

Situation Update to

The Social Services Committee

by

Wal Gordon on behalf of the

Plumbers Gasfitters and Drainlayers Federation NZ Inc

INTRODUCTION

1. In September 2012 the Social Services Committee considered Petition 2011/9 of Wal Gordon on behalf of the Plumbers, Gasfitters and Drainlayers Federation NZ and 1227 others regarding the regulation and governance of the plumbing, gasfitting and drainlaying industry.
2. The Committee decided to monitor the outcome of a review that was to be conducted by the Office of the Auditor General in 2013. No action was taken and no matters were brought to the attention of the house.
3. Now 17 months later very little has changed and the situation appears to be worsening. The outcome of the Office of the Auditor General's review is pending and is not expected until the middle of 2014.

CURRENT SITUATION

4. The industry still has the expectation that it will be regulated in accordance with relevant legislation and Government processes and procedures. The Plumbers Gasfitters and Drainlayers Board have declared they do not have a governance role so now we have an industry that is regulated but does not have any governing body.
5. The Plumbers Gasfitters and Drainlayers Federation (the Federation) was established in 2010, born out of discontent amongst industry. It is a voice for those opposed to the waning performance of the Government appointed Plumbers Gasfitters and Drainlayers Board (the Board).
6. The industry and individuals are suffering, and the actions of the Board and Government have cost jobs and have caused skilled trades people to drop out of the industry – in reality the Board doesn't have respect for the people in some sections of the industry, nor are they respected in return. There is no trust and they are deservedly treated with contempt by some. Worse still, there is no trust in the Plumbers, Gasfitters and Drainlayers Board.
7. The Office of the Auditor General (OAG) 2011 report into the Plumbers Gasfitters and Drainlayers Board stated "If more people drop out of the regulatory system or choose to ignore it, the system will not be effective in protecting public safety", this is happening now!
8. The Federation and its members, now over 1,000, are frustrated at the Government not holding the Board and Minister to account. The entire regulatory system has lost its credibility and an inquiry is required to set the path for a better and productive future for the industry.

9. It is very much a double standard system when tradespeople who do not meet their competencies are persecuted and in some cases this persecution has cost individuals their livelihood, but when the Board and Secretariat do wrong they are not held accountable as it is a “mistake” or “corrective action is underway.”
10. The accountability agreement between the Minister of Building and Housing (the Minister) and the Board is a joke and is devoid of meaningful, enforceable substance. It appears that if there are any failures the Minister simply says “it’s in hand” or he has “no power to do anything”. He can be added to the list of people who have no credibility in the eyes of “some in the industry”.
11. There is a distinct division forming in the industry with two industry organisations and no governance. Master Plumbers, Gasfitters and Drainlayers NZ, (Master Plumbers), is an employer membership organisation. The Executive of Master Plumbers, who seem to side with the Board, appear to be losing the support of their grass root members, evidenced by a drop in membership to around 650.
12. The Federation continues to be frustrated by both Government and the Board expecting the industry to get behind and support them and continue to fund their incompetence and failed methods of the past.
13. The frustration at lack of progress and accountability in the industry and the continuing failure of the Board to adhere to legislation is reaching boiling point.
14. The Federation awaits the outcome of the review by the Office of the Auditor General in a similar manner to which it has been waiting for improvement of the Board’s performance based on the Auditor General’s recommendations in its original report in 2011.
15. Years of waiting are forcing normally law abiding citizens of New Zealand to contemplate protest actions.
16. The Federation will be encouraging its members and others in the industry to contest the payment of licensing fees in March this year as a protest action.
17. The industry has waited for years for improvement based on the Auditor General’s report and is now expected to wait until after another licensing period for the review of the recommendation made in that report.
18. We believe it is only fair that no licensing fees be paid until such time that the report is released and ALL the issues have been satisfactorily resolved. In effect this is the first official step in the rejection of the manner in which the industry is regulated.

19. Some individuals have already rejected the regulation of the industry and numbers of discontented people is growing.
20. There is a place for the regulation of the industry but it must be voluntary compliance not the forced compliance that is in place currently. This can work very well as evidenced by the way industry operated and co-operated with the Board a decade or so ago.
21. The Government set a target of a 20% increase in productivity but with a decrease in the number of plumbers, gasfitters and drainlayers per head of population that target will never be achieved. This concerning fact is supported by the Board itself, stating that license renewals were down 8.5% this license period.
22. The social impact of the dissention in the industry is huge and vast, ranging from unemployment to a huge loss of experience.
23. Everyone wants different things and it's always hard to get agreement but we need Government legislation that provides for the health and safety of the consumer while meeting the needs of a productive industry. The industry needs fairness, equality and standards in legislation imposed upon practitioners.
24. The request for an inquiry was to ensure the last decade of regulation is not repeated. There was hope after the Office of the Auditor General's report and the appointment of a new Board and CEO but they continued on with behaviour of the past and have lost all credibility and now they are operating on a basis of saving face.
25. The industry realises there does need to be a structure when we have regulation but what we need is something fair and something that reflects a realistic environment.
26. There needs to be a relationship between the Board and the industry where the licence holders and others can give and receive the understanding they deserve. Exorbitant fees are not promoting the future well being of our industry.
27. Encouragement to assist trades people in becoming qualified with all aspects of our industry will, in turn strengthen our Industry as well as stabilize the entire building industry. There is concern over the constant and overzealous requirement to "prove" competence at ever increasing intervals, with no real evidence that the industry has competence issues.
28. Currently there is limited industry buy in to the activities of the Board.

29. We urge the Social Services Committee to look at the Plumbing Gasfitting and Drainlaying industry before it is too late.

A handwritten signature in blue ink, appearing to read 'Wal Gordon', with a stylized flourish at the end.

Wal Gordon
Chairman
Plumbers Gasfitters and Drainlayers Federation