

Connector

News and views from the co-operative.

60
YEARS

Celebrating 60 Years of our
NZPM co-operative

October 2024

In this issue: Director's point of view from Joe Calkin
Young Plumber of the Year Winner | Blue September

Chair's update



Welcome to our October issue of Connector.

I have recently spent some time in the Northern Hemisphere for work and had an opportunity to discuss the global economy with my colleagues there. The situation remains difficult, with Governments continuing their tight monetary policies, and global trade and investment suffering due to the tough financial conditions. Colleagues spoke to me about the downside impacts of the escalation of the conflict in the Middle East, ongoing financial stress for families and businesses, persistent inflation, and climate-related disasters. Bringing this back to our situation in NZ, it does appear that the market will continue to be tough for the next six to nine months on the back of the international economy. The other NZ boards that I serve on also have that view.

As Rob outlines in his CEO article, there are some early signs of improvement in the economic conditions for New Zealand. The recent decision by the Reserve Bank to cut the Official Cash Rate by a further 50bp to 4.75% has helped raise business confidence, albeit from extremely low levels. The annual inflation rate in New Zealand eased further to 2.2% in the September quarter of 2024, from 3.3% in the prior quarter. It marked the lowest reading since March 2021. Lower inflation and lower funding costs bode well for our industry and the wider economy, however, we continue to be cognisant that household confidence will remain low from higher unemployment and the lag effect of inflation on consumer spending power.

As we enter the second half of the financial year, we continue to navigate our way through the challenges of the market. As you would expect, our focus is working with our customers to secure profitable sales and appropriately manage our costs. We are doing everything we can to protect the Co-operative through this period, and looking for every opportunity to build on our good work and find new ways to grow. Despite the current market challenges, we remain appreciative of our shareholders and customers who help ensure the Co-operative remains in good heart and tracking in line with our reduced expectations.

You can be assured that along with the Management team, the Board is closely monitoring our financial and cash position, and costs are being well managed, to ensure that the Co-operative is protected from volatility as much as possible. We remain very focused on prudently managing our Balance Sheet. I am pleased to advise that we have extended our bank facility with Westpac for a further 12 months, at reduced interest rates.

Congratulations to Blake Patrick from Limitless Plumbing & Gas in Whangarei, the recent winner of the Young Plumber of the Year competition. Like every year, it was a hard fought win for Blake, with the 10 finalists battling it out in a series of practical and theory tests to become the 2024 Young Plumber of the Year. Many thanks to all those shareholders who supported this event this year, either through sponsorship or encouraging their staff to enter.

The Board wishes to express its gratitude to all our members and customers for their ongoing support towards NZPM, Plumbing World, and Metrix. And huge appreciation goes to our management and staff who are working incredibly hard to provide the best possible service every day.

Kind Regards,
Kathy Meads
NZPM Chair

CEO update



Welcome to the spring edition of Connector.

While there are still some remnants of winter lurking around, including a couple of cold snaps and plenty of rain, it's the green shoots of spring that remind us that summer is not too far away.

Market and business activity can also have very similar seasons. Our industry has certainly been going through a tough winter, particularly in the residential sector, however as I have met with several customers from different parts of the country in recent times there appear to be some green shoots of improved market activity starting to appear.

While we're not talking about a major market swing just yet, companies that can survive into 2025 may start seeing an improvement in their order books, so it's important to keep looking for and capitalising on every green shoot of opportunity that may be in front of you.

Several customers have told me they have between one month and in some cases up to twelve months' worth of forward work.

While we have been navigating our way through the tougher market conditions, NZPM has continued its focus on our social responsibility obligations and initiatives, and I thought I'd share some of our progress with you.

All LeVivi product now being ordered from our offshore factories (there may still be some older stock in our network):

- Has had the polystyrene packaging removed from our toilets, vanities, baths and showers. These have been replaced with honeycomb cardboard packaging to provide protection during shipping.

- Brown packaging, product installation instructions and warranty cards have replaced white equivalents, meaning we are no longer using bleached material.
- Plastic bags around installation instructions have been removed.
- Bubble wrap has been removed from bottle traps.
- LeVivi vanities are now produced using FSC (Forest Stewardship Certified) board and are now packaged in FSC packaging, meaning this is certified as being sourced from a sustainably managed forest.
- All product strapping is made from PE2 material, which is recyclable.

We will continue to work with our own brand product factories along with our wide range of other suppliers to progress the important work of helping the environment through packaging designs and waste management initiatives.

We are getting closer to going live with our new technology platform, Microsoft Dynamics 365. We extended our third and final series of D365 technology testing into early October (previously September) to iron out any final issues before we complete the final rollout planning, including ensuring our people are trained on the new technology.

We envisage going live over the next 2–3 months and will send separate communications to our shareholders, customers, staff and suppliers as we near that time.

We will continue to look for new opportunities along with refining our existing service offers to help NZPM continue delivering sustainable shareholder value while at the same time contribute to a more sustainable planet.

Thank you for your continued support of NZPM, Plumbing World and Metrix; it is very much appreciated. In continuing to work together, we can all forward to your businesses and our great co-operative all having a bright future.

Regards,

Rob Kidd
NZPM CEO

We invite you to talk with your local branch manager about registering for our 2026 overseas trip to Dublin, Ireland.



Scan here for more information.

LET'S PAINT THE TOWN GREEN BLACK!

9th – 15th May 2026



plumbingworld
PW DOES DUBLIN
2026

Young Plumber of the Year 2024

plumbingworld
YOUNG PLUMBER
of the year

Our 2024 Young Plumber
of the Year is:

Blake Patrick

Limitless Plumbing & Gas, Whangarei



Celebrating Excellence in Plumbing

The Young Plumber of the Year Competition is a free annual event that aims to promote the plumbing profession and inspire more young people to consider it as a viable career path. By showcasing the skills and achievements, the event highlights talent and dedication of young plumbers from across the country, showcasing the importance of plumbing in our everyday lives. This award winning competition is open to plumbers, gasfitters and drainlayers aged up to 31. Thank you to all those shareholders that encourage and support your young talent to enter this competition.

Starting off the 3-day event in Auckland, the finalists visited some of our Platinum sponsor suppliers to learn more about the industry and day to day operations and products they use in their roles. Following this, in Hamilton the ten National Finalists completed a theory examination, a panel interview and faced a series of rigorous tasks designed to test their technical skills, creativity, and efficiency while fitting out a bathroom scenario. The competition was overseen by the YPC Steering Committee and a panel of industry judges who evaluate participants based on their technical skills, safety practices, and overall professionalism.

The evening awards dinner was held at Claudelands, Hamilton where MC Jordan

Vandermade announced the 2024 Young Plumber of the Year National winner, congratulations to:

- 1st: Blake Patrick of Limitless Plumbing & Gas, Whangarei
- 2nd: Tristan Harris, Revolution Plumbing & Gas Ltd, Christchurch
- 3rd: Liam Dewar, Quantum Waste Water Systems Ltd, Levin

Blake Patrick not only earned the title of Young Plumber of the Year 2024 however also received a trip for two to the 2025 NZ Plumbing Conference in Brisbane, Australia including flights, accommodation and registration along with tools, NZPM Redeemable Preference Shares, and a prize pool valued at over \$4,200 for their employer.

Harmony Pearce from Adams Plumbing, Drainage, Electrical, Gasfitting in Dunedin was named the 'Most Valuable Plumber' in the 2024 competition for demonstrating core YPC values during the National Final. Demonstrating a positive attitude, integrity, growth, and an exceptional skill set.

With the continued support of our customers and suppliers, Plumbing World and the Young Plumbers Club looks forward to celebrating and showcasing our trade excellence on the national stage in 2025.

Congratulations to our 10 National Finalists:

Blake Patrick	Limitless Plumbing & Gas, <i>Whangarei</i>
Tristan Harris	Revolution Plumbing and Gas Ltd, <i>Christchurch</i>
Liam Dewar	Quantum Waste Water Systems Ltd, <i>Levin</i>
Nick Sillars	Sillars Plumbing, <i>Wellington</i>
Oliver Davidson	Paul Summerfield Plumbing Ltd, <i>Ashburton</i>
Harmony Pearce	Adams Plumbing, Drainage, Electrical, Gasfitting, <i>Dunedin</i>
Liam Fox	Plumbing St Lukes Ltd, <i>Auckland</i>
Luke Nagle	Blueline Plumbing Ltd, <i>Auckland</i>
Robbie Parker	Foleys, <i>Rotorua</i>
Seth Hall	Hallrite Plumbing & Gasfitting Ltd, <i>Gisborne</i>

Director's point of view



It seems noisier than ever and for some, it could easily feel scarier than ever.

Our radios, TVs and social media news feeds bombard us with terms like market softness, OCR announcements, balance of payments deficits, government spending, infrastructure projects being placed on hold while news from overseas is predominantly driven by wars and divisive political agendas. These topics often worry us, but the truth is we have absolutely no control over these external factors.

A key learning from wellness experts is that we can better manage ourselves by focusing on what is in front of us; what can we do today, this week, this month, to look after ourselves, our families, our friends, our staff and our businesses.

As Chair of the Health and Safety Committee, this message dovetails into the recently released Health and Safety Governance Good Practice Guide issued jointly by the Institute of Directors and WorkSafe NZ. The guide is designed to help directors and boards more effectively support management and deliver better health and safety at work outcomes.

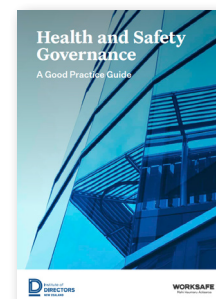
By now, we should all be across the requirements of managing health and safety in our roles as day-to-day managers of our businesses. However, you need to be aware of the separate expectations of you as a director of your companies.

One of the key messages in the guide is that company officers are encouraged to model behaviours that foster a positive organisational culture, known as the 5Cs:

- **Courage is about being open to challenges and acknowledging our own limitations.** In my role at NZPM, it takes courage to question and investigate our policies and practices. I need to understand them, monitor them but to not get too hands on, and ensure our people look after these systems and policies while getting on with doing their job.

- **Capability is about continuously improving our health and safety knowledge at a level appropriate for our role.** We can do this by undertaking formal training courses, taking advice from others and getting feedback from our teams. We need to be open to improving by listening and supporting H&S culture in our organisations.
- **Curiosity is about seeking to understand the reality of work and its challenges.** As business operators, we have an advantage here in that we generally have been involved in our businesses as our careers have evolved. However, we all need to be aware of how the men and women actually do the work in today's environment and deal with the challenges this creates.
- **Context is about understanding the organisation's environment.** Again, this is straightforward for many of us in our daily management. At NZPM, we have some less familiar environments such as the large-scale logistics centre at Wiri or handling heavy concrete items. The only way for directors to gauge these risks is to visit these sites and understand the physical environment and the operational challenges on the staff.
- **Care is about having concern for workers' wellbeing.** We should practice this one in "spades". Gone are the days of "thrashing" staff to get a job completed on time and without care for wellbeing. I feel proud that at F.B. Hall & Co. and across the co-operative we value our staff as people who have families and lives outside of their work commitments.

I encourage you to take the time to read and familiarise yourself with the new IOD H&S Good Practice Guide www.iod.org.nz/resources-and-insights/guides-and-resources/health-and-safety-a-good-practice-guide# and put into practice the things that will help make your workplace all the safer.



Regards,
Joe Calkin
Board Director

2024 Customer Trade Survey

Many thanks to all those Shareholders who completed our 2024 customer trade survey. In total we had over 545 responding to the survey and 63% of these were our shareholders.

The first 10 customers who completed the survey received 100 Max/Travel Points, and a huge

congratulations to Aaron Jamieson of BOP Plumbing and Gas who won 1,000 Max/TravelPoints in our draw of all respondents.

We will look forward to sharing with you the highlights from the survey in our next issue.

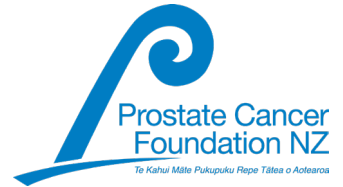
Shareholder Loyalty



Social Responsibility

Blue September

Many of the Plumbing World branches hosted a Blue Do in September raising much needed funds for the Prostate Cancer Foundation. Thank you to those shareholders and staff who contributed to help raise a total \$3,500 for the Prostate Cancer Foundation.



Ronald McDonald House

Plumbing World Christchurch recently came together to volunteer at the Ronald McDonald House, cooking a warm and comforting dinner for families in need. The team enjoyed preparing delicious meals that brought a sense of home and comfort to those facing challenging times. Their efforts not only filled hungry bellies but also spread kindness and support, embodying the spirit of community service. It was a heartwarming experience that strengthened connections and showcased the impact of giving back to families in need.

