

2009

# annualreport



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Wellington Regional Training Advisor Peter Reilly visits Mulit Civil Contractors



Solar Water Heating Installation (Management, Selection and Specification) pilot course



The team of technical writers and reviewers, that worked to develop the PGDR ITO plumbing and gasfitting essential skills textbook.



Cook Islands Drainlaying Project led by Craig Cochrane and Sally Evers of the PGDR ITO

## Partnership with the Apprenticeship Training Trust

The PGDR ITO vision for New Zealand to have one national system of plumbing, gasfitting, drainlaying and roofing qualifications is being realised with the Apprenticeship Training Trust (the Trust). The Trust saw the need for a consistent system of training and made the decision to utilise the services of the PGDR ITO for the provision of industry training.

Both the PGDR ITO and the Trust are dedicated to providing a career pathway for trainees in the industry and ensuring employers have a clear understanding of the importance they play in industry training.

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## Collaboration agreement with UNITEC

Considerable progress was made in 2009 with the relationship between Unitec in Auckland and the PGDR ITO. For a long time this Auckland polytechnic and the PGDR ITO have worked separately, with different approaches being taken to delivery and funding for PGD apprenticeships.

In October 2009 an agreement was signed that sees the two organizations working together to align approaches to plumbing gasfitting and drainlaying apprenticeship training. This fits well with industry requests for one consistent high quality system of training throughout the country.

The work to bring the two systems together continues through 2010. If successful it will mean that Auckland employers and trainees will be working with a consistent system of training, regardless of whether they are attending block courses at Manukau Institute of Technology, G&H Training, or Unitec.

## 2009 World Skills competition

Peter Fuller from the New Zealand Defence Force represented New Zealand in the Plumbing and Heating skills category. Accompanying Peter was Ritchie Gorrie plumbing tutor from the Christchurch Polytechnic Institute of Technology (CPIT). Ritchie was the National Skills Expert Plumbing Skills and a judge in the Plumbing and Heating skills category at the 2009 World Skills competition in Calgary.

The Plumbing and Heating skills category had 23 countries competing. The competition was held at Calgary, Alberta, Canada, with four days of practical competition that ran from the 2nd to the 5th of September 2009.

In 2010 the National competitions are being held throughout New Zealand culminating in the National finals to be held at CPIT on 22nd to 26th September 2010. The winner from this will be eligible to compete at World Skills 2011 London.

Peter Fuller at Calgary



## National qualifications rolled out

In 2009 we rolled out learning and assessment resources that were consistent across the whole country. They were developed with all of our key partners involvement, and are a key part of providing , “one national system of high quality training”.

This followed on from our upgraded qualifications being registered with NZQA. The upgraded units have increased in level and been technically upgraded. Learning guides and an introductory textbook for plumbing and gasfitting were produced.

Contracted providers began using new common assessments developed by the ITO for the first stage learning areas.

In conjunction with the Open Polytechnic, the new drainlaying programme was introduced and the previous phased out.

The enhancements to the reviewed programmes prepare trainees for registration.

2009 also saw the launch of the ITO's first post-apprenticeship level qualification, the National Certificate in Solar Water Heating Installation (Management, Selection and Specification).

Developed in association with the Solar Industries Association, ECCA and a provider, the qualification provides an edge for registered plumbers in this growing market. Trialled at one polytechnic, the qualification is also available with adaptation for business owners and will contribute significantly to raising public confidence in the performance of installations and after sales service.

Paul Robertson with  
Stage 1 learning guides



## Outward Bound

Ben Walters of Wellington (Justin Harriss Plumbing Limited) and Jamie Payton of Tauranga (Gerard Lochhead Plumbing Limited) at the Built Environment Training Alliance (BETA) Classic Outward Bound Experience in Anakiwa, Marlborough Sounds. Jamie and Ben were each awarded an Outward Bound Scholarship that allowed them to attend the 2009 course. The PGDR ITO is again sponsoring two places for 2010.



**Ben Walters**



**Jamie Payton**

# Industry Insight into Drainlaying

To give young people an insight into our industry trades the PGDR ITO teamed up with the “Just the Job” series, to produce an overview of the drain laying industry. Russell Brown is the owner of Russell Brown Contracting Limited based in Riverhead, Waitakere.

The PGDR ITO approached Russell asking if he would be prepared to host a student on a job site and allow a crew in to film the activity. Russell has been a drainlayer all his adult life and went out on his own in 1988. Russell’s father was a drainlayer too and Russell used to help him out before and after school. Russell has always loved using machinery and that is one of his main attractions to the career.

Russell has 5 staff members and they mainly do large commercial drainlaying, working with pipes under motorways etc that are up to 6 metres in diameter. Being a drainlayer, means you have to be multi-skilled. You need to be able to dig, drill and fix areas once the drainlaying has taken place.

Rory Dunn was the student who took up the opportunity to have a day on the job with Russell. When asked “What makes a good drainlayer?” Russell replied “a good alarm clock and easy going attitude, all you have to do is get the water flowing from A to B.”



Rory filmed on the job



Rory Dunn, Douglas Brown (Drainlaying apprentice, Russell’s son) and Russell Brown

## Our Vision

Our vision is for New Zealand to have one national system of plumbing, gasfitting, drainlaying and roofing qualifications.

Our mission is to ensure training, assessment and moderation will lead to the registration of a sufficient number of suitably qualified and skilled tradespeople to meet the needs of industry and the public.

The PGDR ITO team





**John Simmiss**

I am proud to present our 2009 Annual Report, the PGDR ITO has had an outstanding year. I believe there is general industry acceptance that the hard work put in by many parts of our industry over recent years is finally producing real progress.

My congratulations to Chief Executive Ian Elliott and all of the PGDR ITO team for moving the PGDR ITO to the next level. I know that they strive to be one of the highest performing Industry Training Organisation's, and the PGDR ITO Board is confident that they are on track.

I would also like to acknowledge the contribution of my fellow board members in ensuring that the PGDR ITO has achieved its strategic goals, and is on track to achieve our longer term objectives. During the year we were fortunate to gain the services of two highly skilled and experienced new directors. John De Bernardo brings to us a wealth of industry knowledge and experience. Not only has he been highly successful within our industries, he also brings invaluable insight from his work with Standards NZ and the Plumbers, Gasfitters and Drainlayers Board (PGDB).

We have been fortunate to also have David Cullwick join the Board. David's wealth of corporate and educational experience is proving invaluable. This is a very effective team balancing industry representation with the wider experience of our independent directors.

#### **Collaboration with the PGDB**

Of particular significance for me was the signing of a Memorandum of Understanding with the Plumbers Gasfitters and Drainlayers Board on 11 March 2010. It was most appropriate to do this on World Plumbing Day. More importantly it sees an end to some of the divisive behaviour that has troubled our industries for a long time. We will now work hard with the PGDB to ensure the joint areas of work that have been identified are successful. These include working together on assessing the validity of new Continuous Professional Development Courses, developing a Certifying level qualification, synchronizing processes for the consideration of overseas

qualified tradespeople, and integrating the registration examinations into the qualifications pathway.

#### **Maintaining training numbers during a difficult economic period**

Although the PGDR ITO achieved some fantastic milestones in 2009, we must be mindful of the fact that the economic situation of the last two years has seen a significant fall in new trainees entering our industries. While this is to be expected, the trend is continuing in 2010. As Chairman of the Board I urge employers in our industries to be aware that when the economic cycle requires greater numbers of trained trades people we are likely to once again face shortages that are a result of low training numbers in 2009 and 2010. Keeping the training up during this period is very important.

#### **Governance input from the Roofing Industry**

The PGDR ITO has excellent support from the roofing industry, and we are delighted with the uptake of training in light of the requirements for becoming a Licensed Building Practitioner. We appreciate the work done by The Roofing Association of New Zealand (RANZ). We are delighted that RANZ President Graham Moor has become a trustee of the Environmental and Energy Services Trust of New Zealand. This trust is the shareholder of the Plumbing Gasfitting and Drainlaying ITO Ltd. We value Graham's experience and contribution.

The PGDR ITO Board thanks all of those who have supported the PGDR ITO and industry training. We look forward to working with you all to provide the best possible leadership and training for our industries.

**John Simmiss  
Chairman**

**Hazel Armstrong  
PGDB Chairperson signing MOU**



## **Provide a Fully Supported Career Pathway**

- Qualifications and licensing are closely aligned
- Qualifications and training provide a lifetime career pathway
- Trans-Tasman and wider collaboration ensure wider recognition of our qualifications
- Assistance is provided to trainees (including literacy and numeracy support) to ensure they complete training, qualifications and licensing.
- PGDR ITO take a lead role nationally with all the Modern Apprenticeship Coordinators

## **Foster Leadership by Partnership with Industry**

- Work with industry to quantify the productivity gains resulting from training
- Understand and meet workforce requirements
- Strengthen advisory groups and industry consultation
- Partner with other Industry Training organisations and strengthen the Built Environment Training Alliance

## **Be Customer Focused: Employers and Trainees**

- Monitor employer and trainee satisfaction to make sure needs are being met
- Increase the number of employers who have staff in training
- Produce high quality products, from training agreements to learning resources
- Increase participation in training, including under-represented groups
- Work with providers to ensure the best possible off-job learning

## **Build a Stronger Organisation, Focusing on People and Processes**

- Continue to extend team performance
- Ensure a financially sustainable organisation
- Maintain fit for purpose systems, processes and quality
- Maintain a strong presence in the regions
- Seek new business and partnerships

Russell Brown Contracting Ltd





Ian Elliott

Minister Maurice Williams inspecting new textbooks at Master Plumbers Conference



We have many people to thank for the outstanding year we had in 2009. I would like to start by acknowledging the hard work that many employers put into training their apprentices on the job. It is the silent and often ignored part of the industry training system, but without good employers there will never be good training.

### Apprenticeship Training Trust

There is a particular group of employers I want to single out. Early last year the practitioner trustees of the Apprenticeship Training Trust (ATT) got together with the plumbers gasfitters and drainlayers from the ITO's Board of Directors and agreed to see if they could align the two organizations. After quite a long process of negotiation ATT entered an agreement with the PGDR ITO that has seen most of their apprentices moving over to ITO industry training as they complete their current stage. The foresight, and willingness of the ATT trustees to put the needs of industry training in New Zealand first, and to go a long way to putting an end to the divided apprenticeship situation in plumbing gasfitting and drainlaying is most appreciated.

### Upgraded Qualifications and Delivery

2009 also saw the role out of our upgraded plumbing gasfitting and drainlaying qualifications and resources. Like everything new the upgraded distance learning packages and assessments have taken a bit of getting used to, but overall it has gone extremely well. Many industry people have contributed as technical experts and writers. We have just launched our new plumbing and gasfitting textbooks for Stage Two and Three. These are also preparation for registration examinations.

### National Industry Advisory Groups

Industry stakeholders have also contributed through our National Industry Advisory Groups (NIAG's). The PGDR ITO receives feedback and input from a range of groups throughout the country. However in 2009 we established the NIAG's to provide a high level national advisory system. My thanks to Master Plumbers Chief Executive, Fiona Gavriel, for chairing these meetings.

### PGDR ITO Involvement in the Built Environment Training Alliance

2009 was the year when this cluster of construction ITOs stepped up a gear. The Built Environment Training Alliance (BETA) is made up of 8 ITOs who collectively train almost 20,000 workers. BETA is engaged in a number of initiatives. BConstructive is a BETA qualification offered by many secondary schools. BETA will hold a construction industry wide training conference in November of this year. Most importantly BETA is playing a key role in developing an industry wide skills strategy in conjunction with the Department of Building and Housing and other stakeholders as part of a body of work aiming to improve productivity in the construction industries.

### World Plumbing Council

Our involvement with the World Plumbing Council has been a great opportunity to gauge where we stand with apprenticeship training. There is an overwhelming sense of how fortunate New Zealand is to have a comprehensive plumbing gasfitting and drainlaying apprenticeship system that integrates with a licensing system. Many countries have allowed their training to be broken down into specialist tickets, and are now regretting such a move. I am confident that we have an excellent apprenticeship system which we can work together on to raise standards further.

### Our Providers

We have had another good year working with our contracted providers from Auckland to Invercargill. There are some great training initiatives coming from the tutors who teach and assess our trainees. The PGDR ITO has embarked on the Delivery Development Project, which sees us working together with providers to improve all aspects of block course and distance learning delivery.

As you will see in this report 2009 was a year of real achievements. I wish to thank our Board, my dedicated staff, and all of the organizations and individual who have contributed to our success.

Ian Elliott, Chief Executive

## 2009 / 2008 Training towards a National Certificate



1176 (2009) / 1191 (2008) Plumbing & Gasfitting



629 (2009) / 606 (2008) Drainlaying



530 (2009) / 515 (2008) Roofing installation



575 (2009) / 471 (2008) of the trainees are Modern Apprentices



139 (2009) / 44 (2008) of the Modern Apprentices are coordinated by the PGDR ITO

## Supporting the industry training were

962 (2009) / 989 (2008) Plumbing, Gasfitting, Drainlaying & Roofing Installation businesses

## Gateway



53 (2009) / 0 (2008) Schools



79 (2009) / 0 (2008) Students

2009 Qualifications Completed	2009	2008
National Certificates in Roofing	21	93
National Certificates in Drainlaying	201	136
National Certificates in Gasfitting	152	150
National Certificates in Plumbing	180	178

## Total Credits Reported to the Tertiary Education Commission

	2009	2008
Credits Reported	78913	74023

Financial Performance	2009	2008
Industry Contributions	\$1,477,535	\$1,570,935
Net surplus	\$534,455	\$786,395

The PGDR ITO is pleased to have invested in capability, and contained costs to apprentices and employers, while achieving a sound financial performance. With lower numbers entering training in 2009 (and 2010 year to date), the PGDR ITO has positioned itself with adequate reserves to handle the current downturn in training.

We have managed to do this while restricting fees increases, thus ensuring that the costs of training were not passed on to apprentices and employers during this difficult period. However over this period considerable work has been done to build the capability of the ITO. Investment has been made in training resources, including two new textbooks for plumbing and gasfitting that will take apprentices to registration level. IT upgrades, increased regional services, literacy and numeracy support and examination preparation support have all been supported financially.

The PGDR ITO has also provided a number of initiatives over this period to reduce the costs of new sign ups, and to encourage participation. This sees us well positioned to meet the needs of apprentices in coming years, and in the next phase of the construction industry cycle.

**Plumbing, Gasfitting, Drainlaying  
& Roofing Industry Graduates at  
the Nelson Ceremony**



## Plumbing, Gasfitting & Drainlaying Industry Training Organisation Limited Summary Balance Sheet • As at 31st December 2009

	Note	2009	2008
		\$	\$
<b>CURRENT ASSETS</b>			
Cash		36,646	158,741
Short-Term Deposits		4,248,601	3,869,838
Trade and other Receivables		568,215	656,547
Inventory		27,939	-
Shareholders Current Account		4,300	2,059
<b>Total current assets</b>		<b>4,885,701</b>	<b>4,687,185</b>
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	5	226,553	132,833
<b>Total non-current assets</b>		<b>226,553</b>	<b>132,833</b>
<b>TOTAL ASSETS</b>		<b>5,112,254</b>	<b>4,820,018</b>
<b>CURRENT LIABILITIES</b>			
Trade Creditors		355,456	401,260
GST Payable		84,120	38,581
Other Creditors and Accruals	5	54,578	797,279
Income Received in Advance		1,487,721	1,737,259
Finance Leases	6	-	2,281
<b>Total current liabilities</b>		<b>2,481,875</b>	<b>2,976,660</b>
<b>NON-CURRENT LIABILITY</b>			
Income Received in Advance		254,355	-
Finance Leases	6	-	1,789
<b>Total non-current liabilities</b>		<b>254,355</b>	<b>1,789</b>
<b>TOTAL LIABILITIES</b>		<b>2,736,230</b>	<b>2,978,449</b>
<b>NET ASSETS</b>		<b>2,376,024</b>	<b>1,841,569</b>
Represented by:			
<b>EQUITY</b>			
Share Capital		-	-
Retained Earnings		2,376,024	1,841,569
<b>TOTAL EQUITY</b>		<b>2,376,024</b>	<b>1,841,569</b>

Plumbing, Gasfitting & Drainlaying Industry Training Organisation Limited  
 Summary Income Statement • For the Year Ended 31st December 2009

	2009	2008
	\$	\$
<b>OPERATING REVENUE</b>		
Government Grants	5,380,445	4,518,179
Industry Contributions	1,477,535	1,570,935
Other Income	168,581	59,400
Interest Received	221,536	313,337
<b>Total</b>	<b>7,248,097</b>	<b>6,461,851</b>
<b>OPERATING EXPENSES</b>		
Off-job Training	1,948,808	1,724,254
Distance Learning Fees	827,262	886,269
On-Job Assessment	74,745	11,243
Credits and Certificates Costs	113,404	77,429
Board and Travel Subsidy	50,956	119,104
Materials and Publications	167,429	83,860
Quality Costs	71,503	54,099
Qualifications Development and Review	347,880	271,730
Personnel Expenses	1,477,818	1,357,102
Site Rental Expenses	178,694	147,374
Marketing and Advertising	185,988	194,219
Professional Fees	119,030	61,432
Administration Expenses	873,636	626,785
Depreciation	89,065	43,676
Provision for Doubtful Debts	161,196	-
Other Expenses	26,228	16,880
<b>Total</b>	<b>6,713,642</b>	<b>5,675,456</b>
<b>NET SURPLUS</b>	<b>534,455</b>	<b>786,395</b>

Plumbing, Gasfitting & Drainlaying Industry Training Organisation Limited  
 Summary Statement of Movements in Equity • For the Year Ended 31st December 2009

	2009	2008
	\$	\$
Equity at the start of the period	1,841,569	1,055,174
Net surplus for the year	534,455	786,395
<b>Equity at the end of the period</b>	<b>2,376,024</b>	<b>1,841,569</b>

## Plumbing, Gasfitting & Drainlaying Industry Training Organisation Limited

Notes to the Financial Statements • For the Year Ended 31st December 2009

The summary financial statements have been extracted from the full financial statements for the reporting entity, Plumbing Gasfitting & Drainlaying Industry Training Organisation Limited, a registered company under the Companies Act 1993. The full financial statements have been prepared in accordance with generally accepted accounting principles, in accordance with New Zealand Financial Reporting Standards. The company satisfies the Accounting Standards Review Board criteria for small to medium size businesses and has not been required to apply NZ IFRS.

The summary financial statements cannot be expected to provide as complete an understanding as provided in the full financial statements. The summary financial statements have been examined for consistency with the full financial statements. The full financial statements are available on request and can be obtained from the CEO, Plumbing Gasfitting Drainlaying Industry Training Organisation Limited, Level 8, 142 Lambton Quay, Wellington 6011. The full financial statements have been subject to audit and an unqualified audit report was issued on 21 April 2010.

There were no contingent liabilities at balance date and there are no post balance date events that need to be disclosed.

During the period the company purchased services at market rates from Inspire Group, Stephenson Thorner and Simon Rees-Thomas who were/are related officers and shareholders of the company.

There has been no change in accounting policies. All policies are consistent with previous periods.



## Audit Report

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### **To the Stakeholders of Plumbing, Gasfitting and Drainlaying Industry Training Organisation Ltd**

We have audited the summary financial report of the company for the year ended 31 December 2009.

#### **Responsibilities of the Board and Auditor**

The Board is responsible for the preparation of a summary financial report in accordance with generally accepted accounting practice, in accordance with New Zealand Financial Reporting Standards. It is our responsibility to express to you an independent opinion on the financial report presented by the Board.

#### **Basis of Opinion**

Our audit was conducted in accordance with New Zealand Auditing Standards and involved carrying out procedures to ensure the summary financial report is consistent with the full financial report on which the summary report is based. We also evaluated the overall adequacy of the presentation of information in the summary financial report against the requirements of FRS-43: *Summary Financial Reports*.

Other than in our capacity as auditors of the Company, we have no relationships with or interests in the Institution.

#### **Unqualified Opinion**

In our opinion, the information reported in the summary financial report complies with FRS-43: *Summary Financial Reports* and is consistent with the full financial report from which it is derived and upon which we expressed an unqualified opinion in our report to the readers dated 21 April 2009.

We completed our work for the purposes of this report on 5 May 2010.

A handwritten signature in blue ink that reads "Grant Thornton".

Grant Thornton  
Wellington  
5 May 2010

Chartered Accountants  
Member of Grant Thornton International Ltd



## **John Simmiss – Chairman**

John is the founder of Simmiss Plumbing and Enviroflow Waste Water Treatment Systems Ltd. After serving as president of the Hawkes Bay Regional Association of Master Plumbers, Gasfitters and Drainlayers NZ Inc, John was chairman of the national organisation from 1999-2005.



## **Trevor Helm – Deputy Chairman**

Trevor is managing director of TJ Helm Plumbing Ltd. He also holds directorships with Ignite Gas Ltd and the Plumbing, Gasfitting Drainlaying and Roofing Industry Training Organisation. Trevor's extensive experience includes contract negotiating alongside State Services and the New Zealand Educational Institute.



## **Rod De Spong – Director**

Rod holds Trade Certificate and Craftsman qualifications in plumbing and gasfitting. Retrained as an accountant, Rod's career has involved auditing, management consulting, strategy and planning, business development, corporate finance and supply chain operations in New Zealand and overseas.



## **John Duncan – Director**

John's background is in aircraft engineering. Over the last 20+ years he has spent half his time consulting and the balance in senior corporate human resources roles. His experience includes active involvement at board level in a number of ITO's. John is currently Managing Director of Platform Consulting Ltd, a human resources development consultancy.



## **John DeBernardo, Director**

John is currently the Director of Gas Safely Ltd. He has over 32 years experience as a Craftsman Plumber and Gasfitter managing medium to large scale businesses. He completed his apprenticeship in 1980 and worked with Aquaheat Industries Ltd in Tawa. In 2008 he left Aquaheat and formed his new business Gas Safely Ltd providing technical and consultancy services to the commercial and industrial sectors of the gas and energy industries. John also holds directorships with Industrial Importing Co Ltd and Padova Properties Ltd.



## **Dr David Cullwick – Director**

David is an independent business advisor and company director based in Wellington. He was the inaugural Professor of Marketing at Victoria University, and later a strategy consulting partner in Ernst & Young. He held directorships for the NZ Wool Board, Chair, Hohepa Homes Trust, and recently was Chair, NZ Film Commission. David is currently a director of Comvita, a NZX listed company.

# Key Areas of focus

Employers making a commitment to train apprentices



Gaining skills in the real world



Tutors from all providers working together to ensure every block course is as challenging and rewarding as possible for trainees and trainers.



Trainees being assessed and judged competent



# Our Six Regional Training Advisors and Their Coverage



4/5

**Gillian Abbott**

covers Coromandel, Waikato and the Bay of Plenty.

**021 822 718**



3/7

**Sam Gilmour** starts

from Onehunga covering East and South Auckland. He also looks after the East Coast

**021 759 279**



6/8

**Peter Reilly**

looks after the Central North island through to Wellington.

**027 217 5529**



1/2

**Peter Gembitsky**

covers Northland to the North Shore and West Auckland ending at Mount Wellington.

**021 318 435**



9/10

**Robyn Brown**

covers Nelson Marlborough, down the West Coast and through to Canterbury.

**021 220 7645**



11

**Jak Elliott**

looks after Otago and Southland

**021 569 077**

