

# Fellow Practitioner Issue 152 Dated 3 May 2013

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### **IN OTHER NEWS**

**Proof of Life** 

Perhaps we need "proof of life" in Parliament as it's gone very quiet with regard to the Amendment Bill. Remember the Bill that Flip Flop Williamson attempted to rush through in a week and then it was extended to three weeks and now it looks like it will be well into May before it is addressed.

The Federation is still waiting for the Regulations Review Committee to come up with a decision regarding the fees and also CPD.

We find it appalling that there is such a delay to

# Why Are We Being Punished



There is no question about it, we (being practitioners), are being punished for putting in the time and effort. We have been through the hardship of doing an apprenticeship, sat the exams, done the courses and got to the stage where our skills are above those of the normal person and what's our reward? – we are made to continually prove we are competent, and then to rub salt into the

wounds, we pay to prosecute people who have done nothing to prove their competence.

Where is our recognition for putting in the effort, stepping up and protecting the public? The Government claim we benefit by being part of a regulated industry - but what is the benefit?

The manner in which the Plumbers Gasfitters and Drainlayers Board operates is very much a branch of Government that is focused on enforcement, and that seems to be their sole direction. The Government created the "Burden of protecting the Public", but has transferred the "burden" to us and now uses enforcement to impose it.

They have taken away core apprenticeship training and have transferred the responsibility to the employer but still require the employer to pay for apprenticeship assessments. How do we get consistency in the industry apart from at exam time?

The Federation is firmly of the opinion that the Board's sole function is achieving its own internal requirements, and that these requirements do not take adequate account of the needs of the industry.

### **Charities Update**



This week the Board had its day in the High Court where it appealed against its deregulation as a Registered Charity. Two people from the Federation Executive Committee attended to listen to the argument put forward by the Board's no doubt highly paid external contracted lawyers.

The Board's argument was based on the Charitable Uses Act of 1601

get justice in this country. It seems there can be a rush put on things when it suits the Government but when it comes to the taxpayer wanting something, well it gets bogged down and they seem to attempt to run the complainants patience thin.

Coincidence

Some of you may have seen the latest rating for Council performance throughout New Zealand.

Two of the councils -Tauranga and Upper Hutt are amongst the poor performers rating in the bottom 30% at 48th equal out of 67 councils.

Amazing how two of the ex-chief executive's officers of Tauranga (Alan Bicker) and Upper Hutt (Max Pedersen) have ended up at the Plumbers Gasfitters and Drainlayers Board.

We hope the performance of the two councils isn't a legacy left by the two ex CEO's and that we are not being taken in the same direction.

How Much Time is Wasted

How much time is being wasted attempting to be a Consumer Protection Board instead of trying to make the industry more productive? (known as the Statute of Elizabeth). The preamble to this 400 year old Act contained a list of purposes or activities that was, in effect, a list of purposes or activities that the State believed were of general benefit to society, and to which the state wanted to encourage private contributions. The list has formed the foundation of the modern definition of charitable purposes, which has developed through case law.

Four categories of charity which have been extracted from the Charitable Uses Act:

- the relief of poverty
- the advancement of education
- the advancement of religion
- other purposes beneficial to the community as a whole that the courts have identified as charitable.

The Board claimed that protecting the Health and Safety of the public was within the 'spirit and intendment' of the preamble to the Charitable Uses Act 1601. They claimed the other functions they perform are ancillary, secondary, subordinate, or incidental to their charitable purpose.

The Board seemed to ignore that part of the preamble where it states: "..... the state wanted to encourage private contributions". We can only presume our fees and levies are the private contributions component.

The Charities Commission argued the Board was effectively a branch of Government that had Ministerial Output Agreements and was answerable to the Office of the Auditor General, the Ombudsman and was required to follow Treasury guidelines.

A very good argument and makes you wonder why we pay for their existence at all. Is that why the Board is wasting tens of thousands of practitioner paid dollars appealing the decision to de-register them? Is it going to leave them in a situation where they don't have a degree of separation from the Government, where they don't have any independence (on paper)?

The judge has reserved her decision so we are back to the waiting game.

### Where do the Outputs Originate

Following on from the above, we as an industry fund the Board's outputs, but where do the outputs come from? For example do the outputs originate from the demand of the industry, do they come from Government instruction or does the Board generate them and if they do what role do we as the users and payers play?

Government guidelines state:

"The provider needs to give users confidence that the levels and standards of an output are not simply determined by internal

We have the

perception, and in some cases the proof, that there is a lot of time spent doing things twice because they weren't done right in the first instance.

We know of one firm that out of six licensed people, five have had two licences issued as the first licences were wrong. What is your experience of getting your licence card this year?

Was it correct first time or did you have to go back and get it corrected?

How long have you had to wait for your card?

Let us know and we will put our findings in an upcoming newsletter.

What is the Future

The future will be the same as the last 10 years if we don't take action to change it.

We want to get out and about and bring the message to you and also collect the information about what you want.

We don't have the resources to do it from Wellington so are you prepared to help organise a meeting in your area? If you are then please send the details to wal.gordon@xtra.co.nz

We also want to get answers to these questions:

What are you prepared

requirements, but do take adequate account of user needs.

This is particularly important when users are paying. Charging for an output at more than full cost, and generating from it a surplus that is over and above the charges necessary simply to recover the costs, is equivalent to imposing a selective tax"

The needs of the industry are not met by the outputs or even addressed. This is where we believe the Act is being misinterpreted by the Minister and the Board and the industry should have representation on the Board the way it was ten years ago before it all started to turn to shit.

The Board and Minister have our vote of "no confidence".

# How Charitable are they

We told you a couple of weeks ago about a Nelson based Plumber who was hounded by the Board when he was having a triple heart bypass and the Board wanted to suspend the licences of the people the plumber supervised.

We heard of another one this week where a 64 year old Plumber with over 40 years experience, who due to poor health has been forced on to a sickness benefit, is being prosecuted by the Board through the courts for installing a shower mixer, a vanity and connecting the wastes.

From what we can gather the Board have been informed of the person's medical condition and that he has a letter from his doctor outlining the fact that he shouldn't attend court or have stress placed on him but it would seem the Board are continuing on with their action of prosecuting him for operating without a current licence.

There may be more to the story than we have been told but to put a person's health at risk is just wrong.

# Just More Taxes



People go on about levies as if they are just another fee we need to pay but in effect they are a form of tax. The Government is trying to change the law to impose a Prosecutions Levy on us- yes another tax! Well here are two more taxes business owners may not have been aware of that were imposed on us in recent

times.

When you do your annual business return with the Companies Office you now pay \$45.00. This is broken down into FMA Levy \$10.00, Online Annual Return \$25.00 and XRB Levy \$10.00.

Of course we all know what the FMA and the XRB are – bullshit, most of us wouldn't have a clue! Well in the spirit of "upskilling" - FMA is the Financial Markets Authority, an independent Crown Entity and is the to give up for a better industry?

What do you want?

What do you want from training?

How should apprentice training be conducted?

Send us your views so we know what YOU want.

When the Student becomes the Tutor.

We heard of a case this week where people running a course took the time out to visit on site, a tradesperson installing their product.

A great move by them to observe the practical application of their product prior to running a CPD course for the industry.

The person installing the product incidentally hadn't attended the CPD training for the product.

Letter to the Editor

#### **Dear Editor**

We read this article this week:

John Key says he feels for people who are struggling to make ends meet. A survey out today shows that half of us live from pay packet to pay packet. But the Prime Minister says things are getting better.

"We acknowledge that the real challenge is for

New Zealand's financial markets conduct regulator. What that has to do with the average business - who knows?

The XRB is the External Reporting Board which is responsible for all aspects of financial reporting and auditing and assurance standards setting. Yet again what that has to do with the average business who knows?

But here's the real joke – we pay a \$10.00 levy for each organization, but their literature states *"The levies provide \$16.4 million in funding for the FMA and \$3.66 million for the XRB annually"*.

From what we have read a levy that is imposed must be used for the purpose of that which you are levied for, so in this case is there cross subsidization or money going somewhere else? Either way it's not very transparent and it's just another government money grabbing exercise.

The longer we wait for decisions about our industry the more we find that is just wrong.

#### Incompetence Gets Covered Up With Bureaucracy

More and more we are seeing incompetence getting covered up with bureaucracy. Look at the PGD Amendment Bill, it is a glaring example of using bureaucracy to change a law to cover incompetence and no one is being held accountable.

Now we have a new Government agency which will enforce the government's drive for better public services. It is called the Corporate Centre. Elements of the State Services Commission, Treasury and the Department of Prime Minister and Cabinet make up the Corporate Centre, which has been established to collectively lead the state sector and drive improved performance to deliver increased effectiveness through better public services. (My, my – Yes Minister is coming to life!)

The government's better public services policy is focused on saving money as much as it is on delivering better services they claim. It seems to us than rather than making people do the jobs they get paid for the government has introduced another layer of administration. If people accept the high wages they should be held accountable. This is just another protection blanket. It is also a joke that Government are on the one hand saying they are cutting costs and making people redundant from various Government Departments, while on the other hand they are flying under the radar making up new agencies.

### Donations

Don't forget we operate on donations so if you wish to help out and 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

New Zealanders as they meet their bills. We're working hard on those issues.

"You've seen interest rates virtually halve under a National-led government, you've seen food prices actually falling and inflation is at very, very low levels."

I think that's a load of garbage. Look at all the money they take off us just so we can go to work.

What do you think?

**Ed.** We agree with you. We believe the Government is not providing any leadership or direction for our industry.

They appear to be leaving it all to the Board who have said they have no governance role of the industry and are not there for us.

This is why the Federation was formed as there is no direction, there is no one standing up for the industry. 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!

# We are not alone



We are not the only people putting up with injustice from the Government and Local Government.

The poor ratepayers at Kaipara are enduring the same garbage as us.

This is a link to Kaipara Concerns. Very interesting reading.

http://www.kaiparaconcerns.co.nz /

Amendment Bill Update

The Government is on school holidays so there is no action in the Beehive.

It would appear the Amendment Bill isn't a priority anymore and it possibly won't progress any further until after the Budget this year.

In the mean time still express your opinion to your local MP, asking them to vote against the Bill and for some action to be taken against the Board and Flip Flop Williamson.

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