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IN OTHER NEWS

Policies

We note in the 2014 Annual Report a lot about policies and their review and rewrites.

What we find amusing is that polices have gone so far that we now have a policy on policies!

Yes this one page document is to ensure that the Board has sound policies and procedures for all of its operational responsibilities and tells the Chief Executive he must take appropriate measures to ensure that all necessary policies and procedures are in place.

The Board's respiratory policy should be out very soon telling people to breathe whilst working. Yes breathe, breathe, and breathe.

Communications

We see in the Annual Report under Strategic Objectives, Communications:

*"Measure tradesperson opinion on key aspects of the Board's performance annually."*

We feel this is a misleading statement because it implies the

Supporting Overheads

	Income	Actuals Spent	Surplus
<b>2013-2014</b>			
Discipline	\$926,883.00	\$345,063.00	
Prosecutions	\$468,896.00	\$162,100.00	
<b>Total</b>	<b>\$1,395,779.00</b>	<b>\$507,163.00</b>	<b>\$888,616.00</b>
<b>2012-2013</b>			
Discipline	\$1,046,911.00	\$206,837.00	
Prosecutions	\$538,631.00	\$148,113.00	
<b>Total</b>	<b>\$1,585,542.00</b>	<b>\$354,950.00</b>	<b>\$1,230,592.00</b>
<b>2011-2012</b>			
Discipline	\$1,590,572.00	\$297,449.00	
Prosecutions	\$5,478.00	\$312,152.00	
<b>Total</b>	<b>\$1,596,050.00</b>	<b>\$609,601.00</b>	<b>\$986,449.00</b>
			<b>\$3,105,657.00</b>

*Information Sourced from the PGDB Annual reports 2011-2014*

The PGD Board Chairman and CEO had this to say in the 2014 Annual Report Foreword:

*"The Board finished the year with an operating surplus of \$229,487. This has come about through careful management of expenditure in the face of below budget income, as the result of authorisations issued being below the projected level during the year."*

Is that the case or are we just getting over taxed in some functions?

The Plumbers Gasfitters and Drainlayers Act 2006, (the Act), allows the Board by notice in the Gazette, to impose on every registered person a disciplinary and prosecution levy of any amount it thinks fit for the purpose of funding the **costs arising out of:**

- investigations into allegations or complaints against registered persons; and
- proceedings concerning discipline under Part 3; and
- investigations into, and prosecutions against, persons for the breach of any Act or regulation relating to sanitary plumbing, gasfitting, or drainlaying.

A levy is simply a tax and section 143 of the Act says what the Board can tax us for. The Board's interpretation of this section is that they can chuck in any others costs they want to such as overheads and the government legalised this line of thought with the recent Plumbers Gasfitters and Drainlayers Amendment Bill 2014.

Board is measuring its performance based on the opinion of trades people but we all know the only measuring of performance that is checked is that of the secretariat.

No one asks for the industry's opinion of the performance of the Appointed Board.

Undertaking initiatives to increase public awareness was mentioned. The "ask for the card" campaign is now over four years old and still hasn't got traction.

Nothing new has been introduced.

#### Accountability Agreement

We laughed out loud when we saw the introduction comment in the Annual Report for the Accountability Agreement.

*"The Board's Accountability Agreement is between the Minister for Building and Construction and the Board. The agreement establishes the Minister's expectations of performance of the Board. The agreement enables the Minister to monitor the Board and hold the Board accountable for its performance."*

All we can say is the previous Minister's expectations and standards must have been low as all we've seen is the Government vote against the recommendations of the Regulations Review Committee to support the Board and then pass an Amendment Bill to

We cast our eyes at the current **public equity of \$2,942,370.00** and then the chart above which **shows the surplus remaining after actual costs have been removed for discipline and prosecutions. It shows the surplus taken for the last three years as \$3,105,657.00!!!**

So is the Board's financial position because of "careful management of expenditure in the face of below budget income," or is it simply playing the system to over tax the industry? You be the judge.

It is also interesting to note the Act allows for "a disciplinary and prosecution levy". This is written in the singular but we have TWO levies. No doubt there will be some obscure interpretations act from centuries ago which the Board can fall back on.

What about the \$2,942,370.00 in reserves? This is the same Board the Government said would go bankrupt if they gave anything back to the industry once it was proved they had unlawfully taken a couple of million dollars. Now we know the Board and government say it was due to the writing of the Act, but what about the behaviour of the Board to carry on and legislate all the while knowing what they were doing was unlawful.

How can the industry trust or respect the Board when the deceitful behaviour keeps on occurring? Have we reached a stage where the Board have misled the industry so many times they are forgetting what they have said before? Here is the latest example – in 2012 the Board said:

*"At 31 March, the Board held reserve funds of \$1,358,000 which equals a little over four months of operating expenditure. The Board considers that this is a prudent amount to hold in reserve to deal with unexpected expenditure or cash flow issues and accordingly it is not proposed to utilise the reserve at this time. The Board's policy is that reserve funds should not exceed six months of operating expenditure"*

So they are telling us their policy is the reserves should not exceed six months but yet we find ourselves in a situation where the reserves are closer to 10 months worth. This is about \$1,160,000 held over and above their policy maximum. If the Board is not going to adhere to its own policy then why have it?

#### Discipline vs. Offences

The annual report states under regulation of the trade:

*"Undertake discipline in a way that is lawful, fair and reasonable and is proportionate to the severity of any alleged offence"*

This year the legal division dealt with 532 complaints, down 6% on last year. An average cost of \$2,997.69 to administer the complaints.

Discipline complaints were down 12% to 59. The Board held 20 Discipline hearings at an average cost of \$49,498.60. Fines and costs recovered were an average of \$4,615.00.

Offences resulted in 23 cases with an average cost of \$26,295.73. Fines and costs recovered were an average of \$1,338.60.

cover their activities.

We didn't see any accountability from the previous Minister.

We see in the accountability agreement the Board was:

*"To encourage a positive behaviour change among non-compliant plumbers, gasfitters, and drainlayers"*

The Board claim to have achieved this by 27 articles published in the media and prosecutions against 23 defendants. Of these 2 were registered but not licensed.

They would probably have more luck if the Board was respected and trusted and there was fairness and equity in the plumbing gasfitting and drainlaying regulations and legislation.

## Registrations

The total number of registrations was down by 19.03% which equated to 212 registrations less.

The Board claim the total number of people holding one, two and three registrations is unchanged from last year with 7160 holding 1 registration, 4453 holding two registrations and 1432 holding three registrations.

This is a hard one to figure when there were 902 new registrations.

We can only presume 902 people were removed from the register as the Board wouldn't get it wrong.

The average cost/fine to licensed practitioners is 250% more than to non licensed people.

It costs an average of \$23,202.87 more to hold a discipline hearing than to deal with the issue through the courts. Now we have to ask ourselves why this is?

What is very interesting is that while there is a downward trend in discipline complaints, the Board had budgeted for an increase in direct expenditure of \$131,337.00 and an additional \$67,689.00 in overheads contribution, but here is the clincher - **where direct expenditure for offences will decrease by \$82,101.00 but the overheads contribution will increase by \$44,601.00 which is further proof that the tax imposed on us to pay costs arising out of investigations is simply supporting overheads.**

## We're Confused

In the June issue of the Info Brief Mr Jackson stated:

*"At times there seems to be confusion about the Board's governance role. To be clear, the Board does not govern the industry in the sense of representing, or being an advocate for industry participants and their issues"*

We now read in the 2014 Annual Report:

*"The Board consists of ten ministerially appointed members representing both the trade and the public"*

Yes there is confusion, and we believe it's the Board's confusion. If you remember there was a time when the Board worked in harmony with the industry and then along came the issues of using discipline and prosecutions to prove competency and to fund the majority of the Board's ever expanding overheads.

The Act is actually written in such a way that it specifically states:

*"2 people who the minister considers are able to represent consumers interests"*

We believe the others are there to represent the industry. Why would one person be a person whom the Minister considers has appropriate experience in relevant tertiary or vocational education if the Board was simply there for enforcement? Interpret the Act in a different way and a different result would be achieved as the interpretation at the moment isn't working.

As always we look forward to receiving your feedback on these issues. Are YOU getting good bang for your licensing bucks? Do you think the Board are being fair and transparent with the financials? We look forward to hearing from you.