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IN OTHER NEWS

Letters to the Editor

Dear Editor It looks like the Government has been given the mandate to screw us over for another three years.

Do we keep the same Minister or get a new one or is there a chance Flip Flop Williamson will return?

What will the Federation do about the relationship between the industry and the Board and Minister?

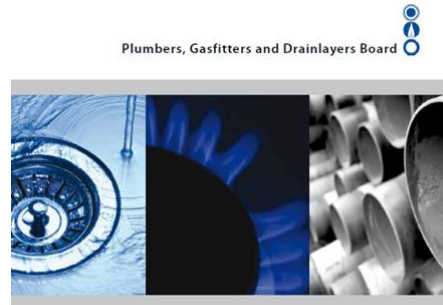
Ed:

Some very good questions and probably what everyone in the industry should be wondering.

In some ways continuing on with the same government can work in our favour as no-one can use the excuse that they have just got the appointment and need time to work out the issues.

They created the issues and are already aware of them. The problem now

Annual Report



Annual Report 2014

The Plumbers Gasfitters and Drainlayers Board Annual Report 2014 was released to the public last week and there weren't any real surprises, but over the next couple of weeks we will be having a close look to see what influence the regulation of the industry is having on our industries progression.

One thing that caught our eye in the Foreword to the Annual Report was this comment:

"The number of authorisations issued during 2013/14 was 6.47% down on the previous year. This could have been an effect of introducing CPD for plumbers and drainlayers, as a similar thing happened when CPD was introduced for gasfitters ten years ago. Numbers relicensing for the 2014/15 year are strong at the time of this report"

Yes there was a drop in the number of Gasfitters when CPD was unlawfully introduced, in fact it was a drop of 20%, such was the opposition to the scheme.

If CPD is costing the industry experience and trained practitioners then the system is wrong and shows CPD is not accepted generally. In fact if any part of the regulation of the industry is causing practitioners to leave the industry then it is wrong and must be changed.

These are some comments made by the Board about licensing which we feel give a false impression:

The Board's Interpretation:

"Relicensing is continuing at a great pace with 1226 more authorisations issued compared to the same time last year. Numbers are up in every category from trainees to certifiers. For those of you who have not yet got round to it, all I can say is that it is not worth the risk. We recently looked at the sustainability of the number of people working in the industry, and that is a good news story too. At the end of last year there were 850 more trainees in the industry than there are tradespeople who will reach retirement age in the next five years"

"At last count (12 May) there have been 10,034 authorisations and

is resolving them before it is too late and its rapidly approaching that stage now.

Who knows what will happen with the appointment of Minister of Building and Construction but there is always a possibility of Maurice Williamson returning.

The Federation will continue with its open door policy of working with anyone who works towards a better industry.

We still believe some organisations see the Federation as a threat to their existence so to those out there that still think that, remember all the Federation is after is fairness and equality in Plumbing Gasfitting and Draining regulations and legislation.

Dear Editor
Re: Industry Newsletter : Info Brief

If the Board was serious about cleaning up our industry of illegal operators they would do more at a local level.

We keep hearing about the bloody Board going to clean up the industry but it appears to me that this is only being said to keep the government departments happy cos you sure don't look like to me you're doing much to get the unlicensed plumbers to stop trading as plumbers, all we hear is BLAH BLAH BLAH for years and nothing happens and all they are doing is undercutting and competing with Licensed plumbers who do all the right things and pay all their fees etc

It's a bit rich to say your cleaning up the industry,

licences renewed this licensing year to date. The number of authorisations issued is up by 14.87% compared to the same time last year"

"The number of registered tradespeople who have renewed their licences is up by 13.6% compared to the same time last year (25 June)"

The Real Story:

Here is the real situation, with the figures coming from the Board's Annual Report. The following chart shows that since the current Board has been in place (not an historical event); the industry has lost 1,021 people! It has lost more in experience because some people leaving are being replaced with new practitioners.

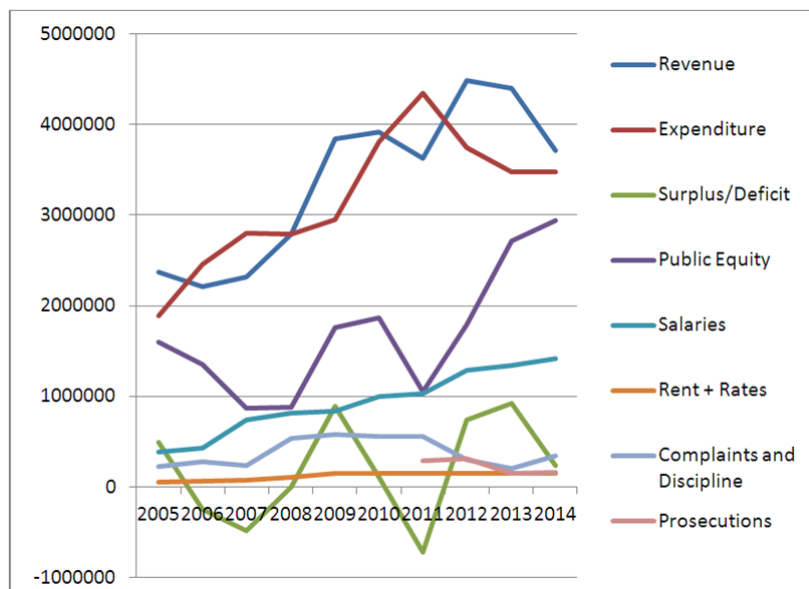
Chart one

Year	Licenses	People
2010-2011	15,703	9,783
2011-2012	15,760	9,521
2012-2013	15,543	9,322
2013-2014	14,339	8,762
Difference 2010-2014	1,364 Less	1,021 Less

The population is growing and our industry is shrinking. Think about the cost to replace 1021 people @\$21,329.00 each (figure sourced from the ITO as to costs or training an apprentice) - \$21,776,909.00, and that's only to get replacements to licensing level. There is no way the Government can say these figures are acceptable. How much has the cost of licensing, linked with the flawed CPD scheme contributed to this? In our opinion fewer people in the industry cannot maintain an appropriate level of service and safety.

Here are a couple of other issues you may be interested in. Board revenue was down but expenditure was similar to last year, and all this for providing a service to less people. Public Equity continued with its rapid increase and is now at nearly **three million dollars**.

Chart two



you can ask any Licensed Plumber Gasfitter or Drainlayer to name guys who are working in their area without a License and they will tell you as long as there is an understanding that the illegal Plumber, Gasfitter or Drainlayer doesn't know who has told the Board.

I have told the Board in the past of illegal Plumbers but they are not interested so if you're serious about cleaning up the industry you should be more than interested.

Frustrated Licensed Plumber

Ed:

Yes cleaning up the industry is a big job and doesn't appear to be going to plan.

We believe getting the industry on board and using education and help people get qualified is by far a better method than using fines and intimidation to penalise those making an honest effort.

The impression is regulation of the industry in its current form is creating the black market which it is fighting.

Simply look at the number of people who have rejected the regulation of the industry in the last four years. You would be stupid to think the 1021 of them have left the industry altogether.

We know there are still people out there who are unlicensed as a form of protest and that all it would take to get them legal again is fair and

Salaries have continued to climb and complaints and discipline costs have increased. While on the subject of complaints and discipline, this is the first year we are able to see the impact of the Memorandum Accounts. Some points to note for discipline are that **direct expenditure has decreased but allocated overheads have increased by \$166,309.00 (34%)!**

For Offence Prosecutions, direct expenditure has decreased **but allocated overheads have increased by \$223,961.00 (100% plus).**

Chart three

	2012-2013	2013-2014
Discipline Process		
Income		
Discipline Levy	\$ 1,046,912.00	\$ 926,883.00
Fines/costs		\$ 92,300.00
Expenditure		
Direct expenditure	\$ 358,307.00	\$ 345,063.00
Allocated Overheads	\$ 478,600.00	\$ 644,909.00
Surplus for current year	\$ 210,005.00	\$ 29,211.00
Balance brought forward		
Balance to carry forward	\$ 210,005.00	\$ 239,216.00
Offences Prosecutions		
Income		
Discipline Levy	\$ 538,631.00	\$ 468,896.00
Fines/costs		\$ 30,788.00
Expenditure		
Direct expenditure	\$ 255,190.00	\$ 162,101.00
Allocated Overheads	\$ 218,740.00	\$ 442,701.00
Surplus for current year	\$ 64,701.00	-\$ 105,118.00
Balance brought forward		\$ 64,701.00
Balance to carry forward	\$ 64,701.00	-\$ 40,417.00

Offence Prosecutions ran into the negatives with allocated overheads only being \$26,000.00 less than the levies collected. The comparison in the chart shows that the industry is funding allocated overheads to the tune of **\$1,087,610.00** which is amazing when the Act allows the Board to Levy the industry for "Costs arising out of investigations...."

The industry has funded discipline and prosecutions by way of levies to the amount of \$1,395,799.00 for a function with **direct expenditure of \$507,164.00**. Add on fines and costs allocated and the Board has spent \$1,011,723.00 on other things.

It is obvious the government doesn't care what happens to the industry or they wouldn't be letting this happen. As we have stated a number of times we all need to step up and take whatever action we can to protect our industry.

The government has placed the burden on us and has left us to it so we must do whatever we can to mitigate our risk and liability.

equitable legislation and regulations.

The industry is worse off now than what it was ten years ago but no one seems to care or is in disbelief. Well believe it - just look at the figures.

From the Media

Did you see these comments

"Expanded civics and citizenship education is urgently needed to turn around the low voter turnout in New Zealand", the Green Party said today.

"It's not ok when around one million New Zealanders don't vote," said Green Party Co-leader Metiria Turei.

"Although it's too early to tell, history tells us that the group with the lowest turnout is likely to be young people.

"We must do more to get our young people engaged and excited about their right to vote.

"A big part of addressing political disengagement is about making elections more accessible. Empowering our people with the knowledge they need to take the step to vote is a vital part of that.

"Civics and citizenship education will help to engage our young people in politics, society, and what is going on.

Ed:

We believe it is a bit simpler than that – just get some politicians that we can trust and abolish hidden agendas!

Mitre10 Mega Upper Hutt – A Fantastic Initiative!!



A month or so ago we told you of the initiative with Mitre 10 Mega Upper Hutt whereby they were going to restrict the sale of sanitary plumbing, gasfitting and drainlaying fittings to those people permitted by law to install them - namely plumbers, gasfitters and drainlayers.

Last week the initiative became reality and the trial period began. The Federation thanks the Mitre10 Mega Upper Hutt

staff and management involved in the project. They have put a huge amount of effort into the project and are now bearing the brunt of a few disgruntled customers attempting to purchase items that could be used to do sanitary plumbing, gasfitting or drainlaying.

This project came about because the Government, quite rightly, made our industry a regulated industry but slipped up by not restricting the sale of the products we use, so in some ways they implemented the law but left us to our own devices. Now every year we see more and more responsibility put on the practitioners along with additional costs such as the Prosecutions Levy (tax).

For years people have said if you want to stop the public from doing their own plumbing, gasfitting and drainlaying then don't sell them the fittings and for years no one has done anything about it - until now. The Board have said they couldn't do anything about this - the Government have been loathe to stop it.

Mitre10 Mega Upper Hutt saw the protection afforded by the initiative to restrict sales being:

- The public are protected from themselves in that they can't purchase the items they would need to break the law.
- The general public is protected in that the risk of other members of the public getting it wrong and causing a problem are mitigated.
- The Councils infrastructure is protected from contamination or damage.
- Mitre10 Mega Upper Hutt are protected from liability in the case of someone doing their own plumbing gasfitting and drainlaying and getting it horribly wrong.
- The industry gains in that the liability on the industry to police unregistered people is lessened.

This is a HUGE leap forward for the industry, where a retail outlet is stepping up and taking their share of responsibility to protect the health and safety of the public! What was quite astounding was the

The PGDF Chairman's Significant Issues

Mr Jackson the Boards Chairman had this to say in this month's Info Brief:

Significant issues for the Board during the year were:

- *the follow-up review by the Office of the Auditor-General which confirmed that the Board is now a well-performing organisation*
- *the passing of the Plumbers, Gasfitters and Drainlayers Amendment Act 2013, which resolved funding difficulties for the Board*
- *the Board's role in gas certification coming to an end*
- *retaining the Board's charitable status so that fees do not need to be used to pay tax*
- *beginning an effective programme for on-site checks of practitioners' licences.*

The Federation received a certain amount of flack about one of the issues being the Charitable status of the Board. Tens of thousands of dollars were spent on the Boards claim of being a charity and look how the Chairman summed it up.

"retaining the Board's charitable status so that fees do not need to be used to pay tax"

What happened to being a charity to protect the health and safety of the public?

We agree to the not paying tax but to portray your organisation as a legitimate charity to achieve that purpose is wrong in our opinion but the law is the law.

resistance by suppliers and other retail outlets to the initiative where sales seemed to cloud their judgement over corporate responsibility and the health and safety of the public.

We thought the Board would have been singing the praises of the initiative but they weren't much help at all, not even with signage. Mitre10 Mega, Upper Hutt has diligently worked their way through the obstructions and problems and are now providing a service to meet our industry needs.

Restricted



Mitre10 Mega Upper Hutt have done the hard yards and can be proud of their efforts. We look forward to the trial period and assisting with ironing out the hiccups in the hope the initiative will spread to the rest of the county. The Federation congratulates Mitre10 Mega Upper Hutt for being the first in the country to take on this initiative on such a grand scale, and we ask our members to support them. Put your money where your mouth is and tell other plumbers, gasfitters and Drainlayers about this initiative.

This company is helping us to protect our industry, to keep the public safe and to highlight the fact that doing your own plumbing, gasfitting and drainlaying isn't an option and could get you in some trouble. Support those who support us. Mitre10 Mega Upper Hutt is open seven days a week from 7am – 6pm Monday to Friday and 8am – 6pm Saturday and Sunday. Absolutely brilliant for those after hour calls. If you are interested in talking about opening an account with them – give the store a call.

Capacity Infrastructure in conjunction with the Councils in the Wellington region has seen the value of the initiative and has supplied information pamphlets to help educate the public.

If the Mitre10 Mega Upper Hutt trial goes well this could become a nationwide initiative so give it your support.