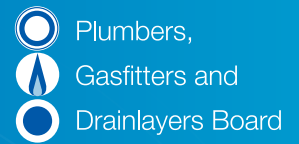


Annual Report 2024



Plumbers, Gasfitters, and Drainlayers Board



Contents

**We protect the public by
ensuring the competency
of our practitioners.**

The Plumbers, Gasfitters, and Drainlayers Board is pleased to submit this report for the year ending 31 March 2024 to the Minister for Building and Construction. The report is presented in accordance with section 152 of the Plumbers, Gasfitters, and Drainlayers Act 2006.

About us	3
Our year at a glance	4
From the Chair	8
Chief Executive's report	9
Strategic direction	10
Key achievements 2023/2024	12
Report on operations	22
Service performance and financial reporting	40
Statement of Responsibility	42
Statement of Service Performance	44
Financial statements	48
Notes to the financial statements	52
Corporate governance	80



About us

Role of the Board

The Plumbers, Gasfitters, and Drainlayers Board (the Board) was established under the Plumbers Registration Act 1912. The Board currently operates under the Plumbers, Gasfitters, and Drainlayers Act 2006 (the Act). The Board’s main functions are set out in section 137 of the Act.

The Board currently has 10 members, of whom six are practitioners. The members are appointed by the Minister for Building and Construction.

Our functions

The primary functions of the Board are to register and license plumbers, gasfitters and drainlayers and ensure the competency of those workers to protect public health and safety.

The mechanisms available to the Board to do this are:

- setting classes of registration
- ensuring a minimum standard of competence for practitioners to be registered and issued with licences
- holding disciplinary hearings following complaints about practitioners
- prosecuting those individuals who undertake unauthorised plumbing, gasfitting and drainlaying work
- educating practitioners.

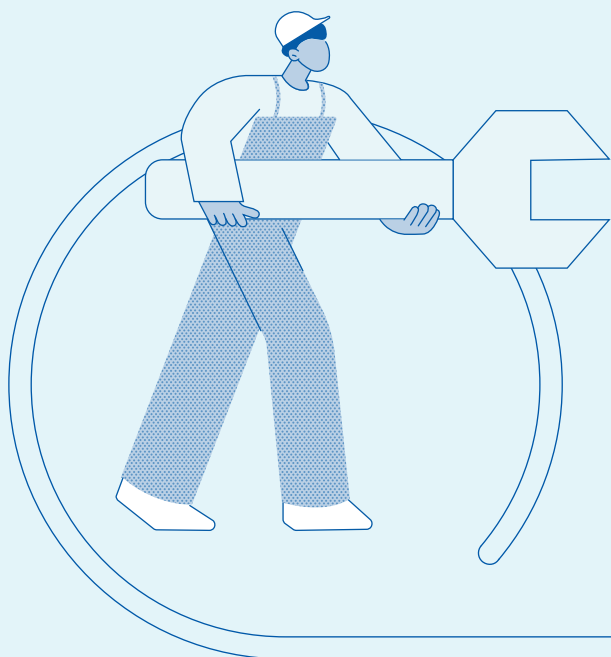
The Board supports the competency of the New Zealand plumbing, gasfitting and drainlaying industry and the maintenance of standards.

From 7 December 2023, the Board became responsible for the regulation of self-contained vehicles.



Our year at a glance

(1 April 2023 to 31 March 2024)



28,845

plumbers, gasfitters, and drainlayers
registered to practise in Aotearoa

1,679

newly registered
practitioners in Aotearoa



1,793

online examinations held for
tradesmen during the year



1,180

technical assistance
calls received

5 individuals

were successfully prosecuted for illegal
plumbing, gasfitting and drainlaying work



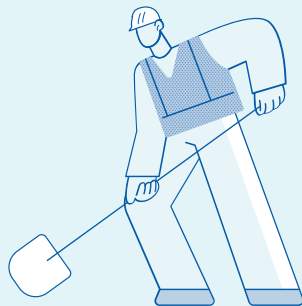
4,489

certifying plumbers



2,280

certifying gasfitters



3,476

certifying drainlayers



27

hearings held

53

complaints investigated

294

sites visited to carry out compliance checks

622

Certifying examinations held

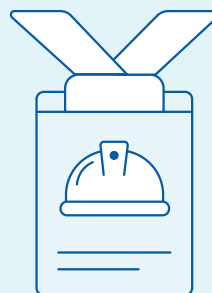
Our year at a glance

(1 April 2023 to 31 March 2024)



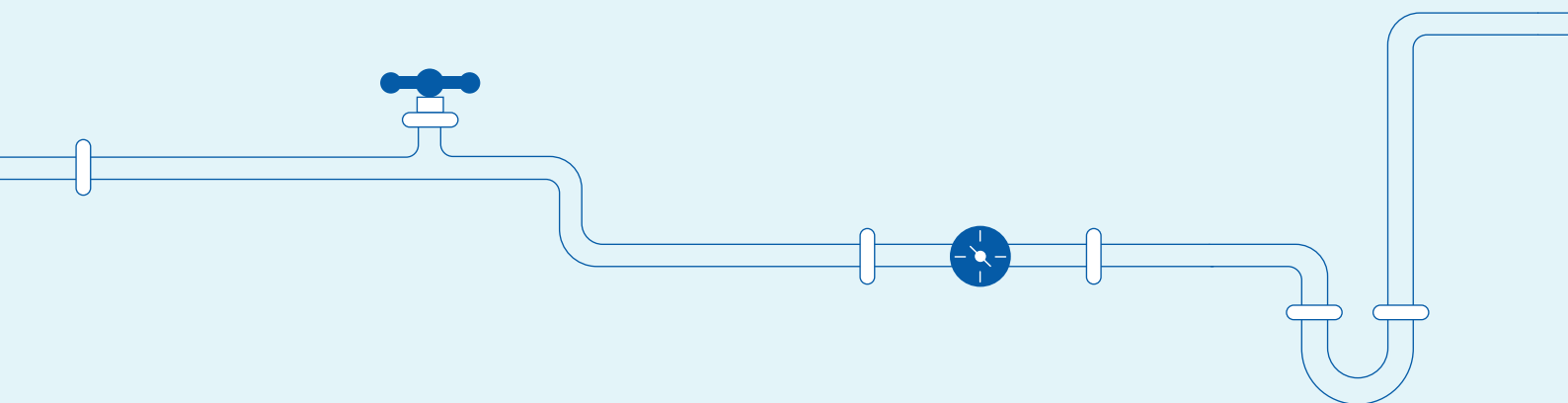
6

technical articles published



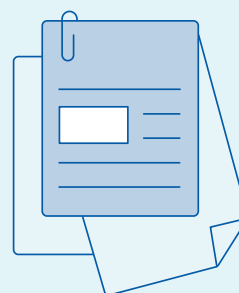
2%

increase in licences issued



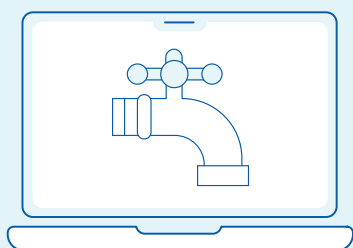
40%

increase in visitors to www.pgdb.co.nz
seeking consumer advice



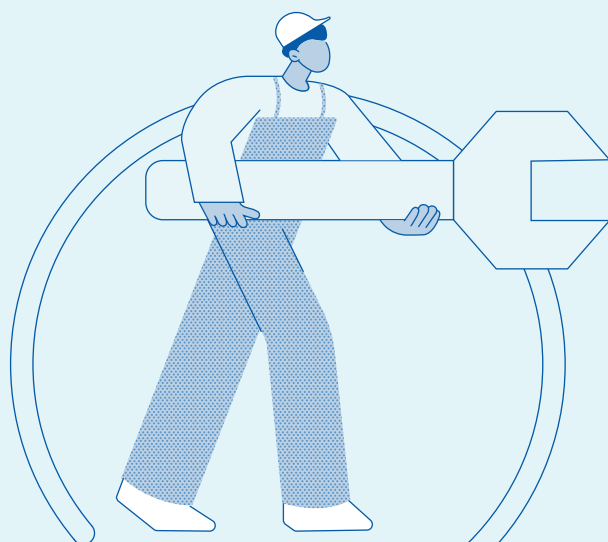
3

consultation
documents published



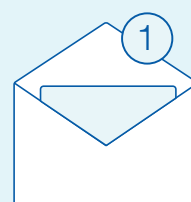
135,757

visits to www.pgdb.co.nz



10 issues

of Info Brief newsletter sent to 19,738 subscribers



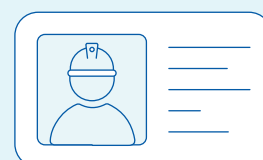
36

CPD roadshows delivered across Aotearoa



90%

of registration applications approved



From the Chair

It is a pleasure to present the Board's achievements for the year.

It has been an eventful year, with a public awareness campaign, certifying exams moving online, annual fit and proper requirements coming into effect on 1 April 2023 for licensing, the self-contained vehicles regime launching and the overhaul of Continuing Professional Development (CPD) to name a few highlights. The Board is proud to look back on the progress made during the year and see its achievements clearly aligning with our strategic directions (more on page 10). We are committed to being an effective regulator, to having a skilled, competent and professional workforce and to maintaining the trust and confidence of the public and practitioners.

I hope you saw our 'Ask for Licensed' public awareness campaign that ran from October to December 2023. The hero of the campaign was a video for each trade of a homeowner couple who are having plumbing, gasfitting or drainlaying issues. When they turn to their neighbour or friend and ask for a 'good' practitioner recommendation, their speech is autocorrected to ask for 'licensed'. The message to the public is that you can't rely on word of mouth or trust social media advertising services – it's best to check that plumbers, gasfitters, and drainlayers are licensed at www.pgdb.co.nz.

A milestone for the Board this year was moving certifying exams online. Practitioners can now sit the exams more frequently and in more locations around the country. Previously the exams were held only twice a year.

In September 2023 the Board hosted a reception for the Certifying Excellence Award winners and their families. It was fantastic to not only acknowledge the preparation that the winners had put into achieving the top examination results but also see the leaders who are coming through our industry.

I want to take this opportunity to thank my fellow Board members for all their hard work this year. In April 2023 we welcomed Selwyn Hikuroa to the Board. Selwyn is a 'triple threat' certifying plumber, gasfitter and drainlayer with an extensive career in teaching, and we consider ourselves lucky to have his wealth of knowledge at the Board table. I was pleased to be re-elected to Chair in February 2024, alongside Martin de Gouw as Deputy Chair.

I want to acknowledge and thank Aleyna Hall, our Chief Executive and Registrar, whose leadership and continued commitment to improving Board processes is appreciated by the Board. On behalf of the members, thank you for your exemplary work this year.

To the staff in Wellington, it has been a busy year, with many changes in policy and operational matters. You have navigated the changes superbly and I want to thank you for all your work too.

Ngā mihi nui,

Diana Kultz-Covich
Chair



Chief Executive's report

Tēnā koutou katoa.

This year was a busy one, as we rolled out operational changes such as the establishment of the self-contained vehicles regime, delivering CPD in-house and undertaking a review of the Board's fees and levies a year ahead of schedule.

Thanks go to the Board members for their incredible balancing act of supporting our practitioners while keeping the interests of public health at the forefront of discussions and decisions.

The results of our December 2023 public awareness survey showed that public confidence in licensed practitioners had increased since February 2022. This was a fantastic result and showed that we were building confidence in our industry. This year we introduced a requirement for practitioners to complete their fit and proper person declarations during licensing, which asked five questions that included whether they have any convictions or health issues that could impact their ability to safely carry out restricted work since they last renewed their licence(s). These checks provide the public with assurance that a licensed practitioner can be trusted to work in their homes.

This year we also gathered more information on our practitioners, and this has enabled us to better understand our industry. It will also help the Board to make decisions that are inclusive and support a diverse workforce.

The Board brought CPD back in house this year, appointing a dedicated CPD Advisor to oversee its delivery and refresh the way we deliver it. CPD is a mandatory requirement for those seeking to re-license in the coming year. We also upgraded the online CPD platform, with a focus on the user experience.

The feedback we received from the roadshows and online programme was positive.

The self-contained vehicles system was launched on 7 December 2023. Getting all the moving parts required to support a new regulatory system up and running in nine months was no small task, and I want to thank the self-contained vehicles system team for all their hard work.

I also want to acknowledge and thank everyone at the Board for their hard work in this past year. From putting in the mahi outlined in this report to bringing our values (page 11) to the office every day, your contributions to the Board have helped to make us an effective regulator and an awesome place to work.

I had the privilege of representing the Board twice in Australia this year. In April I toured four states to learn about their renewable gas operations. It was impressive to see the advancements our Tasman neighbours have made with hydrogen and biogas. I also presented at the Australian Plumbing and Gas conference in February 2024, which gave me an insightful opportunity to meet other regulators and share best practices and new technologies.

Ngā mihi,

Aleyna Hall
Chief Executive



Strategic direction

Our purpose

We protect the public by ensuring the competency of our practitioners.

Our strategic directions

To have a skilled, competent and professional workforce

To be an effective regulator

To have the trust and confidence of the public and practitioners

Our values



Mahi Tahī

We work better together within and outside our organisation to achieve and succeed.

Niho Taniwha (Taniwha teeth) symbolise iwi and community, as the taniwha works to protect both. The triangular shape of the niho taniwha also represents strength and stability.



Manaakitanga

We protect and look after the public and each other.

The pītau (openwork spiral) supports and strengthens the figurehead on the bow of the waka. The people inside the waka work together to propel it forward, forging new pathways and journeys.



Whakapono

Lead with integrity, we do the right thing.

Purapura whetū is the style of the tukutuku panel that depicts the myriad of stars in the sky, and the myriad of people of a nation. The stars were used by navigators to lead them safely to their destinations and future pathways.



Kia Māia

We have the courage to make the right decisions.

This tukutuku pattern is Kaokao and represents the open arms of a warrior. The warriors would sleep on a mat with this pattern the night before a battle in order to gain the courage to fight for their tribe.

The background is a solid teal color. In the lower right quadrant, there is a series of concentric, light-colored circles that spiral outwards, creating a subtle pattern.

1

Key achievements 2023/2024

Key achievements 2023/2024

Public awareness campaign

Ask for Licensed

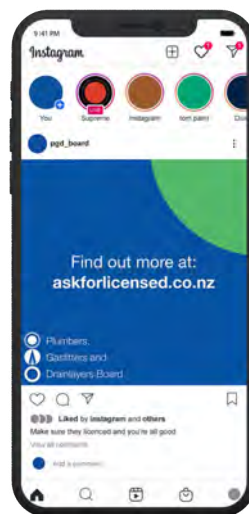
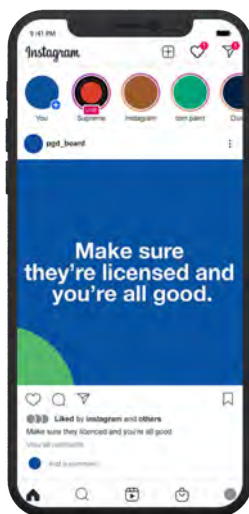
Every two years the Board runs a public awareness campaign, and this year we highlighted the need for homeowners to use licensed practitioners. This reflected our purpose of protecting the public by educating them about the risks of unauthorised work.

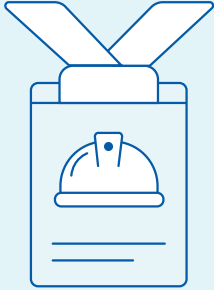
From October to December 2023 the Ask for Licensed campaign ran across TVNZ+, YouTube, Facebook, Instagram, Google search, radio and digital billboards.

The Ask for Licensed campaign challenged the public's idea of what a 'good' tradesperson means to them.

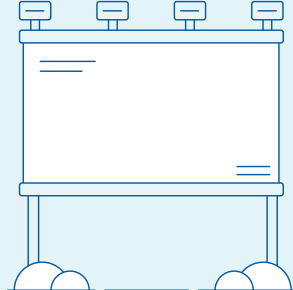
The heroes of the campaign were three short videos centred on homeowners coming up against plumbing, gasfitting and drainlaying disasters in their homes. When they turn to their friends or neighbours, they go to ask for a 'good' plumber, gasfitter or drainlayer – but we replaced 'good' with a voiceover 'licensed!'.

'Asking for licensed' is the best way that members of the public can ensure that work being done on their homes is safe and compliant.



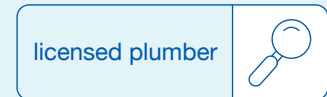
**82%**

of consumers surveyed said the campaign made them more likely to check that any plumbers, gasfitters or drainlayers they engaged are licensed



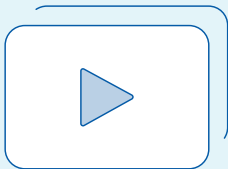
Radio and billboards

On radio we reached 220k+ people. Digital billboards in Auckland, Wellington and Christchurch delivered 190k+ impressions



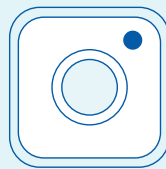
Google search

Search ads made more than 46,000 impressions, with a click-through rate of 7.15%



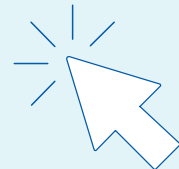
YouTube

Served 565k impressions with 90% completion

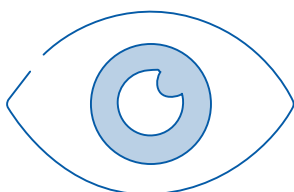
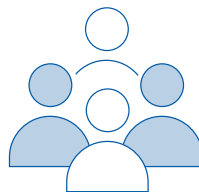


Facebook and Instagram

Reached 328,000 people on average 6 times

**12,143**

visits to
www.askforlicensed.co.nz

**3.1 million**
impressions

reaching
400,000
people

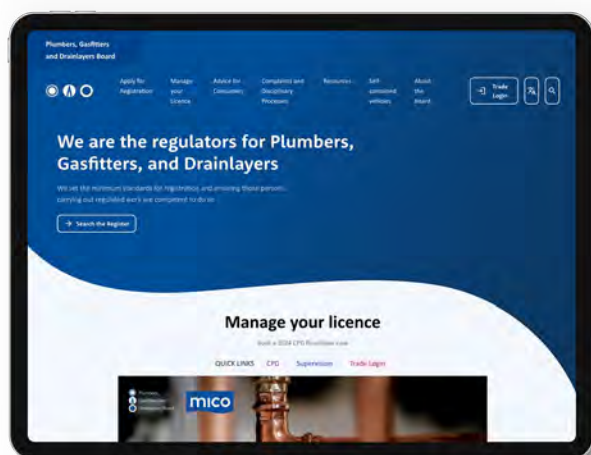


on average
5 times

Key achievements 2023/2024

Website refresh

In September 2023 we relaunched our www.pgdb.co.nz website. The website's refreshed layout and look make it easier for visitors to find the latest Board news and registration and licensing information. The public register search function is now front and centre on the home page, so the public can easily check their tradespeople are licensed.



Continuing professional development

Improving the CPD experience for practitioners was a high priority for the Board this year. In 2023 the delivery of CPD was brought in-house and refreshed, with interactive polls and custom videos created. The Board wanted to present CPD in a way that was engaging and informative of best practices. The Board held a focus group with industry stakeholders to discuss and form topics for the presentations.

A new online CPD platform was also created this year for those practitioners who could not make it to a roadshow. The platform was designed with convenience in mind for a busy practitioner. The platform allows the user to pause, go in and out at any time and save their progress.

Certifying exams move online

In November 2023 certifying exams moved to an online platform. Exams are now offered in 22 locations around New Zealand, and held at least every three weeks. Previously the exams were offered only twice a year, meaning practitioners would have to wait six months to re-sit exams. The turnaround time for marking exams has also reduced, from three months to 10 days. The move to an online platform has made it easier for people to progress from the Tradesman licence. In March 2024 the Board held a focus group with people who had recently sat their certifying exams. It was helpful to hear how they had found the process. Feedback was positive, with highlights being the frequency of the exam schedule and the shorter wait time to re-sit exams, which are motivating people to study.

Continuing professional development



83%

of all authorised plumbers, gasfitters and drainlayers completed CPD in the 2023/2024 licensing year.¹



45%

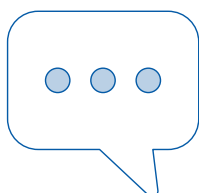
of practitioners attended a roadshow.



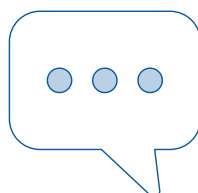
38%

of practitioners completed CPD online.

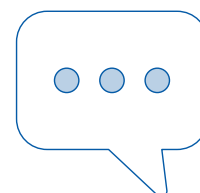
Feedback from 2023 CPD



“really well presented by people passionate about our industry”



“Best we have had as a drainlayer”



“Material was excellent and refreshingly new”

¹ Not all authorised practitioners renew their licence every year which is why this figure is not 100%.

Key achievements 2023/2024

Consultations

Fees and levies review

Between 22 September and 13 October 2023, the Board sought feedback on its proposed fees and disciplinary and prosecution levy that would apply from 1 April 2024. Fees are normally reviewed every three years, but due to the unexpected impacts of COVID-19, the Board brought forward the review by one year. The most recent full fees and levies review had taken place in 2021.

The Board received 33 submissions on the consultation, of which 10 agreed with the proposed fees, 19 opposed them and three were on matters outside the consultation document. One submission was neutral. The board received one industry response, from Master Plumbers, which noted that its submission was made on behalf of its 1,250 members.

After reviewing the fees and levies model, and considering submissions on the proposal, the Board agreed to the adjusted fees at the November 2023 meeting, effective from 1 April 2024.

Registration core competencies and class names

In 2023 the Board reviewed the registration core competencies and registration class names. The competencies are the skills, knowledge, experience and understanding a practitioner must be able to demonstrate when completing the Board's registration exam. The purpose of the review is to assess whether those competencies are current, comprehensive and fit for purpose. The Board worked with a group of practitioners to go through the proposed competencies.

Concurrently with the core competencies review, the Board reviewed the registration class names. The key issues with the current names were:

- 'Journeyman' and 'Tradesman' were not gender inclusive; they ignored the fact that women are plumbers, gasfitters and drainlayers too
- the current registration names did not make it clear to consumers what work practitioners were allowed to do, and the level of supervision they needed
- certifying was not reflective of the work done by certifiers, because their main function was to supervise and oversee work, and in many instances they could not certify work.

The Board considered several options for change in response to the issues, before settling on the options to consult on in the table below. Registration class names used in Australia, the United Kingdom, South Africa and Canada were looked at as alternatives that solved the issues raised.

Consumer advisory group

The Board consulted two consumer advisory groups this year, in June 2023 on the public awareness campaign and in October 2023 on the registration class names.

Members of the consumer advisory group who considered the public awareness campaign during its development phase were shown early concepts of the Ask for Licensed campaign to provide us with a feel for their understanding and reactions. The light-hearted humour and health message resonated well with audiences.

The majority of the group that considered the registration class names were supportive of gender-neutral terms. The group also expressed concern that the current language might discourage women from choosing a career in these areas. A lack of understanding among the group of the registration classes was noted, and could be something for the Board to consider incorporating into the next public awareness campaign.

Current	Journeyman Plumber	Tradesman Plumber	Certifying Plumber
	Journeyman Gasfitter	Tradesman Gasfitter	Certifying Gasfitter
	Journeyman Drainlayer	Tradesman Drainlayer	Certifying Drainlayer
Option one	Journeyperson Plumber	Tradesperson Plumber	Certifying Plumber
	Journeyperson Gasfitter	Tradesperson Gasfitter	Certifying Gasfitter
	Journeyperson Drainlayer	Tradesperson Drainlayer	Certifying Drainlayer
Option two	Restricted Plumber	Plumber	Certifying Plumber
	Restricted Gasfitter	Gasfitter	Certifying Gasfitter
	Restricted Drainlayer	Drainlayer	Certifying Drainlayer

The Board consulted on changes to core competencies and registration class names from 22 September to 13 October 2023. The Board received 35 submissions on the proposed core competencies and 55 submissions on the changes to registration class names.

After considering the feedback, the Board decided on option two for the registration class names. The Board provided the proposed changes to the Minister of Building and Construction in February 2024 for approval as required in the Act. At 31 March 2024 these remained with the Minister for review.



Key achievements 2023/2024

Self-contained vehicles

The Self-contained Motor Vehicles Legislation Act 2023 amended the Plumbers, Gasfitters, and Drainlayers Act 2006 (the Act), establishing the Plumbers, Gasfitters, and Drainlayers Board as the regulator of self-contained vehicles.

The amendments to the Act came into force on 7 December 2023.

The Board's role includes: appointing certification authorities (individuals and organisations that offer vehicle self-containment inspection and certification services); providing guidance for certification authorities and vehicle inspectors; monitoring certification authority compliance with the new requirements; investigating complaints made against certification authorities; and maintaining a national register of self-contained vehicles.

The Government's intent for the longer term is that the self-contained vehicles regime be self-funded from the levies collected from self-contained-vehicle owners and that the application fees be collected from prospective certification authorities. However, it is accepted that the regime is unlikely to be self-funding during the transition period and until the first round of certification renewals. Consequently, the Ministry of Business, Innovation and Employment will fully fund the self-contained vehicles regime until December 2028. It should be noted that no plumber, gasfitter or drainlayer practitioner fees or levies are used to support the self-contained vehicles regime.

The Minister for Tourism and Hospitality is responsible for the self-contained vehicles regulatory system, as part of the wider freedom-camping legislative reforms.

Until 6 June 2025, certifying plumbers will be deemed certification authorities and vehicle inspectors. The Board will report on the self-contained vehicles regulatory system in the next Annual Report.

The public register of certified vehicles and certification authorities can be found at www.nzscv.co.nz.

Consumer confidence survey

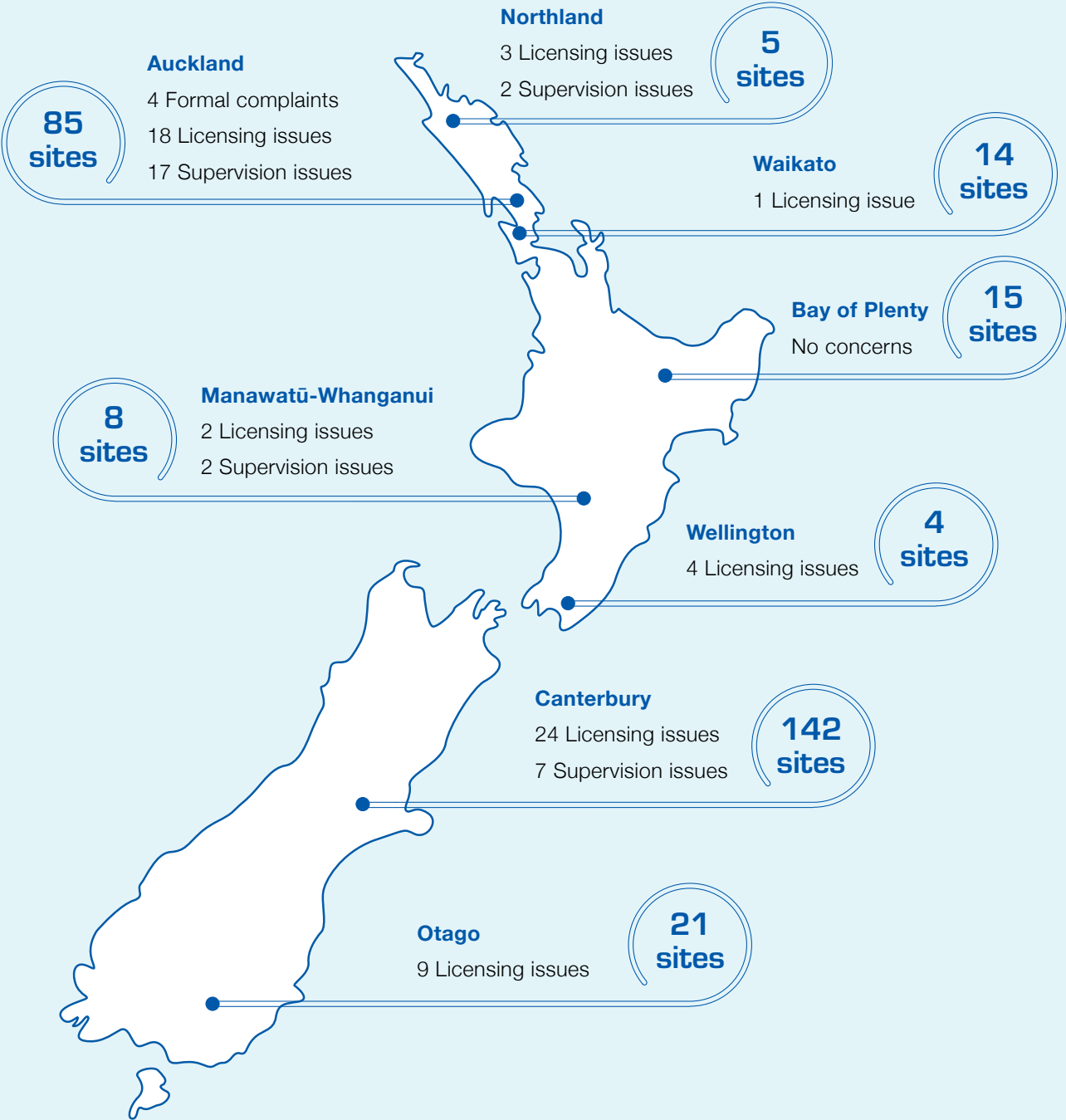
The Board's purpose is to protect public health and safety. Every two years the Board conducts a survey to check on consumer confidence in the industry. The survey is a helpful exercise to see if there are areas that require improvement or if there are opportunities to educate the public.

The latest survey took place in December 2023. It indicated that:

- **90%** of New Zealanders believe plumbers, gasfitters and drainlayers need to be licensed
- knowledge is increasing on how to find out if a plumber, gasfitter or drainlayer holds a current licence
- confidence in licensed practitioners is increasing. **49%** of Kiwis feel extremely or very confident that an authorised plumber, gasfitter or drainlayer would do a good job
- **three in four** New Zealanders now recognise that the Plumbers, Gasfitters, and Drainlayers Board's primary purpose encompasses public health and safety, protecting practitioners and delivering a practitioner licensing regime.

Site visits

294 site visits were completed across Aotearoa.



2

Report on operations

Report on operations

Industry engagement

The Board is part of the wider construction sector in New Zealand and ensures that the regulatory system for which we are responsible is robust and responsive.

Our stakeholders include individuals, groups and organisations that can influence or be influenced by our actions. They can assist us in achieving our fundamental objective to protect public health and safety.

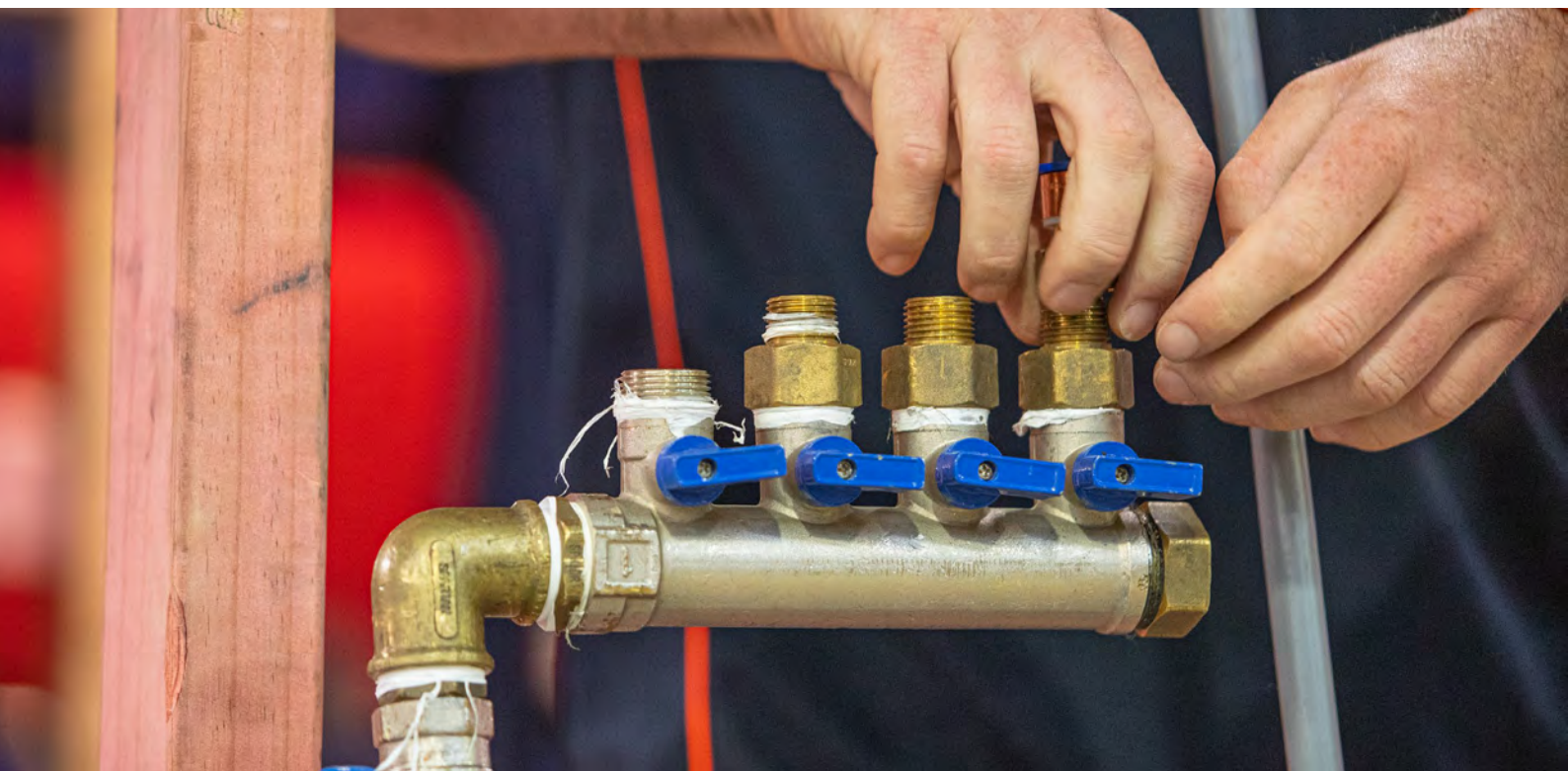
Stakeholders include the public, plumbers, gasfitters, drainlayers, professional groups, employers and those with an interest in regulation, from government to other regulators. Engaging with stakeholders supports our aim of ensuring that the standards we set to protect public health and safety are understood and supported.

Consultation on new projects, or the introduction of new initiatives, is particularly important and we value the input of all those who make submissions.

A key focus for us is to work with other government and non-government entities to promote the wellbeing of the public in navigating the construction environment and working with entities to build a robust industry.

This requires us to work closely with those who manage the legal, regulatory and performance safeguards within the construction system.

We work with a range of associations, people and entities that have roles to play in the construction sector and protecting the interests of the public, including Master Plumbers, the New Zealand Plumbers, Drainlayers, and Gasfitters Association, the Building Practitioners Board, WorkSafe, the Electrical Workers Registration Board and Ministry of Business, Innovation and Employment. These and other relationships are critical to our ability to achieve our strategic directions.



Focus groups

Focus group discussions are valuable for the Board for sense checking and hearing directly from practitioners. The participants' views on Board initiatives and proposals help us to make informed decisions that are relevant to the industry.

This year the Board held focus groups on:

- a public awareness campaign
- CPD
- registration class names
- certifying exams.

Info Brief

Ten editions of the Board's enewsletter were issued this year. With nearly 20,000 subscribers, Info Brief is a vital platform for communicating Board news and changes to requirements for practitioners.

Technical Advisory Group

During the year our Technical Advisors worked with Waihangā Ara Rau and alongside industry representatives to provide specialist advice and experiential knowledge on plumbing, gasfitting and drainlaying training and standards for the industry.

PGD Strategic Reference Group

We are a member of the Plumbing, Gasfitting, and Drainlaying Strategic Reference Group. The purpose of this group is to provide strategic and directional guidance on the long-term need for vocational education and training in the plumbing, gasfitting and drainlaying sector. Our role is important, as one of our functions is to make recommendations on training to education providers.

AS/NZ Joint Standards Committee

We are a member of the Australia and New Zealand Joint Standards Committee, specifically the WS-014 review of AS/NZS 3500 series. We attend meetings as required and travelled to Sydney in February 2024. We look forward to continuing our contributions to the Committee in 2024/2025.



Report on operations

Registration and licensing

In 2023/2024 the number of authorisations issued continued to climb from the previous financial year, with a total of 28,845 issued, a 2% increase on the previous year. No practitioners were registered or issued with licences by the Board under the Electricity Act 1992.

Gender and diversity

This was the first year the Board captured gender and ethnicity information on practitioners. Knowing who our people are helps the Board to make well-informed decisions for the workforce.

Age

The average age of practitioners is 40.²

Ethnicity	2023/2024
New Zealand European	9,239
Other	1,457
Māori	1,229
Chinese	554
Indian	266
Samoaan	183
Tongan	76
Cook Island	73
Niuean	36

Gender



12,850
Male



148
Female



115
Prefer not to disclose

² The average age of all practitioners that held an authorisation for the 1 April to 31 March licensing year, including trainees and exemption holders.

Registration and licensing

The table below shows the number of authorised practitioners, broken down by registration class. Some practitioners hold more than one registration.

Total authorisations

	2023/2024	2022/2023	% change
Certifying Plumber	4,489	4,322	4%
Certifying Gasfitter	2,280	2,210	3%
Certifying Drainlayer	3,476	3,406	2%
Tradesman Plumber	2,128	2,112	1%
Tradesman Gasfitter	896	900	-
Tradesman Drainlayer	1,157	901	28%
Journeyman Plumber	287	266	8%
Journeyman Gasfitter	355	336	6%
Journeyman Drainlayer	76	99	-23%
Trainee Plumber	3,607	3,626	-1%
Trainee Gasfitter	2,789	2,798	-
Trainee Drainlayer	4,230	4,272	-1%
Exempt Plumber	1,371	1,353	1%
Exemption under supervision (section 21 (a) (ii) of the Act)	3	3	-
Exemption fitting of water heaters	2	3	-33%
Exempt Gasfitter	553	576	-4%
Exemption specific gasfitting equipment	28	34	-18%
Exemption specific plumbing equipment	-	-	-
Exempt Drainlayer	993	980	1%
Employer Licence	12	9	33%
Provisional Plumber Licence	92	62	48%
Provisional Gasfitter Licence	6	6	-
Provisional Drainlayer Licence	15	7	114%
Total authorisations	28,845	28,281	2%

Registration and licensing

The Act requires the Board to report the number of people who applied for registration and practising licences, provisional licences, and employer licences during the year. Under the agreement the Board has with the Minister, registration applications are required to be processed within 10 working days

and licensing applications within five working days. Reasons for rejecting applications include applications being incomplete and applications not meeting the 24-month Tradesman licence requirement.

Registration applications	2023/2024	2022/2023
Applications received	1,505	1,350
Applications processed within 10 days	1,401	1,262
Applications processed outside 10 days	53	23
Applications rejected	104	65

Licensing applications	2023/2024	2022/2023
Applications received	1,384	1,513
Applications processed within 5 days	1,328	1,493
Applications processed outside 5 days	38	13
Applications rejected	18	7



Journeyman registration	2023/2024	2022/2023
Journeyman plumbing	51	53
Journeyman gasfitting	54	61
Journeyman drainlaying	8	16
Tradesman registration	2023/2024	2022/2023
Tradesman plumbing	373	341
Tradesman gasfitting	148	152
Tradesman drainlaying	457	312
Certifying registration	2023/2024	2022/2023
Certifying plumbing	295	249
Certifying gasfitting	113	129
Certifying drainlaying	180	180



Examinations

We constantly consider our examination support options to ensure accessibility for all.

We offer reader/writer assistance, extra time allocations, oral examinations and special venue arrangements.

These accommodations are available for individuals in specific circumstances and those with learning difficulties.

2023/2024	Candidates who sat an exam		Candidates who passed an exam		Pass rate	
Examination	June	November*	June	November*	June	November*
Certifying plumbing	179	118	156	55	87%	47%
Certifying gasfitting	77	45	70	33	91%	73%
Certifying drainlaying	114	89	105	48	92%	54%
Tradesman plumbing	682		499		73%	
Tradesman gasfitting	285		217		76%	
Tradesman drainlaying	826		654		79%	

*Since 20 November 2023, certifying exams have been available online.

2022/2023		Candidates who sat an exam		Candidates who passed an exam		Pass rate	
Examination	June	November	June	November	June	November	
Certifying plumbing	156	184	115	156	74%	85%	
Certifying gasfitting	66	80	58	66	92%	83%	
Certifying drainlaying	108	113	92	70	85%	62%	
Tradesman plumbing	617		454		74%		
Tradesman gasfitting	270		175		65%		
Tradesman drainlaying	852		641		75%		



Examinations

Special assessment conditions

Total passed	22
Total applicants yet to sit exam	22
Total failed	30
Total applications processed	74
Total sat	52
Pass rate	42%
Fail rate	58%

Verbal examinations

Total passed	2
Pass rate	100%

Total special assessment conditions approved 1 April 2023 – 31 March 2024	74
Total verbal examinations approved 1 April 2023 – 31 March 2024	2



Complaints

This year we received 217 complaints.

Any person can make a complaint to the Board about the competence and/or conduct of a plumber, gasfitter or drainlayer.

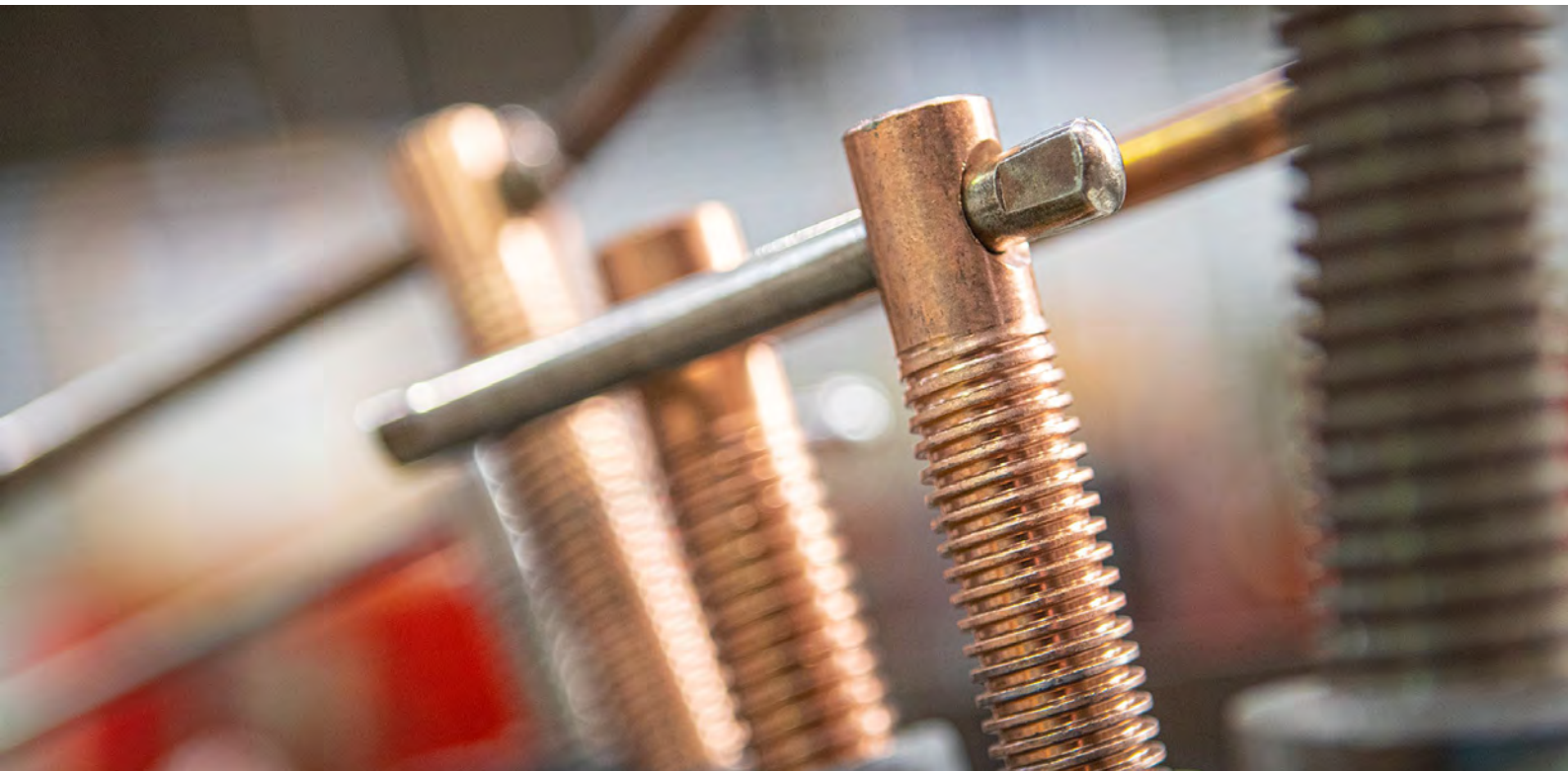
We have a clear focus on our regulatory responsibilities. We identify and respond to risks, support practitioners to meet their obligations and provide an effective complaints and disciplinary process.

2019/2020	189
2020/2021	110
2021/2022	124
2022/2023	218
2023/2024	217

The table below details complaints received by outcome in 2023/2024.

Complaints	No. of investigations
Did not proceed to investigation and no educative letter	70
Proceeded to investigation	53
Still being processed at 31 March 2024*	60
Educative letters	34
Total	217

**Complaints received before 31 March 2024 may not have an outcome until the following financial year.*



Complaints

Complaints about registered people

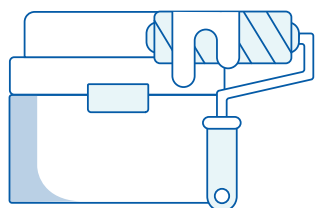
Most of our complaints are about registered people, with 74% of complaints related to work done by registered people, supervised by registered people or directed by registered people.

This includes tradespeople who undertake work without licences or in trades in which they are not registered or authorised to do so.

Unauthorised work

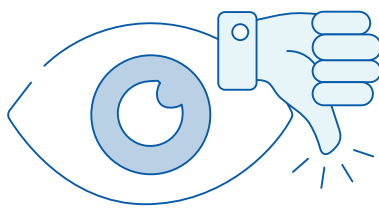
26% of our complaints are about unauthorised work being carried out by unauthorised people.

Key themes in complaints



Workmanship

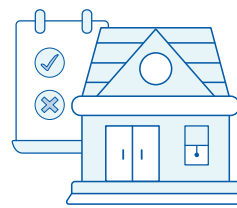
72 complaints in relation to registered practitioners relate to workmanship concerns.



Poor supervision

In relation to registered practitioners, 19 complaints included supervision concerns.

Poor supervision includes incorrect levels of oversight and control of limited certificate trainee holders and exemption holders, and failures to make sure that employees are appropriately authorised before directing them to undertake restricted work.



Building consent and invoicing complaints

In relation to registered practitioners, 40 complaints included building consent and invoicing concerns. However, these are not matters in the Board's jurisdiction.

District Court prosecutions

2023/2024

Trade	Number of charges under section 122 ³	Number of charges under section 123 ⁴	Number of charges under section 125 ⁵
Plumbing	3	2	-
Gasfitting	6	8	1
Drainlaying	-	1	-

2022/2023

Trade	Number of charges under section 122	Number of charges under section 123	Number of charges under section 125
Drainlaying and plumbing	1	9	-
Plumbing and gasfitting	-	2	-
Gasfitting	2	5	-
Plumbing	-	5	-

2023/2024

Prosecution outcomes to type

Unauthorised work	11
Advertising unauthorised work	9
Intentionally or negligently does work in a manner dangerous to life	1

³ Section 122: Claiming to be licensed or registered

⁴ Section 123: Unauthorised work

⁵ Section 125: other offences

Disciplinary hearings

The Board holds hearings to determine whether registered practitioners have committed disciplinary offences.

In 2023/2024 the Board held 27 disciplinary hearings to consider charges against 27 registered practitioners. All the registered practitioners pleaded guilty or were found guilty, although not all of the charges brought, or all aspects of the charges brought, were proven.

Of the cases considered by the Board, four related to sanitary plumbing, 19 related to gasfitting and six related to drainlaying. Two of the cases involved more than one trade.

- Where a registered practitioner is found guilty of a disciplinary offence, the Board can impose a range of penalties on them. These include:
- the cancellation or suspension of their registration and/or licence
 - an imposition of restrictions on their registration or licence
 - disqualification from doing some or all work
 - training
 - fine
 - censure
 - no penalty.
- Subject to some limitations, some of these penalties can be combined.

In 2023/2024 the Board imposed the following orders on registered practitioners:

	2023/2024	2022/2023
Suspension	2	1
Training	4	3
Fine	21	17
Censure	-	1
Cancellation	-	-
No penalty	1	-

These figures are based on the formal written decisions issued by the Board between 1 April 2023 and 31 March 2024.

Disciplinary hearings

Section 89 of the Act outlines charges that can be brought against registered practitioners.

The charges can relate to: defective or non-compliant work; creating a risk of serious harm or significant property damage; failing to comply with terms or conditions of registration or a licence; carrying out work the practitioner is not authorised to do; certain forms of deceptive conduct; failing to provide statutory returns;

employing, directing or permitting unauthorised people to carry out work; being convicted of an offence relating to work; and certain kinds of improper conduct.

Description of disciplinary offences of which registered persons were found guilty*:

Offence	2023/2024
Negligent or incompetent work	11
Carrying out restricted work in a manner contrary to an enactment (while unauthorised)	4
Carrying out restricted work in a manner contrary to an enactment (non-compliant work)	7
Carrying out restricted work in a manner contrary to an enactment (failure to record high-risk work)	3
Failure to comply with a term or condition of registration or licence (for inadequate supervision)	4
Failing to provide a return/providing a false or misleading return (gas certificates)	6
Employing, directing or permitting an unauthorised person(s) to carry out restricted work	7

**In some cases registered persons were found guilty of more than one disciplinary offence.*

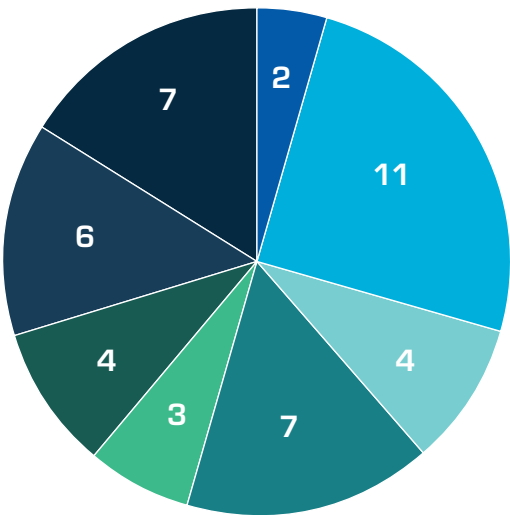
Offence	2022/2023
Negligent or incompetent work	6
Carrying out restricted work in a manner contrary to an enactment (while unauthorised)	8
Carrying out restricted work in a manner contrary to an enactment (non-compliant work)	5
Failure to comply with a term or condition of registration or licence (for inadequate supervision)	4
Failing to provide a return/providing a false or misleading return (gas certificates)	6
Employing, directing or permitting an unauthorised person(s) to carry out restricted work	5

**In some cases registered persons were found guilty of more than one disciplinary offence.*

Disciplinary hearings

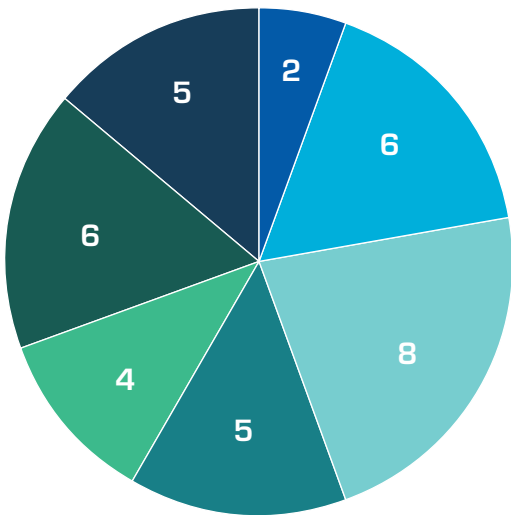
2023/2024

- Negligent or incompetent work
- Carrying out restricted work in a manner contrary to an enactment (while unauthorised)
- Carrying out restricted work in a manner contrary to an enactment (non-compliant work)
- Carrying out restricted work in a manner contrary to an enactment (failure to record high-risk work)
- Failure to comply with a term or condition of registration or licence (for inadequate supervision)
- Failing to provide a return/providing a false or misleading return (gas certificates)
- Employing, directing or permitting an unauthorised person(s) to carry out restricted work
- Improper conduct in carrying out work



2022/2023

- Negligent or incompetent work
- Carrying out restricted work in a manner contrary to an enactment (while unauthorised)
- Carrying out restricted work in a manner contrary to an enactment (non-compliant work)
- Failure to comply with a term or condition of registration or licence (for inadequate supervision)
- Failing to provide a return/providing a false or misleading return (gas certificates)
- Employing, directing or permitting an unauthorised person(s) to carry out restricted work
- Improper conduct in carrying out work



Fees, and disciplinary and prosecution levy

The Board sets the following fees (1 April 2023 to 31 March 2024)

Fee or levy

Registration (per registration class, per trade)	\$390.00
Provisional licence (per trade)	\$100.00
Practising licence (per registration class, per trade)	\$100.00
Notification of exemption under supervision under section 19, 21 or 25	\$100.00
Trainee limited certificate (per person)	\$65.00
Exemption for installing and maintaining particular sanitary plumbing equipment (section 18)	Full cost recovery
Exemption for person authorised to carry out or supervise gasfitting (section 20)	Full cost recovery
Exemption for fixing of water heaters by gasfitters (section 24)	Full cost recovery
Exemption from registration and licensing requirements and conditions (section 52)	\$1,200.00
Employer licence	Full cost recovery
Advanced proficiency assessment application	\$690.00
Advanced proficiency assessment*	\$2,300.00
Advanced proficiency assessment materials^	\$1,500.00
Examinations	\$360.00
Examination reconsideration	\$120.00
Disciplinary and prosecution levy	\$275.00

*Maximum fee at the rate of \$115.00 per hour for 20 hours. Balance refundable.

^Maximum fee. Charged at actual cost. Balance refundable.

3

Service performance and financial reporting

Statement of Responsibility

The Board is responsible for the preparation of the Plumbers, Gasfitters, and Drainlayers Board's financial statements and statement of service performance, and for the judgements made in them.

The Board has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and accountability report fairly reflect the financial position and operations of the Plumbers, Gasfitters, and Drainlayers Board for the year ending 31 March 2024.



A stylized, handwritten signature in black ink.

Diana Kuhtz-Covich

Chair

23 July 2024



A stylized, handwritten signature in black ink.

Martin de Gouw

Deputy Chair

23 July 2024



Statement of Service Performance

Entity information

The Board protects the health and safety of New Zealanders by ensuring the competency of our practitioners. Our strategic directions (page 10) are designed to guide the expectations and responsibilities related to the functions and powers of the Board contained in our Output Agreement with the Minister for Building and Construction.

In this Statement of Service Performance we present our achievements against the expectations contained in our Output Agreement. These fall into nine categories that reflect the various functions of the Board.

Output agreement

The Output Agreement between the Board and the Minister for Building and Construction is pursuant to section 156 of the Act and clarifies, aligns and enables us to monitor our respective expectations and responsibilities in relation to the functions and powers of the Board.

The following report sets out our achievements against our Output Agreement for the 2023/2024 year.



Expectation	Performance Measure	2023/2024 result	2022/2023 result
Legislative obligations			
The Board meets all obligations under relevant legislation, including reporting under the Act.	All legislative obligations are met and performance against its obligations is reported in its Annual Report.	Policies, systems and procedures are in place to ensure operational decisions are consistent with legislative requirements. The Annual Report was provided to the Minister by 31 July 2024.	Policies, systems and procedures are in place to ensure operational decisions are consistent with legislative requirements. The Annual Report was provided to the Minister by 31 July 2023.
Registration			
Registration and licensing of practitioners is efficient.	Applications for registration and licensing are approved or declined within the required timeframes.	95% of applications for registration have been approved within 10 working days of receipt. 97% of licensing applications were approved or declined within five working days.	99% of registration applications were approved or declined within 10 working days. 99% of licensing applications were approved or declined within five working days.
The Board meets all obligations under relevant legislation and complies with its policies.	All legislative obligations are met and performance against obligations is reported in the Annual Report.	All policies and procedures have been followed.	No breaches of policies and procedures were reported.
Competency			
The Board actively engages with practitioners and industry to ensure competent and safe working practices.	The Board completes its annual stakeholder engagement programme. 90% of all practitioners complete their CPD by 31 March each year.	The Board continues to meet regularly and engage with stakeholders and industry. 83% of practitioners completed their CPD by 31 March 2024.	The Board actively engaged with its stakeholders and industry throughout the year. 80% of practitioners completed their CPD by 31 March 2023.
The Board identifies and targets areas for enforcement.	Six targeted operations and 75 site visits are undertaken.	58 targeted operations were undertaken and we visited 294 sites to check on compliance.	41 targeted operations were undertaken and we visited 270 sites to check on compliance.
Consumer awareness and confidence			
The public is aware of the importance of using authorised practitioners to perform restricted work.	On a biennial basis, the Board measures public awareness of the need to use authorised practitioners to carry out restricted work.	A consumer survey was carried out by Verian in December 2023. There was a 2% increase in public awareness that a practitioner must be licensed since the last report.	Achieved in 2021/ 2022 and not due to be completed again until 2023.
The system is enabling consumer confidence in the competency of practitioners.	A biennial survey of consumers is carried out to measure consumer confidence in practitioners.	A consumer survey was undertaken in December 2023. 92% of those surveyed said they were extremely confident, very confident or quite confident that an authorised plumber, gasfitter or drainlayer would do a good job – a 3% increase since the last survey.	Achieved in 2021/ 2022 and not due to be completed again until 2023.

Expectation	Performance Measure	2023/2024 result	2022/2023 result
Complaints			
Ensure complaints regarding plumbing, gasfitting and drainlaying work are resolved fairly and efficiently.	<p>The average time for completion of investigations is less than 80 working days from receipt of complaints.</p> <p>Decisions on whether to prosecute are made within 40 working days of receipt of the files.</p>	<p>97% of disciplinary investigations were completed in fewer than 80 working days.</p> <p>92% of decisions regarding prosecutions were made within 40 working days.</p>	<p>100% of disciplinary investigations were completed in fewer than 80 working days.</p> <p>100% of decisions regarding prosecutions were made within 40 working days.</p>
Hearings			
Ensure complaints regarding plumbing, gasfitting and drainlaying work are resolved fairly and efficiently.	<p>Disciplinary decisions are released within 40 working days of the hearings.</p> <p>No decisions are overturned on appeal due to a failure to follow the agreed processes or natural justice.</p>	<p>71% of decisions were issued within the 40-day timeframe.</p> <p>No appeals were filed.</p>	<p>60% of decisions were issued within the 40-day timeframe.</p> <p>No decisions were overturned on appeal due to a failure to follow agreed processes or natural justice.</p>
Strategic planning			
The Board has robust planning processes that identify strategies for improving the registration and licensing system.	<p>The Board annually reviews its strategic plan and identifies risks, opportunities and strategies for achieving the Board's strategic goals.</p> <p>The Annual Report reports on the implementation of strategies to achieve the Board's strategic goals.</p>	<p>The Board finalised its strategic plan at its Board meeting on 28 November 2023.</p> <p>This Annual Report sets out the Board's progress against its strategic directions.</p>	<p>The Board revised and updated its Strategic Plan at its annual planning day.</p> <p>This Annual Report sets out the Board's progress against its strategic directions.</p>
Board self-appraisal			
The Board undertakes an annual self-appraisal of its performance as a board and provides a summary to the Ministry of Business, Innovation and Employment (MBIE).	<p>A summary of the self-appraisal is provided each year, identifying areas that are working well for Board members and areas for improvement, and the actions the Board intends to take as a result.</p>	<p>An independent self-appraisal was undertaken.</p> <p>The Board participated in a wide range of training initiatives during the year:</p> <ul style="list-style-type: none"> • Audit and risk • Pre-hearing disciplinary processes • Developments in the disciplinary space • High Conflict Institute training. 	<p>Self-appraisal was undertaken. The Board participated in a wide range of training initiatives during the year:</p> <ul style="list-style-type: none"> • Imposing penalties and costs in disciplinary hearings • Unconscious bias • Good governance • Te Tiriti and Te Ao Māori.
Board member succession			
The Board provides MBIE with its views on membership and succession.	The Board's review shows the current skills and experience of Board members and identifies any gaps and proposals for the Minister to consider in future appointment rounds.	The Board worked with MBIE to identify the skills and experience required of individuals for appointment to the governing Board.	A skills matrix was developed by the Board to identify skill sets and gaps.



Financial statements

Statement of comprehensive revenue and expense for the year ended 31 March 2024

	Notes	2024 Actual	2024 Budget	2023 Restated
Revenue				
Revenue from non-exchange transactions				
Disciplinary levy		1,344,026	1,282,597	1,403,999
Prosecution levy		824,096	786,116	872,622
Licence fees		1,943,162	1,934,494	1,871,632
Disciplinary recoveries	2	166,746	355,000	185,686
Crown funding (self-contained vehicles)		2,168,166	-	171,192
Total non-exchange revenue		6,446,196	4,358,207	4,505,131
Revenue from exchange transactions				
Examination fees		759,662	768,000	781,886
Interest received		269,896	245,333	127,656
Registration fees		598,920	558,052	509,474
Continuing professional development		125,000	125,000	208,424
Other revenue	2	32,594	22,000	72,433
Total exchange revenue		1,786,072	1,718,385	1,699,873
Total revenue		8,232,268	6,076,592	6,205,004
Expenditure				
Administration	3	3,948,207	3,999,134	3,083,619
Governance		340,699	366,000	285,706
Examinations		528,474	535,000	519,271
Continuing professional development		305,150	265,000	39,220
Registration and licensing		963,885	927,000	736,162
Complaints and discipline		351,890	670,000	293,323
Prosecutions		144,789	120,000	64,234
Self-contained vehicles project		735,258	-	114,141
Total expenditure		7,318,352	6,882,134	5,135,676
Net surplus/(deficit)		913,916	(805,542)	1,069,328
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		913,916	(805,542)	1,069,328

The accompanying accounting policies and notes form part of these financial statements.
Explanations of major variances against budget are provided in note 18.

Statement of financial position as at 31 March 2024

	Notes	2024 Actual	2024 Budget	2023 Restated
Equity				
Accumulated funds		6,617,560	4,898,102	5,703,644
Total equity		6,617,560	4,898,102	5,703,644
Represented by:				
Assets				
Current assets				
Cash and cash equivalents	5,16	809,161	606,527	495,392
Accrued interest		21,942	30,000	44,356
Prepayments		15,630	95,000	96,444
Receivables from exchange transactions	6	28,051	50,000	29,290
Receivables from non-exchange transactions	6	775,938	120,130	570,715
Investments	7,16	4,825,940	4,911,885	5,890,557
Total current assets		6,476,662	5,813,542	7,126,754
Non-current assets				
Receivables	6	59,870	90,761	99,811
Property, plant and equipment	8	64,604	48,003	51,923
Intangible assets	9	3,069,733	2,025,796	1,736,345
Total non-current assets		3,194,207	2,164,560	1,888,079
Total assets		9,670,869	7,978,102	9,014,833
Liabilities				
Current liabilities				
Revenue in advance	10	2,235,526	2,000,000	2,288,707
Payables	11	710,662	850,000	842,668
Employee entitlements	12	107,121	230,000	179,814
Total current liabilities		3,053,309	3,080,000	3,311,189
Total liabilities		3,053,309	3,080,000	3,311,189
Net assets		6,617,560	4,898,102	5,703,644

The accompanying accounting policies and notes form part of these financial statements.
Explanations of major variances against budget are provided in note 18.

Statement of changes in equity for the year ended 31 March 2024

	Notes	2024 Actual	2024 Budget	2023 Restated
Balance at 1 April		5,703,644	5,703,644	4,634,316
Total comprehensive revenue and expense		913,916	(805,542)	1,069,328
Balance at 31 March	19	6,617,560	4,898,102	5,703,644

The accompanying accounting policies and notes form part of these financial statements.
Explanations of major variances against budget are provided in note 18.

Statement of cash flows for the year ended 31 March 2024

	Notes	2024 Actual	2024 Budget	2023 Restated
Cash flows from operating activities				
Levy and fee revenue		5,683,483	5,831,477	5,631,393
Crown funding		2,087,132	-	-
Interest received		274,119	259,687	94,377
Payments to suppliers		(4,409,075)	(3,699,330)	(2,440,392)
Payments to employees		(2,592,630)	(2,500,248)	(1,996,354)
Goods and Services Tax (GST) (net)		9,092	(54,123)	(28,060)
Net cash from operating activities		1,052,122	(162,537)	1,260,964
Cash flows from investing activities				
Investments maturing		5,890,621	5,890,557	3,902,730
Acquisition of investments		(4,807,751)	(4,911,885)	(5,890,557)
Purchase of property, plant and equipment	8	(36,960)	(25,000)	(27,037)
Purchase of intangibles	9	(1,784,263)	(680,000)	(310,073)
Net cash from investing activities		(738,353)	273,672	(2,324,937)
Net increase/(decrease) in cash and cash equivalents		313,769	111,135	(1,063,973)
Cash and cash equivalents at 1 April		495,392	495,392	1,559,365
Cash and cash equivalents at 31 March		809,161	606,527	495,392

The accompanying accounting policies and notes form part of these financial statements. Explanations of major variances against budget are provided in note 18.

The GST (net) component has been presented on a net basis as the gross amounts do not provide meaningful information for financial statement purposes, and to be consistent with the presentation basis of the other primary financial statements.

Notes to the financial statements

01.

Statement of accounting policies for the year ended 31 March 2024

Reporting entity

The Plumbers, Gasfitters, and Drainlayers Board (the Board) is constituted under section 133 of the Plumbers, Gasfitters and Drainlayers Act 2006 (the Act). The Board is a body corporate under section 133(2) of the Act and is domiciled and operates in New Zealand. The Board was registered as a charitable entity under the Charities Act 2005 on 30 June 2008.

The primary function of the Board is to register and license plumbers, gasfitters and drainlayers and ensure the competency of those workers to protect public health and safety. From 7 December 2023, the Board became responsible for the regulation of self-contained vehicles. The Board is a not-for-profit organisation and is primarily funded by revenue from practitioners, licence, registration and examination fees, disciplinary and prosecution levies, and continuing professional development (CPD) revenue. The regulation of self-contained vehicles is funded by the Crown. The Board is a public benefit entity (PBE) for financial reporting purposes.

The financial statements for the Board are for the year ended 31 March 2024 and were approved by the Board on 23 July 2024.

Basis of preparation

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the year.

There have been no changes to accounting policies from the prior period.

Comparatives

Certain comparative amounts in the statement of comprehensive revenue and expense and the statement of financial position have been reclassified to be consistent with current-year disclosure.

Statement of compliance

The financial statements of the Board have been prepared in accordance with the Act, which includes a requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Board is a Tier 2 PBE because the total expenditure of the Board is less than \$30 million per annum. These financial statements have been prepared in accordance with PBE accounting standards.

Measurement base

The financial statements have been prepared on a historical cost basis except where modified by the impairment of receivables to fair value.

Functional and presentation currency

The financial statements are presented in New Zealand dollars (NZ\$) and all values are rounded to the nearest dollar. The functional currency of the Board is NZ\$.

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to specific notes are outlined below.

Goods and services tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST-inclusive basis.

Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net GST paid to, or received from, Inland Revenue, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Income tax

The Board is a registered charity and is therefore not subject to income tax. Accordingly, no charge for income tax has been provided for.

Budget figures

The budget figures were approved by the Board on 28 March 2023 and were calculated on a basis consistent with previous years.

The budget figures were prepared in accordance with NZ GAAP using accounting policies that are consistent with those adopted by the Board for the preparation of the financial statements.

Cost allocation

Within the memorandum accounts and the statement of overheads allocation by function, costs have been allocated through a combination of direct cost allocations and indirect cost allocations. Costs directly attributed to a function are allocated to that function. Indirect costs comprise expenditure related to administration and governance.

These are allocated to functions based on the proportional share of full-time-equivalent employees working directly on each function.

Critical accounting estimates and assumptions

In preparing these financial statements the Board has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustments to carrying amounts of assets and liabilities within the next financial year are addressed below.

The Board regularly reviews the useful lives and residual values of its property, plant and equipment and intangible assets.

Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment and intangible assets requires the Board to consider several factors, such as the physical condition of the assets, the expected period of use of the assets by the Board and the expected disposal proceeds from the future sale of the assets.

An incorrect estimate of a useful life or residual value will impact on the depreciation and amortisation expense recognised in the year and the carrying amount of the asset in the statement of financial position.

The Board minimises the risk of this uncertainty through:

- physical inspections of assets
- asset-replacement programmes
- reviews of the second-hand market prices for similar assets
- analyses of prior asset sales.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying the Board's accounting policies for the year ended 31 March 2024.

Determining whether a lease agreement is a financing or operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of the ownership to the Board.

Judgement is required for various aspects that include, but are not limited to, the fair value of the leased asset, whether to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments.

An asset's classification as a finance lease means it is recognised in the statement of financial position as property, plant and equipment, whereas for an operating lease no such asset is recognised. The Board has exercised its judgement on the appropriate classification of equipment leases and has determined that the Board currently has no finance leases in place.

Changes in accounting policy

There have been no significant changes in accounting policy during the year.

02. Revenue

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Board and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. Specific recognition criteria must be met before revenue is recognised.

Accounting policies for significant revenue items are explained below.

Revenue from non-exchange transactions

Revenue from disciplinary and prosecution levies, and licence fees are recognised in full upon the commencement of the practising years to which they relate.

Disciplinary recoveries represent fines and costs resulting from the Board's decisions because of Board hearings. The Board recognises these fines and costs when invoices are raised.

Crown revenue (self-contained vehicles)

Crown revenue received from Ministry of Business, Innovation and Employment is recognised when control of the resource passes to the Board. Where there are unfilled conditions attached to a grant, the amount relating to the unfilled conditions is recognised as a liability and released to revenue as the conditions are met.

Crown revenue received in the 2022/2023 year related to the work leading up to and including the procurement and commencement of the detailed design and build of the register for self-contained vehicles. Crown revenue received in the 2023/2024 financial year was in three income streams:

- Detailed design and build of the register for self-contained vehicles.
- Preparation for the regulatory function (6 June – 6 December 2023).
- Regulatory oversight (commencing 7 December 2023).

Revenue under the first two revenue streams was invoiced based on contracted milestones, with the ongoing regulatory oversight revenue invoiced periodically in advance in accordance with the Board Regulatory oversight agreement dated 5 December 2023.

Crown funding is recognised as revenue when funding is invoiced and is due to be received and is reported in the financial period relating to which it was appropriated.

Revenue from exchange transactions

Examination fees

Revenue from examination fees is recognised once the monthly report advising the number of examinations sat has been received from Aspeq, our contractor, and they have been invoiced.

Interest received

Interest revenue is recognised by accruing on a time proportion basis the interest due from investments. Interest revenue is derived from exchange transactions.

Registration fees

Registration fees are recognised when the applications have been processed and paid.

CPD revenue

CPD revenue is recognised at the date invoiced except for revenue that is for the following year, which is treated as revenue in advance and recognised at the beginning of the next financial year.

Other revenue

Revenue from the provision of other services is recognised when the services have been provided.

	2024 Actual	2023 Actual
Other revenue from exchange transactions		
Gain on sale of assets	511	3,828
Self-contained vehicles	4,953	-
Miscellaneous revenue	27,130	68,605
Total other revenue from exchange transactions	32,594	72,433
Other revenue from non-exchange transactions		
Fines and costs – discipline	147,400	171,582
Fines and costs – prosecution	19,346	14,104
Total other revenue from non-exchange transactions	166,746	185,686
Total other revenue	199,340	258,119

3.

Administration expenses

	Notes	2024 Actual	2023 Restated
Audit fees		29,076	31,383
Depreciation and amortisation*		24,705	25,729
Personnel costs	4	2,523,464	2,039,826
Professional services (legal and consultancy)		178,256	120,965
Information technology (support, web maintenance)		226,743	196,608
Rent		156,963	151,059
Communications and industry consultation		315,598	113,050
Other administration expenses		493,402	404,999
Total administration expenditure		3,948,207	3,083,619

*Amortisation has been reclassified from administrative expenditure to the activity to which it relates. Amortisation of the practitioner database \$346,148 (2023 \$304,655) is disclosed within registration and licensing expenditure and amortisation of the self-contained vehicles register of \$100,508 (2023 Nil) is disclosed within self-contained vehicles expenditure. In addition, temporary staff (2023 \$10,495) has been reclassified from other administration expenses to personnel costs. Prior-year comparatives have been restated to reflect this change.

4. Personnel costs

	Notes	2024 Actual	2023 Restated
Salaries and wages		2,377,257	1,954,350
Employer contributions to defined contribution plans		73,515	58,144
Increase/decrease in employment entitlements	12	72,692	27,332
Total personnel expenditure	3	2,523,464	2,039,826

Personnel costs include salaries and wages paid to staff, temporary staff, ACC levies and employer contributions to KiwiSaver.

Salaries and wages

All employees are on salary-only contracts and do not receive any other benefits either during or on cessation of their contracts. Salaries and wages are recognised as an expense as employees provide services.

Defined contribution schemes

The Board's contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are recognised as an expense in the statement of comprehensive revenue and expense as incurred.

5. Cash and cash equivalents

	2024 Actual	2023 Actual
Cash on hand and at bank	809,161	495,392
Total cash and cash equivalents	809,161	495,392

Cash and cash equivalents include any cash on hand, bank deposits held on call and short-term deposits with original maturities of three months or less. The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

6. Receivables

	2024 Actual	2023 Restated
Current receivables		
Receivables from exchange transactions	28,051	29,290
Provision for doubtful debts – exchange	-	-
Receivables from exchange transactions	28,051	29,290
Receivables from non-exchange transactions	829,426	698,085
Provision for doubtful debts – non-exchange	(53,488)	(127,370)
Receivables from non-exchange transactions	775,938	570,715
Total current receivables	803,989	600,005
Non-current receivables		
Receivables from non-exchange transactions	140,826	177,986
Provision for doubtful debts – non-exchange	(80,956)	(78,175)
Total non-current receivables	59,870	99,811

Receivables are recorded at the amounts due less an allowance for credit losses. The Board applies the simplified expected credit loss model for recognising lifetime expected credit losses for receivables.

Impairment of a receivable is established when there is objective evidence that the Board will not be able to collect amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and defaults in payments are considered indicators that a debt is impaired.

Except for miscellaneous items and recoveries from disciplinary proceedings, all services are provided by the Board only when payment has been received. A number of disciplinary fines and costs are being paid by way of instalments beyond one year that show in the non-current receivables.

Fair value

The carrying value of receivables approximates their fair value.

Impairment

Movements in the provision for doubtful debts comprise unpaid fines and costs and are as follows:

	2024 Actual	2023 Actual
Balance at 1 April	205,545	164,299
(Decrease)/increase in provisions during the year	(25,643)	98,084
Receivables written off during the year	(45,458)	(56,838)
Balance at 31 March	134,444	205,545

7. Investments

	2024 Actual	2023 Actual
Current portion		
Term deposits	4,825,940	5,890,557
Total current investments	4,825,940	5,890,557

A bank term deposit is initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance. A loss allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

The Board considers there has not been a significant increase in credit risk for the organisation's investments in term deposits, because the issuer of the investment continues to have a low credit risk at balance date. Term deposits are held with banks that have at least AA-investment grade credit ratings with the Standard and Poor's credit rating agency, which indicates the bank has a very strong capacity to meet its financial commitments.

No loss allowance for expected credit losses has been recognised, because the estimated 12-month expected loss allowance for credit losses is trivial.

8. Property, plant and equipment

Movements of each class of property, plant and equipment are as follows:

Cost	Computers and electronic equipment	Office equipment and furniture	Motor vehicles	Total
Balance at 1 April 2022	157,476	100,488	20,000	277,964
Additions	25,063	1,974	-	27,037
Disposals	(30,439)	(5,359)	(20,000)	(55,798)
Balance as at 31 March 2023	152,100	97,103	-	249,203
Balance at 1 April 2023	152,100	97,103	-	249,203
Additions	34,245	2,715	-	36,960
Disposals	(59)	(2,048)	-	(2,107)
Balance as at 31 March 2024	186,286	97,770	-	284,056

Accumulated depreciation

Balance at 1 April 2022	117,512	90,496	20,000	228,008
Depreciation expense	22,716	2,354	-	25,070
Disposals	(30,439)	(5,359)	(20,000)	(55,798)
Balance as at 31 March 2023	109,789	87,491	-	197,280
Balance at 1 April 2023	109,789	87,491	-	197,280
Depreciation expense	21,750	2,481	-	24,231
Disposals	(59)	(2,002)	-	(2,061)
Balance as at 31 March 2024	131,480	87,970	-	219,450

Carrying amounts

At 31 March 2023	42,311	9,612	-	51,923
At 31 March 2024	54,804	9,800	-	64,604

The Board reviews the fair value of assets and the depreciation rates at each balance date so that the value in the accounts is not materially different from fair value.

Property, plant and equipment are shown at cost, less any accumulated depreciation and impairment losses.

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably.

Gains and losses on disposals are determined by comparing proceeds with the carrying amounts of the assets. Gains and losses on disposals are reported net in the statement of comprehensive revenue and expense.

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the costs (or valuations) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of asset have been estimated as follows:

Office equipment and furniture	10 years	(10%)
Computers and electronic equipment	4 years	(25%)

9. Intangible assets

Cost	Acquired software	Practitioner database	Self-contained vehicles register	Website	Work in progress	Total
Balance at 1 April 2022	20,514	2,364,727	-	24,700	-	2,409,941
Additions	1,975	252,149	-	-	55,949	310,072
Disposals	(10,790)	-	-	-	-	(10,790)
Balance at 31 March 2023	11,699	2,616,876	-	24,700	55,949	2,709,224
Balance at 1 April 2023	11,699	2,616,876	-	24,700	55,949	2,709,224
Additions	-	-	1,123,797	-	660,467	1,784,264
Transfer to self-contained vehicles register	-	-	49,349	-	(49,349)	-
Disposals (write-off work in progress)	-	-	-	(24,700)	(6,600)	(31,300)
Balance as at 31 March 2024	11,699	2,616,876	1,173,146	-	660,467	4,462,188

Accumulated amortisation

Balance at 1 April 2022	19,790	634,459	-	24,700	-	678,949
Amortisation	659	303,996	-	-	-	304,655
Disposals	(10,725)	-	-	-	-	(10,725)
Balance as at 31 March 2023	9,724	938,455	-	24,700	-	972,879
Balance as at 1 April 2023	9,724	938,455	-	24,700	-	972,879
Amortisation	494	346,021	97,762	-	-	444,277
Disposals	-	-	-	(24,700)	-	(24,700)
Balance as at 31 March 2024	10,218	1,284,476	97,762	-	-	1,392,456

Carrying amounts

At 31 March 2023	1,975	1,678,421	-	-	55,949	1,736,345
At 31 March 2024	1,481	1,332,400	1,075,384	-	660,467	3,069,733

There are no restrictions on the title of the Board's intangible assets, nor are any intangible assets pledged as security.

Costs directly associated with the development of software for internal use by the Board are recognised as intangible assets. Costs associated with the development and maintenance of the Board's websites are recognised as expenses when incurred.

Computer software licences longer than 12 months are capitalised based on the costs incurred to acquire and make the specific software available for use.

The carrying amount of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised as an expense in the statement of comprehensive revenue and expense.

The useful lives and associated amortisation rates for major classes of intangible assets have been estimated as follows:

Practitioner database	4-8 years	(12.5%-25%)
Self-contained vehicles register	4 years	(25%)
www.pgdb.co.nz website	4 years	(25%)

Work in progress at 31 March 2024 of \$660,467 comprises software development bringing practitioner registration online, the introduction of a supervisor check function in both the registration and licensing modules, and the automation of physical address input. Work in progress at 31 March 2023 comprised the self-contained vehicles register (\$49,349) and a complaint management system (\$6,600) that was subsequently written off as the project did not proceed.

10. Revenue in advance

	2024 Actual	2023 Actual
Fees in advance	2,049,944	2,288,707
Crown funding in advance	185,582	-
Total revenue in advance	2,235,526	2,288,707

Revenue from licence fees and disciplinary and prosecution levies are recognised in full upon the commencement of the practising years to which they relate.

Annual relicensing opens in February each year. Revenue received in February and March for the upcoming licensing year is treated as revenue in advance at 31 March.

11.

Creditors and other payables

	2024 Actual	2023 Actual
Payables under exchange transactions		
Creditors	206,455	464,357
Accrued expenses	190,992	74,188
Total payables under exchange transactions	397,447	538,545
Payables under non-exchange transactions		
GST payable	313,215	304,123
Total payables under non-exchange transactions	313,215	304,123
Total payables	710,662	842,668

Payables

Short-term payables are recorded at the amounts payable. Creditors and other payables are non-interest-bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates their fair values.

Provisions

The Board recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) because of a past event, when it is probable that the expenditure will be required to settle the obligation, and a reliable estimate can be made of the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a discount rate that reflects the current market assessment of the time value of money and the specific risks of the obligation. Changes in provisions are recognised as expenses in the surplus or deficit as incurred.

There are no provisions made in these financial statements (2023 Nil).

12. Employee entitlements

	2024 Actual	2023 Actual
Accrued salaries	-	78,642
Annual leave	107,121	101,172
Total employment entitlements	107,121	179,814

The Board has no employee entitlements that span more than 12 months. Employee entitlements that the Board expects to be settled within 12 months of balance date are measured at undiscounted nominal values on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. These entitlements are classified as a current liability.

13. Related party transactions

Key management personnel compensation

	2024 Actual	2023 Actual
Board members		
Remuneration	192,288	175,538
Full-time-equivalent members	1.52	1.42
Leadership team		
Remuneration	1,092,447	867,072
Full-time-equivalent members	6	5
Total key management personnel remuneration	1,284,735	1,042,610
Total full-time-equivalent personnel	7.52	6.42

The full-time equivalent for Board members has been determined based on their hours claimed multiplied by their hourly rates divided by 1920 average hours worked by employees in a year.

The composition of the prior year's leadership team has been restated to be consistent with the current-year definition.

Related party disclosures have not been made for transactions with related parties that are within normal supplier or client/recipient relationships, on terms and conditions no more or less favourable than those that it is reasonable to expect the Board to have adopted in dealing with the parties at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken as normal supplier or client/recipient relationships on standard terms and conditions.

There have been no material related party transactions this year.

14. Events after the balance date

There have been no significant post-balance-date events.

15. Contingencies

There are no known contingent liabilities or contingent assets as at 31 March 2024 (2023 Nil).

16. Financial instruments

Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	2024 Actual	2023 Actual
Financial liabilities		
Payables (excluding deferred revenue, taxes payable and grants received subject to conditions)	472,639	538,545
Total financial liabilities measured at amortised cost	472,639	538,545
Financial assets		
Cash and cash equivalents	809,161	495,392
Investments – term deposits	4,825,940	5,890,557
Receivables	845,670	699,816
Total financial assets	6,480,771	7,085,765

Financial assets and financial liabilities are recognised in the statement of financial position when the Board becomes a party to the contractual provision of the financial instruments.

The Board derecognises a financial asset or, where applicable, part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset/s have expired or been waived, or the Board has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party and either:

- the Board has transferred substantially all the risks and rewards of the asset; or
- the Board has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Financial liabilities

- The Board's financial liabilities include accounts payable (excluding GST and PAYE [pay as you earn]) and employee entitlements.
- All financial liabilities are initially recognised at fair value (plus transaction costs for financial liabilities not at fair value through surplus or deficit) and are measured subsequently at amortised cost using the effective interest method, except for financial liabilities at fair value through surplus or deficit. Such liabilities are subsequently measured at fair value.

Financial assets

Financial assets within the scope of PBE IPSAS 41 Financial Instruments are initially recognised at fair value plus transaction costs unless they are measured at fair value through surplus or deficit, in which case the transaction costs are recognised in the surplus or deficit. The Board classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive revenue and expenses, or fair value through surplus or deficit based on requirements as per PBE IPSAS 41 Financial Instruments.

Cash and cash equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Cash and cash equivalents are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

Investments

Investments in term deposits are initially measured at the amounts invested, as these reflect the fair values of these market-based transactions. Interest is subsequently accrued and added to the investment balance. An allowance for expected credit losses is recognised if the estimated loss allowance is not trivial.

Short-term investments comprise term deposits with terms of greater than three months that therefore do not fall into the cash and cash equivalents category.

Long-term investments comprise term deposits that have terms greater than 12 months.

Receivables (from exchange and non-exchange transactions)

Short-term receivables from exchange and non-exchange transactions are recorded at the amounts due, less an allowance for credit losses. The Board applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed collectively as they share credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables from exchange and non-exchange transactions are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery included the debtor being in liquidation.

The previous year's allowance for credit losses was based on the incurred credit loss model. An allowance loss was recognised only when there was objective evidence that the amount would not be fully collected.

17. Statement of commitments as at 31 March 2024

Capital commitments

On 28 February 2023, the Board entered into a contract for application development services, being the procurement, design and build of the self-contained vehicles register – \$646,384 (unbilled at 31 March 2023 – \$599,264). The Register became operational on 7 December 2023 at the commencement of the Board's regulatory oversight function.

Non-cancellable operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Board are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease.

- On 21 December 2023 the Board entered into an Agreement to Lease premises at Level 4, Midland Chambers, 45 Johnston Street, Wellington plus one carpark in the building. The Agreement to Lease is with the Board's existing landlord. The lease term for the new premises is nine years, with one right of renewal for a further six years. The Commencement Date is anticipated to be 1 August 2024. The initial annual rent for the office space is \$154,980 plus GST per annum, plus operating expenses estimated at \$81,918 per annum (\$185 per square metre) plus GST. The carpark's initial annual rental is \$6,240 plus GST. The total future minimum lease payment is \$2,126,610 (expiry date 31 July 2033).
- The Board has a current lease for the office premises at Level 8, 70 The Terrace, Wellington. The lease is for 12 years beginning on 1 October 2016 and has a current annual rent of \$154,683. The Agreement to Lease for Level 4 Midland Chambers states that the Lessee (the Board) agrees to surrender the Existing Lease and the Lessor agrees to accept a surrender of the Existing Lease at midnight on the day before the Commencement Date. This is anticipated to be 31 July 2024.

The Board has a current lease for photocopiers and meeting room technology equipment that commenced on 31 March 2023 with the final payment due on 12 September 2026. The annual rental is \$22,700 plus GST.

	2024	2023
Non-cancellable lease		
Not later than 1 year	299,019	177,382
Later than 1 year and not later than 2 years	252,354	177,382
Later than 2 years and not later than 5 years	727,102	486,748
Later than 5 years	1,033,797	77,342
	2,312,272	918,854

18.

Explanation of significant variances against budget for the year ended 31 March 2024

Statement of comprehensive revenue and expense

Revenue

Revenue of \$8,232,268 is \$2,155,677 (36%) more than budget and an increase of \$2,207,265 (33%) on the prior year. Crown funding of \$2,168,166 received for the self-contained vehicles project was uncertain at the time of budget, and in part contingent on legislation that came into force on 6 June 2023.

Self-contained vehicles project

During the year the Board received the following Crown funding from MBIE:

	2024	2023
Register design and build	1,021,438	171,192
Regulatory preparation (7 June to 6 December 2023)	543,351	-
Regulatory oversight	603,377	-
Total Crown funding	2,168,166	171,192

Prior-year funding included work leading up to and including the commencement of the design and build of the self-contained vehicles register.

Disciplinary levy and prosecution levies

The total disciplinary levy and prosecution levy revenue of \$2,168,122 is 5% higher than budget but 5% lower than the prior-year total of \$2,276,621. Disciplinary and prosecution levies were reduced by 8% from \$300 (GST inclusive) to \$275 (GST inclusive) for the 2024 licensing year. This was offset by a 3% increase in practitioner numbers.

Licence fees

Licence fees of \$1,943,162 are in line with budget but are 4% higher than the prior year revenue of \$1,871,632.

Disciplinary recoveries

Disciplinary recovery revenue of \$166,746 is 53% lower than budget and 10% lower than the prior year revenue of \$185,686. The return to prior year complaint and investigation levels has not transpired into higher levels of fines and costs. In prior years large penalties were imposed due to the seriousness of some complaints.

Examination fees

Examination fee revenue of \$759,662 is in line with budget and 3% lower than the prior year revenue of \$781,886. These income levels are significantly higher than those of prior years and reflect increased trainee (apprentice) numbers coupled with the move from the National Certificate to the NZ Certificate, where exams are a compulsory part of the qualification.

Registration fees

Registration fees of \$598,920 are 7% higher than budget and 18% higher than the prior year revenue of \$509,474. The increased number of people sitting exams in the past two years is reflected in this significant increase in registration income.

Interest received

Interest received has increased by 111% on last year, principally due higher average interest rates compared to those experienced previously, particularly in 2022/2023.

Expenditure

Total expenditure of \$7,318,352 is \$436,218 (6%) higher than budget and \$2,182,676 (43%) higher than the prior year total of \$5,135,676.

Administration

Administration expenditure of \$3,948,207 is in line with budget but 28% higher than the prior year spend of \$3,083,919.

Personnel costs of \$2,523,464, while in line with budget, are \$483,638 (24%) higher than in the prior year. The year-on-year variance reflects 3.5 new roles and the employment of a further two staff in November 2023 who worked solely in the self-contained vehicles regulatory function. The additional roles reflected the bringing of the CPD function in house, work on the self-contained vehicles regulatory function and the additional support provided for both the registration and licensing and complaints and investigations teams.

The additional expenditure reflects a successful public awareness campaign, the further development of the Board's website, external support for the 2023 Fees Review, an external review of CPD options for 2025 and beyond, and the ongoing modernisation of the Boards information technology.

Governance

Governance costs of \$340,699 are 7% lower than budget and 19% higher than in the prior year. This reflects more in-person hui in 2024. Disciplinary hearings were lower than expected.

Examinations

The examination cost of \$528,474 is in line with budget and prior years. It largely reflects revenue.

Complaints and discipline

Complaints and discipline costs (principally legal costs) of \$351,890 are 48% lower than budget but 20% above the 2023 costs. This can in part be attributed to improved debt collection and to a new complaints process that has resulted in fewer complaints proceeding to hearings.

Registration and licensing

Registration and licensing costs of \$963,885 are 4% higher than budget and 30% higher than in 2023. This is due to the organisation's transition to a new database support provider and to the maintenance of and updates to the practitioner database.

Statement of financial position

Assets

Total assets of \$9,670,869 are \$1,692,767 above the budget of \$7,978,102 and \$656,036 higher than in the prior year. This is principally due to an increase in intangible assets of \$1,333,388. This can be attributed to two software development projects, the self-contained vehicles register, and the development of an online registration function in the practitioner database that is expected to go live in July 2024. Cash and investments have reduced by \$750,848, largely reflecting enhancements to the practitioner database.

19.

Equity

Memorandum accounts as at 31 March 2024

		2024 Actual	2023 Actual
Disciplinary process			
Revenue			
Disciplinary levy	1,344,026		1,403,999
Fines and costs discipline	147,400	1,491,426	171,582
Expenditure			
Direct expenditure	351,890		293,323
Allocated overheads	1,383,222	1,735,112	1,185,801
Net (deficit)/surplus for the year		(243,686)	96,457
Balance brought forward 1 April		499,221	402,764
Balance to carry forward to future years		255,535	499,221

Prosecutions

Revenue			
Prosecution levy	824,096		872,622
Fines and costs prosecutions	19,346	843,442	14,104
Expenditure			
Direct expenditure	144,789		64,234
Allocated overheads	649,052	793,841	568,272
Net surplus for the year		49,601	254,220
Balance brought forward 1 April		918,499	664,279
Balance to carry forward to future years		968,100	918,499

Self-contained vehicle's regulatory function

Revenue			
Crown funding	2,168,166		171,192
Other revenue	4,953	2,173,119	-
Expenditure			
Direct expenditure	735,258		114,141
Allocated overheads	399,896	1,135,154	33,592
Net surplus for for the year		1,037,965	23,459

	2024 Actual	2023 Actual
Self-contained vehicle's regulatory function		
Balance brought forward 1 April	23,459	-
Balance to carry forward to future years	1,061,424	23,459
General operations		
Revenue		
Revenue	3,724,281	3,571,503
Expenditure		
Direct expenditure	1,907,737	990,660
Allocated overheads	1,746,507	3,654,245
Net surplus	70,036	695,191
Balance brought forward 1 April	4,262,464	3,567,273
Balance to carry forward to future years	4,332,500	4,262,464
Net surplus	913,916	1,069,328
Balance brought forward 1 April	5,703,644	4,634,316
Balance to carry forward to future years	6,617,560	5,703,644

Statement of overheads' allocation by function for the year ended 31 March 2024

	2024 Actual	2024 Budget	2023 Actual
Revenue			
Revenue from non-exchange transactions			
Disciplinary levy	1,344,026	1,282,597	1,403,999
Prosecution levy	824,096	786,116	872,622
Licence fees	1,943,162	1,934,494	1,871,632
Disciplinary recoveries	166,746	365,000	185,686
Self-contained vehicles	2,168,166	-	171,192
Total non-exchange revenue	6,446,196	4,368,207	4,505,131
Revenue from exchange transactions			
Examination fees	759,662	768,000	781,886
Interest received	269,896	245,333	127,656
Registration fees	598,920	558,052	509,474
CPD revenue	125,000	125,000	208,424
Other revenue	32,594	12,000	72,433
Total exchange revenue	1,786,072	1,708,385	1,699,873
Total revenue	8,232,268	6,076,592	6,205,004

Statement of overheads' allocation by function for the year ended 31 March 2024

	2024 Actual	2024 Budget	2023 Actual
Expenditure			
Discipline direct expenditure	351,890	670,000	293,323
Discipline allocated overheads	1,383,222	1,367,698	1,185,801
Total discipline	1,735,112	2,037,698	1,479,124
Prosecutions direct expenditure	144,789	120,000	64,234
Prosecutions allocated overheads	649,052	583,769	568,272
Total prosecutions	793,841	703,769	632,506
Examinations direct expenditure	528,474	535,000	519,271
Examinations allocated overheads	132,115	142,250	71,104
Total examinations	660,589	677,250	590,375
Licensing direct expenditure	1,186,346	1,031,125	407,786
Licensing allocated overheads ⁶	889,671	1,502,010	1,301,705
Total licensing	2,076,017	2,533,135	1,709,491
Registrations direct expenditure ⁶	192,918	160,875	63,603
Registrations allocated overheads	724,721	632,101	512,844
Total registrations	917,639	792,976	576,447
Self-contained vehicles direct expenditure	735,258	-	114,141
Self-contained vehicles allocated overheads	399,896	137,306	33,592
Total self-contained vehicles	1,135,154	137,306	147,733
Total expenditure	7,318,352	6,832,134	5,135,676
Total comprehensive revenue and expenses	913,916	(805,542)	1,069,328

6 For the year ended 31 March 2024. Practitioner database amortisation has been directly allocated to Licensing (80%) and Registration (20%) in the same proportions as database operational and maintenance costs. In prior years it has formed part of overhead allocations. In addition, bank fees and postage costs that relate almost entirely to the Registration and Licensing functions have been directly apportioned.

The CPD function was brought in-house and funded out of reserves. This saw an additional \$265,930 of direct expenditure plus an additional dedicated staff member and increased workloads across the organisation. These changes have added direct costs of \$626,996 to Licensing and \$92,930 to Registrations. In the prior financial year practitioner database amortisation, bank fees and postage costs formed part of the overhead allocation. Practitioner database operational and maintenance costs were apportioned 75% to Licensing and 25% to Registrations, and staff time spend working on Exemptions was apportioned to the Licensing rather than the Registration function.

Baker Tilly Staples Rodway Audit Limited
Level 6, 95 Customhouse Quay, Wellington 6011
PO Box 1208, Wellington 6140
New Zealand

T: +64 4 472 7919
F: +64 4 473 4720
E: wellington@bakertillysr.nz
W: www.bakertillysr.nz



INDEPENDENT AUDITOR'S REPORT TO THE READERS OF PLUMBERS, GASFITTERS AND DRAINLAYERS BOARD'S FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

The Auditor-General is the auditor of the Plumbers, Gasfitters and Drainlayers Board ('the Board'). The Auditor-General has appointed me, Chrissie Murray, using the staff and resources of Baker Tilly Staples Rodway Audit Limited, to carry out the audit of the financial statements of the Board on his behalf.

Opinion

We have audited:

- the financial statements of the Board on pages 48 to 75 that comprise the statement of financial position as at 31 March 2024, the statement of comprehensive revenue and expense, the statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Board on pages 44 to 46.

In our opinion:

- the financial statements of the Board:
 - present fairly, in all material respects:
 - its financial position as at 31 March 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information:
 - presents fairly, in all material respects, the Board's performance for the year ended 31 March 2024, in accordance with the requirements of section 151(1)(a) of the Plumbers Gasfitters and Drainlayers Act 2006; and
 - complies with generally accepted accounting practice in New Zealand and has been prepared in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and

Our audit was completed on 25 July 2024. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Board and our responsibilities relating to the financial statements and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the Auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board for the financial statements

The Board is responsible for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Baker Tilly Staples Rodway Audit Limited, incorporating the audit practices of Christchurch, Hawkes Bay, Taranaki, Tauranga, Waikato and Wellington.

Baker Tilly Staples Rodway Audit Limited is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



In preparing the financial statements, the Board is responsible on behalf of the entity for assessing the Board's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to liquidate The Board and or to cease operations, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Plumbers Gasfitters and Drainlayers Act 2006.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements and performance information.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body.
- We evaluate the appropriateness of the reported performance information within the Board's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the governing body and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and performance information represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibility arises from the Public Audit Act 2001 and section 149 of the Plumbers Gasfitters and Drainlayers Act 2006.

Other Information

The Board is responsible for all other information in the annual report that is not the financial statements and the audited performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of The Board in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1(Revised): *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, The Board.

A handwritten signature in blue ink, appearing to read 'Chrissie Murray'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Chrissie Murray
Baker Tilly Staples Rodway Audit Limited
On behalf of the Auditor-General
Wellington, New Zealand



4

Corporate governance



Corporate governance

Members of the Board

The Plumbers, Gasfitters, and Drainlayers Board is governed by an independent Board. The Board consists of 10 Minister-appointed members representing both the trade and the public.

The Board reports to the Minister for Building and Construction. The Board has an Audit and Risk Committee, Employment Committee and Disciplinary Administration Committee.

Members of the Plumbers, Gasfitters, and Drainlayers Board as at 31 March 2024

1. Deborah Cranko
2. Martin de Gouw – Deputy Chair
3. Tofa Suafole Gush
4. Beth Healy
5. Selwyn Hikuroa
6. Diana Kuhtz-Covich – Chair
7. Sue Simons
8. James Smith
9. Barry Willcox – Chair Audit and Risk
10. Ming-chun Wu

Board member remuneration

Board members' remuneration paid or payable to each Board member during the year for governance:

	Appointed	Terms Ends	2024 Actual	2023 Actual
Deborah Cranko	Sept 15	Dec 23	8,433	10,545
Martin de Gouw (Deputy Chair)	Aug 19	Nov 25	18,706	13,521
Ken Douglas	Sept 15	Dec 22	-	8,630
Tofa Suafole Gush	Aug 20	Aug 23	3,888	7,576
Beth Healy	Aug 20	Aug 23	12,206	9,879
Selwyn Hikuroa	Apr 23	Apr 26	13,092	-
Diana Kuhtz-Covich (Chair)	Sept 16	Dec 24	37,209	33,064
Sue Simons	Aug 19	Nov 25	8,487	7,049
James Smith	Dec 21	Dec 24	11,548	9,657
Barry Willcox (Chair Audit and Risk)	Sept 15	Dec 23	15,991	19,252
Ming-chun Wu	Aug 20	Aug 23	11,834	9,735
Total remuneration			141,394	128,908

Diana Kuhtz-Covich was appointed to the Chair role in February 2024, Barry Willcox was appointed to the Audit and Risk Committee Chair in February 2024, and Martin de Gouw was appointed Deputy Chair in February 2024. Board members' remuneration paid or payable to each Board member during the year for discipline functions:

	2024 Actual	2023 Actual
Deborah Cranko	2,258	3,275
Martin de Gouw (Deputy Chair)	3,549	3,274
Ken Douglas	-	3,053
Tofa Suafole Gush	915	4,107
Beth Healy	3,945	3,996
Selwyn Hikuroa	3,545	-
Diana Kuhtz-Covich (Chair)	17,992	14,620
Sue Simons	2,315	611
James Smith	6,117	3,802
Barry Willcox (Chair Audit and Risk)	6,999	8,449
Ming-chun Wu	3,259	1,443
Total remuneration for discipline functions	50,894	46,630
Total remuneration (governance and discipline functions)	192,288	175,538

The Board has effected directors' and officers' liability and professional indemnity insurance cover during the financial year in respect of the liability or costs of board members and employees. No Board members received compensation or other benefits in relation to cessation (2023 \$Nil).

Role of the Board

Members of the Board set the strategic direction of the organisation, monitor the Chief Executive's performance and ensure the Board fulfils the requirements of the Plumbers, Gasfitters, and Drainlayers Act 2006 and other statutory obligations.

The Board is accountable for its performance and decisions to Parliament, the Minister for Building and Construction, practitioners and the public.

Board membership

The Minister for Building and Construction appoints the Board members. We aim to have members who represent a broad mix of practitioners and lay people of ages, genders and ethnicities that reflect the diversity of New Zealand society.

We are required to have:

- two or more registered plumbers
- two or more registered gasfitters
- two or more registered drainlayers
- two members who represent consumer interests
- up to one additional registered person
- one person with appropriate experience in relevant tertiary or vocational education.

Board committee structure

The Board operates three standing committees: Audit and Risk; Employment; and Disciplinary Administration. The Board receives committee meeting minutes at its formal meetings and, in approving those minutes, confirms the decisions made.

Links with industry bodies

We continue to be actively involved and collaborate with other registration bodies. We share ideas for future development and maintain contact with organisations including:

- Building Officials Institute of New Zealand
- Building Practitioners Board
- Electrical Workers Registration Board
- New Zealand Registered Architects Board.
- New Zealand Water and Waste Association
- Standards New Zealand
- World Plumbing Council

As in previous years, the Board has had regular meetings with key stakeholders to discuss matters of mutual interest. Those stakeholders have included:

- Aspeq
- Energy Safety, part of WorkSafe New Zealand
- Master Plumbers
- Ministry of Business, Innovation and Employment
- Skills
- Te Pūkenga
- Trade Lab
- Waihanga Ara Rau (Construction and Infrastructure) Workforce Development Council
- WorkSafe.

Board committees

Board standing committees as at 30 March 2024:

Audit and Risk Committee

- Deborah Cranko
- Martin de Gouw
- Diana Kuhtz-Covich
- James Smith
- Barry Willcox (Chair)
- Ming-chun Wu

Employment Committee

- Martin de Gouw
- Tofa Suafole Gush
- Diana Kuhtz-Covich
- Sue Simons
- James Smith
- Ming-chun Wu

Disciplinary Administration Committee

- Martin de Gouw
- Diana Kuhtz-Covich
- Hearings Manager



Diana Kuhtz-Covich
Chair



Tofa Suafole Gush



Deborah Cranko



Selwyn Hikuroa



Martin de Gouw
Deputy Chair



Barry Willcox
Chair Audit and Risk



Sue Simons



James Smith



Beth Healy



Ming-chun Wu

Banker

Bank of New Zealand
Private Bag 39806
Wellington Mail Centre
Lower Hutt 5045

Auditors

Baker Tilly Staples Rodway
PO Box 1208
Wellington 6140
Office of the Auditor-General
Private Bag 3928
Wellington 6140

Plumbers, Gasfitters, and Drainlayers Board

Level 8
Solnet House
70 The Terrace
Wellington Central
Wellington 6011

PO Box 10655
Wellington 6140

Email: office@pgddb.co.nz

Web: www.pgddb.co.nz

Phone: (64) 4 494 2970
0800 743 262