812,000 which is shown as expenditure in their financial background information. Table five in the public consultation document shows the same figure which is the sum for licensing, registration, discipline, offences and examinations.

What we would like to know is what happened to the \$214,700 of income shown at the start in the financial background information; shouldn't that be deducted from the expenditure figure giving a figure of \$3,597,219 to recover by way of fees and levies?

on 27 November 2010 and here we are two years later and obviously they didn't heed our warning as people are starting to push back.

Does what was said then still apply?

"When we started the Federation we thought we would be dealing with intelligent, reasonable, forward thinking people who had lost their way and were drowning in their own bureaucracy.

We wanted to help get the industry back on line by working with them, but what we found was a secretive, manipulative, lying organisation that's drowning in its own shit.

These people have told so many lies and done so many things outside the bounds of normal administrative governance that they now think it's all true and legal. And how stupid other government departments are to get sucked in to their web of deceit by accepting what they say as being true.

How many times have we heard - "The Board have made large improvements over the last 12 months"? What a load of shit and the people saying it should take their hand off it and have a look at reality."

Must have been a bad day for the Editor back then but it's still relevant.



Editor.

Reference: *You always seem to be in a battle with someone and taking a dig at them. What's up, do you need some chill pills? And your response last week.*

You talk like some sort of idiot?

Ed: Of course I talk like

The Board claimed the fees have been calculated using a sophisticated model that was developed for the Board by consultants. It's not sophisticated - its simple time and resource allocation, but we bet they paid a "sophisticated sum of money" to have this all done for them by a prestigious accounting firm.

It doesn't matter what model you use if the figures put into it are not based on fact you will not get an accurate result. This review, in our opinion, is shambolic and has been put together and sanctioned in an amateurish way.

All we can say is don't give up - as the best is yet to come.

What's our view?



The Registrar of the Board is doing what he's paid to do and that is keeping the Board operational and financial. The stance taken during and after the Regulations Review Committee decision was proof that money came before what was morally right, and similarly with the delay in implementation of the memorandum accounts.

Criticism is like water of a duck's back and bureaucrats are very good at ignoring moral issues and then blaming the bureaucracy which they helped to implement. We believe it is very doubtful if morality will come in to any of the actions of the Board with two of the controlling figures having vast bureaucratic experience.

We are in a regulated industry and the Government has deemed we will pay for the funding of the Plumbers Gasfitters and Drainlayers Board. For that to change we need to change the law and just to give you a heads up the Plumbers Gasfitters and Drainlayers Act is up for review next year so we can all have our say then.

Until that time we are stuck with the processes the Act imposes. However that doesn't mean we have to accept all that is chucked at us. The Board still has to abide by the Act as well, and we have a right to hold them accountable for their actions.

The cartoon above is looking more and more like reality because in the 2010 fees review a 5% general increase for staff and service providers was factored into our fees. That was \$117,413 annually and \$352,239 over three years and who knows if it's been factored into the 2012 review, but one thing is for sure - our fees haven't, in real terms, come down.

The talk that "this is a new board", "give them time" or "that is in the past" has run its course. The Board should be judged on its performance not on what it says.

The Board cannot protect the public unless it has the support of the industry and this Board will not achieve that as their credibility has gone totally.

When people get pushed to the brink of despair due to the manner in which they believe they have been treated by the Board, and the Board have them arrested and removed from the office then there is an issue. How far can individuals be pushed? We are not condoning the actions taken by the individual but we can understand why it happened and he has probably done what most of us feel like doing to the Board every day of the week.

an idiot - how else could you understand me?

It all costs

The Federation operates on your generosity and we all know everything costs.

We guarantee you get 100% value for your money as that is one of the issues we are fighting the Board about – our money being wasted.

So if you want to invest in the future of the industry make a donation.

Every little bit counts so if you want to make a donation you can either send a cheque made out to the Plumbers Gasfitters and Drainlayers Federation,

or

Make a direct deposit at any National Bank, deposit on line through internet banking or set up a month direct credit.

Account: National Bank
06 0773 0319398 00

Cheques can be posted to:

Plumbers Gasfitters and Drainlayers Federation,
3 Jupiter Grove,
Trentham,
Upper Hutt 5018

We assure you that no money is used to pay any committee member, or for the costs of meetings etc – all of this is self funded by the individuals who have volunteered for these jobs.

We want to see bang for our buck – and for your buck too!

The Board Chair, Registrar and Deputy Registrar should all do the decent thing and resign. So should some of the Board members who are only there to feather their own nests. The Minister is aware of the issues and yet he sits back and does nothing. The word “Teflon” springs to mind. With the performance of the last two years we can never trust these people.

Circle the Wagons



Just when we thought the Regulations Review Committee was going to make a decision, Master Plumbers have become involved and one week after everyone else gave evidence Master Plumbers appeared before the committee. This is like déjà vu, having Master Plumbers come in after the fact and saying their piece like they did last time the Board was in strife with the Regulations Review Committee.

This was such an issue for Master Plumbers that one of their representatives was a Public Relations consultant, who incidentally sat in the public gallery at the hearing last week. If you were a conspiracy theorist you would say he was there getting the background information for the presentation this week.

The perception was the Board's hands were strategically placed to operate Master Plumbers as their supportive mouthpiece. They again pushed their barrow that they had 700 plus members who employed 60% of the industry who supported the view the Board had a function to fund and right or wrong the status quo should stay in place until a better solution could be achieved in the review of the Act. (We are not sure how they claim to represent the 60% of industry that work for Master Plumber members. Just because you work for someone doesn't mean you agree with their politics – or their stance as Master Plumber members).

They claimed the Board's actions were a technical consequence of poorly drafted legislation. Shit would that be a defence if it was a tradesperson under the hammer from the Board. These people who talk about standards and yet they are happy for illegal activities to continue at the expense of the industry make us sick. Technical glitch or not – the law is the law is the law – and until it's changed it needs to be applied as it is written. The Board will have to think long and hard about what possible Gazette Notices they draft, and the Minister will need to think long and hard about what he signs off as the Officer of the Auditor General have been quite clear about how all this stands legally, and how it could be challenged.

We agree with Master Plumbers on one point – we don't want unlicensed and unregistered people undertaking plumbing, drainlaying or gasfitting – and we agree those that do should be taken to task. We don't agree that those of us who ARE licensed and registered should be paying for it, and we don't agree that the PGDB should be extracting money from us that they have no entitlement to take. Let them use up their huge reserves – by then the government may have tidied up their act and sorted out the legislation.

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