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IN OTHER NEWS

Call the Prime Minister as a witness

When will it stop, people in positions of authority not being held accountable?

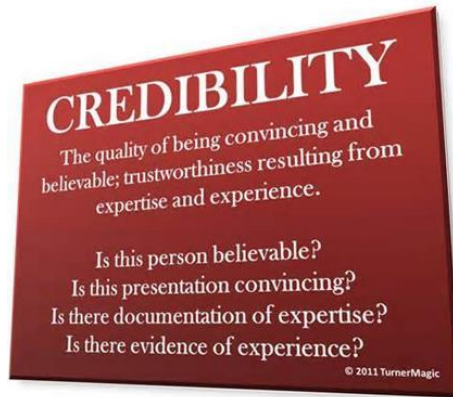
A couple of weeks ago we had the Board breaching the Privacy of 60 people and then we had Transport Minister Gerry Brownlee breaching aviation security rules.

No one held accountable and the Prime Minister thinks its fine.

"I have to consider whether six years of incredibly hard work should all be washed away because of one really silly action," Mr Key said. "I think on balance it shouldn't."

How this fits into one set of laws for everyone amazes us. We have consistently said that those that administer the law should act in a manner that is scrupulously honest and by example. Those that regulate us should be the same.

Their Own Creation



When the Federation first met with the Registrar Mr Max Pedersen, he was asked about criticism of him and his response was he had been in the game long enough that criticism is like water off a duck's back. In our opinion, we think that this

attitude could be the reason the Board and senior management is lacking credibility with industry, or is there more to it?

We believe honesty and integrity are absolute in the regulation of the industry, particularly where discipline or funding issues are concerned. If practitioners are misled or deceived they will lose confidence in the Board, as the integrity and honesty of ALL employed by the organisation is paramount to its reputation.

The last four years have shown the Board and Senior Management have struggled to get it right insofar as getting the industry to be supportive of the manner in which the industry is regulated. The Government had to change legislation to allow the Board to take money from the industry to perform their legislated functions. The amendments to the legislation covered the Board by legalising the manner in which they collected and spent the money - but that doesn't make it right!

If practitioners can perform their trade functions and in their spare time identify what the Board and senior management were doing was unlawful and wrong then - what are we funding? Why didn't the Board, senior management and secretariat identify the issues or take action when it was brought to their attention? This organisation has enough lawyers to qualify calling them a gaggle; it has a high level CEO, and numerous staff. The Federation has a committee of volunteers – and yet we uncovered what this supposedly high functioning organisation could not (or would not).

To quote from the Ombudsman "It can never be justifiable for a body to continue to levy monies that it has come to realise

How many tradespeople fall into the category of working incredibly hard but yet gets tens of thousands in fines and then get their name plastered all through the media while the Board gloats and then has their record placed on the Board's website for all to see for the next three years?

How can a member of the Board's secretariat be incompetent enough to breach the privacy of 60 people and nothing happens? In fact, when questioned, they accuse one the complaints of altering and manipulating the document involved in the incident.

Why should these people in positions of authority get away with breaching legislation when we as tradespeople get hung out to dry?

Double standards don't wash in our world.

Watch this space

Remember the famous words from the Ex Chairman of the Board Mr Allan Bickers at Napier when he said "watch this space" – well for once we agree with him as that's exactly what we are doing, watching the space left by him when his term ran out January this year.

To add to the issues of being one Board member down, three

that it has no legal authority to raise". This is a damning comment!

This year we will again be consulted on levies and fees and practitioners will be expected to take the information as being accurate and truthful.

A failure by the Board or Senior Management is not excused from criticism because there is no legal consequence. This Board have a number of times stated they want to move on from the past issues, but have now created their own historical issues like lack of credibility and a tarnished reputation.

The last four years have seen lots of issues around fees and levies and they set the foundation for the next round of consultation on the very subject. There can be no passing the buck to previous Board's and senior management as the last four years have been the sole responsibility of THIS Board and senior management team.

During recent applications for waiver of fees and levies a number of reasons were given by the applicants which the Board's Registrar made comment about. Here are some of them.

• Last year's Plumbers Gasfitters and Drainlayers Board financials were not completely audited and places in question the application of the memorandum accounts and their accuracy.

Registrar comment: Audit NZ was unable to confirm the accuracy of the time allocation assumptions that underpin the financial model that calculates fees and the levy. However, they were satisfied that costs had been allocated in accordance with the model. It is common practice for a financial model to include assumptions when the cost of precise financial allocation exceeds the value of doing it.

• I do not believe the fees accurately reflect the true time to task allocation used by the Board to calculate fees and the Board has been unable to produce that information.

Registrar comment: This statement is not correct. The fees do accurately reflect the true time to task allocation used by the Board. The time to task allocation used by the Board consists of the assumptions relating to this that are contained in the financial model. This information is readily available.

• The Fees and Levies contain amounts that were initially applied as one off events and have continually been applied for the last three years.

Registrar comment: This statement is incorrect.

more Board members terms expired in early July this year.

The Board's Website states there are no vacancies and the MBIE website is exactly the same so what's going on?

Have contracts been extended, renewed or are we in a period of flux?

Some people who applied for positions on the Board during the last recruitment round late last year/early this year still haven't been notified of progress.

What professionalism does that portray from MBIE who do the recruiting for the Board?

It appears people are being treated with contempt or is there such confusion about what is needed to lift the performance of the Board that doing nothing is the best option?

On the bright side we are not paying for people who aren't there (we hope) so there must be a saving on Board Members costs.

But in saying that don't be surprised if we are paying for an interim measure, another "Band Aid" on the gushing wound.

Review of the 2006 Act

• **The Discipline and Prosecutions Levies have been calculated using amounts that are not costs arising out of investigations.**

Registrar comment: This may have been the case in the 2010 review but not since.

We find the comments totally unbelievable so we thought it appropriate to comment now so that practitioners can be informed and be ready for the next round of consultation on fees and levies.

The Board claimed to have used a sophisticated financial model that was developed for the Board but any model is only as good as the foundation material put into it, which in this case is the task time allocation. Reading the comments above it would appear these times are now "assumptions".

The Board time and time again have failed to produce any documentation under the Official Information Act which shows the task time allocation. They are even implying above, that the cost is too great to get that exact information so this would lead us to believe that assumptions they have made from defective legislation are again being relied on. So what is an assumption? – It is simply something that is believed to be true without proof, or the belief that something is true without having any proof.

Should we believe and take the word as truth of the people who purposely gazette to take money from the industry knowing that what they were gazetting was unlawful? Those actions were either taken in bad faith or without reasonable care in our opinion.

The comment about one off events is very intriguing. If a one off event is included in the original base fee and is never removed then you can quite easily make the ASSUMPTION that the total is still included in the fee and is being used to fund other activities? This makes a joke of the previous Board Chairman's comment that savings had been made when in fact money had been used, that was collected for the one off events, on other activities. This is around \$360,000.00 annually.

There is other money that falls into this same category and the incident was reported to the previous Minister, to MBIE and the Board and nothing was ever done about it. Everyone just carried on as if the incident didn't occur - we are referring to the cross subsidisation of licensing fees to registration.

In mid 2010 the Board said the income from registration fees was less than the actual costs incurred by registration activities. They stated the fee should be around \$1,500.00. They implemented a \$35.00 cross subsidisation on each

Review; review where for art though review?

MBIE was to initiate a review of the Plumbers Gasfitters and Drainlayers Act three years after it came into force.

The Act was in force for three years on 1 April 2013. Here we are August 2014 and not a word on this.

It seems our industry gets knocked down the list in priorities firstly because the government don't fund us so they have nothing to lose by the industry being in a state of hibernation.

They can take as much time as they like and all it costs is a bit of flack which is ignored and is water off a duck's back, to coin a phrase from the Registrar of the PGD Board.

The perception is we are just a little cog in the big wheels of government and no one gives a shit about our problems so they can take as much time as they feel is needed to get on to our issues.

The Government and Board go on about protecting the public by ensuring our competence but who is protecting us from their total incompetence?

Letter to the Editor

Dear Editor

license fee to lower registration fees to \$500.00. This put the license fee up from \$65.00 to around \$100.00.

In 2012 they stated the true cost of registration was \$564.00 which they claimed was \$155.00 over the existing fee of \$409.00. Again they proposed a cross subsidisation of \$8.00 to be added to the license fee taking the fee to around \$108.00.

So when you look at the information provided by the Board you can see a \$35.00 cross subsidisation when registration was \$1,500.00 - then when registration costs dropped to \$564.00 (a drop of around \$936.00) they wanted another \$8.00. Where has the \$35.00 cross subsidisation gone to? That's \$105.00 annually for a person with three licenses spent on cross subsidisation for registration.

With regard to the Discipline and Prosecutions Levies having been calculated using amounts that are "not costs arising out of investigations" and the Registrars comment "This may have been the case in the 2010 review but not since" – then what has changed? There has been no reduction in these fees and in fact the Board allocated reserve funds which the Board had unlawfully taken from practitioners to keep the fees and levies down.

So in effect the Board is using money unlawfully taken from practitioners to pay a portion of a fee which has been unlawfully set, but of course the Government has covered the Board by legalising the collection and expenditure of the money. The Board have then tried to portray the application of the unlawfully taken money as them doing a favour for the industry - what a crock!!! Put a mask on it and call it highway robbery.

It will be interesting to see what spin is put on the financials and what blame is laid with others. We would have to ask the question "where is the Ministry of Business Innovation and Employment (MBIE) while all this is happening?"

We are sure one of their functions is to monitor the Board's activities and advise the Minister, but two events we reported to them and the previous Minister go unaddressed being the cross subsidisation of the fees and the awarding of Certifying Gasfitter status to at least two people who did not do gasfitting apprenticeships or sit the Licensing or Certifying exams as is required by the rest of us.

It would appear the tactic is to leave these issues for so long that they become historical incidents which get swept to one side so everyone can "look to the future move forward". This isn't accountability it's copping out.

Hon Nick Smith has stated he wants solutions from us not just complaints which is fair enough - so here are a couple of solutions.

First rebuilt homes

Did you see Corrections Minister Anne Tolley and Housing Minister Dr Nick Smith have welcomed the completed refurbishment of the first four earthquake-damaged red zone houses in Christchurch, undertaken as part of a joint initiative between the Department of Corrections and Housing New Zealand (HNZ)?

Ed:

Yes we did see that and support rehabilitation but only if it is at no cost to law abiding tradespeople.

The refurbishment of 300 or so houses takes a lot of work away from tradespeople.

We just hope that all the regulations we have to adhere to in our industry are being followed such as direct supervision by qualified trade people etc.

Have the Board and senior management held to account for their actions and appoint people to the Board who want to help the industry to progress. Forced compliance has shown not to work and only creates more expense making the relationship between the regulator and the industry worse. Fairness and equality is all that is needed.

Have MBIE meet with delegations from the Federation, Master Plumbers and others and look at the current unresolved issues and set timetables for resolution. Meetings have been requested by the Federation in the past with negative results.

If the Board wants to regulate in the current manner where they don't connect with the industry, then reduce fees and levies and let the Board go away to some dark corner and play with/by themselves. Let them operate as a clandestine enforcer where they don't have to worry about productivity. The industry can forget about them, get on with progress and put the money wasted on them each year as another tax, a cost of being in a regulated industry.

Fairness

Police Commissioner Mike Bush has apologised in person to families affected by the Urewera police raids. Police broke the law in searching and detaining people and setting up roadblocks while carrying out raids in Ruatoki in October 2007, the Independent Police Conduct Authority found.

Practitioners in our industry get told to work constructively with the Board after the Board unlawfully took a couple of million dollars in fees and levies and their actions got legalised!! Are we as an industry underappreciated - what are your thoughts? No apology was forthcoming from the Board for their actions in pillaging industry, nor from the MP's who drafted such supposedly poor legislation.

An apology would have gone a long way to creating some harmony and trust.

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