



## Fellow Practitioner Issue 173 Dated 20 September 2013

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### IN OTHER NEWS

#### Letters to the Editor

**Re: Two Million Dollars Unlawfully Taken vs the Cylinder Strap.**

#### Dear Editor

I see you had a little write up in last week's issue about my cylinder strap.

Although this \$28 strap has cost me \$4500 in fines and costs, it has also cost Plumbers, Gasfitters and Drainlayers \$20 000 with the board's costs in the discipline hearing.

The board agreed that the HWC was impossible to fall over unless the house fell down, due to several bits of timber and 2 trusses locking it in just like the existing one was. The board knew I never had a chance to finish the job,

### PGDB Appointments (One step closer to a dictatorship)



The Amendment Bill passed by the Government recently took away the rights of the industry and the Minister of Building and Construction seemed determined to make it a "double header" by removing even more rights this week.

He has singlehandedly taken away our right to represent our industry, or even to apply for the positions to represent the industry on the Plumbers Gasfitters and Drainlayers Board.

Last week we asked the question "Are there two vacancies or have there been re-appointments?" Well our question has been answered by the dictatorship. Minister Maurice Williamson, who makes the appointments himself, put out this press release:

#### ***Reappointments to Plumbers Board***

*Building and Construction Minister Maurice Williamson today announced two reappointments to the Plumbers, Gasfitters and Drainlayers Board.*

*Peter Jackson and William Irvine have been reappointed for three year terms.*

*"Mr Jackson, who is registered as a certifying plumber, gasfitter and drainlayer, is the current deputy chair of the Board and its appointed representative to the World Plumbing Council.*

*"Mr Irvine is registered as a certifying drainlayer and currently works as an educator and consultant. He is the former Technical Advisor of the Building Research Association of New Zealand.*

*"The contribution of both men has been invaluable to the Board, and it will continue to benefit through their continued efforts," Mr Williamson says.*

The dictatorship has deemed these are the best people available; no

the board knew I never fully claimed for the job and the board know that this owner has completed several plumbing jobs himself but that seems to be fine with them.

Great way to spend \$20 000 of Industry money to protect the public from a HWC falling over if the house fell down.

#### Dear Editor

Another good interesting newsletter last week.

For your consideration:

*"A tradesman does not install a \$28.00 seismic restraint on a hot water cylinder because he interpreted that as the cylinder was surrounded by a timber frame and was incapable of toppling over that the cylinder would be safe. The PGDB found him guilty at a discipline hearing which cost him over \$4,500 in fines and costs...."*

It appears no one gave him the opportunity to take corrective action. A simple "put a strap on that" would have done, problem solved.

Is it, as you said recently, a situation where investigators are creating work for themselves?

I was watching the news this morning and talking to myself saying - these bastards are going to stump up for the small companies affected by Fonterra but we were systematically raped and pillaged and they offered

one else has been given the opportunity to step up.

It's no wonder nothing ever changes as at completion of this term of appointment Peter Jackson would have served a total of 14 years on the Board.

As Deputy Chair Mr Jackson collected a cool \$25,719 last financial year for his attendance at meetings.

So it looks like we have reached the stage where total industrial exclusion is taking place. The industry is now being treated with contempt ignored, and treated as second class New Zealanders.

It makes you wonder what the real reason is that Flip Flop doesn't want any changes to the failing system in place.

- Is he out to take the industry backwards and to create more opportunities for prisoners?
- Is he trying to dumb down the industry so as to create more jobs in the education sector?
- Is he driving a wedge in the industry so he has more control?
- Is he supporting the old Master Plumbers advertisement that "you are not a plumber unless you are a Master Plumber"?

Your guess is as good as ours.

#### PGDB Annual Report



When you lose the confidence of those you regulate it is easy for them to distrust what you tell them and that is exactly what has happened.

We have had a look at the PGDB Annual Report and have picked out

some of the main points for you.

Revenue was down slightly which isn't surprising with people opting out of the industry. Those that are left have to fund the operations of the PGDB. The decrease in revenue nearly mirrors the decrease in expenditure.

#### Stats Chart

nothing.

I find it interesting that the Government is rushing to assist small companies affected by the ministry that cocked up the findings on the Fonterra scare, yet we have told them for years about how our trades are ripped off and what do they do, legislate against us.

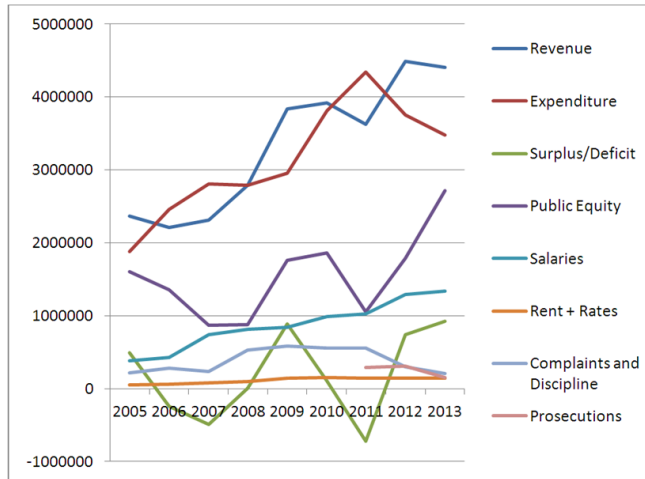
**Dear Editor**

It's a typical exciting Friday night here in Hawkes Bay for a self-employed Plumber and Drainlayer as I try to tidy up the loose ends of administration for another week instead of going out for a night on the town....!

I have just read the latest PGDB Info Brief and nearly fell off my chair!

The Board often remind us that they are not a support group or membership society for Plumbers, Gasfitters and Drainlayers and that their function is: (this bit is taken directly from their website)

*“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*



Expenditure has been reduced, but in reality this is coming down from a spike where the PGDB was overspending and went into a deficit as shown by the green deficit line which goes in the opposite direction of the expenditure line.

The surplus this year was in excess of \$922,906. Yes, nearly \$1million of your money not needed this year to run the “for not profit” charity!

The public equity and the surplus have risen in similar ways. The term “Public Equity” has been used, but in reality it is “Industry Equity” as the public make no contribution, but it is a common accounting term. Equity is the amount of the funds contributed by us, the industry, plus the retained earnings. So our equity in the PGDB has increased from about \$1.8 million to about \$2.7 million.

Salaries have continued on their steady increase. The costs of discipline and prosecutions were down on previous years. While on the subject of discipline and prosecutions we note the memorandum accounts which the PGDB have been operation.

**Memorandum Accounts Chart**

**Memorandum accounts for future processes for the year ended 31 March 2013**

Memorandum accounts for future processes for the year ended 31 March 2013		
<b>Discipline process</b>		
<b>Income</b>		
Discipline levy		1,046,912
<b>Expenditure</b>		
Direct expenditure	358,307	
Allocated overheads	478,600	836,907
<b>Unspent funds available for future years discipline activities</b>		<b>210,005</b>
<b>Offences prosecutions</b>		
<b>Income</b>		
Offences fees		538,631
<b>Expenditure</b>		
Direct expenditure	255,190	
Allocated overheads	218,740	473,930
<b>Unspent funds available for future years offences activities</b>		<b>64,701</b>

prosecution.”

Where do they get the grand idea of making themselves look so generous as to be spending our hard-earned money sending 3 “young” people on an all-expenses paid Outward Bound experience?????????

Am I wrong to feel this way?

**Ed:** Doing something for the youth is good but yes you are right where do the Board get off spending our fees on this type of activity when it is not industry related. It’s getting a bit like politicians making promises to get votes and to be liked. More double standards from the Board.

**Dear Editor**

This email is a reminder to any Federation members who are shareholders of NZPM Group of the upcoming Annual General Meeting.

You have a significant investment in a large New Zealand co-operative that in the main has provided you with goods and services and a return in dividends on your investment.

Over the last few weeks you would have received documents enlightening you on the last year’s performance of the NZPM Group and also notices of board elections and notices of motions.

Along with this information there are a number of board directors retiring by rotation and a

Remember the “sophisticated fees model” where it stated that a proportion of interest gained from investments will be shared across the cost centres, and where it stated fines and costs awarded would be split between discipline (80%) and prosecutions (20%) - well that does show on the memorandum accounts.

According to the “sophisticated fees model,” part of the \$120,415 of interest should be allocated to the memorandum account for discipline and prosecutions. The \$93,489 in fines and costs should also be allocated to this cost centre as well.

Have they been allocated to the cost centre? If so where? And why don’t they show as income on the memorandum reports?

Why are we having to chase the Board up on these issues? They don’t even remember what they have said themselves – the undertakings they made or the promises they gave.

Look at how overheads for discipline exceed the actual costs. Discipline is supporting the rest of the Boards operations and the Board knows it. They also know they can increase their income by prosecuting more people as it is one of their few measurable functions.

The Board stated there are a record number of people who have registered taking the number of people registered from 12,655 to 13,045 – a 390 person increase. Licensing numbers are down. Here is the comparison:

**Licensing Chart**

Year	Licenses	People
2010-2011	15,703	9,783
2011-2012	15,760	9,521
2012-2013	15,543	9,322

What does this tell us - well even with a record number of people registering, as gloated by the Chairman of the Board, the numbers of people licensing have reduced by 199 people last year and 262 the year before. So even with an extra 390 people registering this year the number of tradespeople has still reduced, which would indicate 598 people left and were replaced with 390 newly registered. An exodus of experience.

Not a good sign for the industry. A total of 461 people in two years have opted NOT to relicense, and that situation doesn’t seem to be getting any better with the Board announcing licensing was down 11% so far this year.

number of shareholders whom are willing to seek election to the NZMP Group board.

You will also note a lot of the people, who seem to be on every industry Board, are supporting the incumbents. I believe it is time for change to break the cycle before the NZPM Group Board follow all the other industry Boards into failure.

These people seem to be influencing every Board and in my opinion are taking the industry in the wrong direction.

Rod Miller, from Masterton, has accepted and agreed to his name being put forward as a candidate for the Board and Alister Lawrence has also put his name forward.

To this end, I urge you to consider your support for change.

Please give Rod's and Alister's names a big tick on the election form that you must return very shortly.

These are just a few of the points we picked up on and as times goes by we are sure there will be more. To us this annual report is a mixture of fact and fiction, so when the Auditor General's review starts we will draw to their attention ALL the issues we identify.

We would go to the Board but their communication with the industry is pitiful and they seem to hold a lot of stock in their satisfaction surveys, you know the surveys that ask if we are satisfied with the way they answer the phone, and are we are satisfied with the way they regulate us.

The Board and Minister have pushed people to their limits and when the people have finally exploded and are fighting back, the Board and Minister have taken a stance that we are malcontents, or a handful of disgruntled people, forgetting totally that it is THEIR actions that are causing the problems. We invite the Minister and the Board to front up with anything the Federation has done that is wrong legislatively.

If the Board were trusted or respected as a regulator there wouldn't be complaints. For the PGDB to claim they have met the majority of the recommendations set by the Office of the Auditor General is laughable.

Where is the integrity of this organisation? How can a registered charity, that is a not for profit – post a surplus of \$922k. How can this Board charge so much, when our colleagues in the electrical industry have had a substantial drop in their fees? Where is the value of this Board? Where indeed?

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