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IN OTHER NEWS



**Dear Editor**

Last week you mentioned about the Board shunning the Federation and relying on Master Plumbers to support them and their regulation.

What would happen if the two organisations combined in some form? You have alluded to this in the past so why not make a concerted effort to make it happen and then at least the Federation can say it held its head high to try and effect change.

Keep up the good work.

**Ed:**

The situation is that after four years the

**Building and Construction Activity Expected to Increase**



2017.

The report claims we are in for the biggest construction boom this country has seen in decades, totalling \$100 billion over the next three years. It anticipates a minimum 10 per cent increase in activity every year to 2017, reaching a value of \$35 billion. It's claimed to be the longest sustained period of growth in construction activity in 40 years.

Dr Smith stated:

*"This latest set of forecasts paints a golden era for New Zealand's building and construction industry. The Government's challenge is to invest in the skills to support this growth and to ensure our regulatory environment maintains high standards of quality through this period of rapid growth."*

We sincerely hope Dr Smith is right, but feel there is a greater challenge ahead and that is getting industry to support his views and to trust the regulation of the construction industries. The government will be making a huge mistake if they push ahead and fail to take the industries with them. We support the idea of investment in skills too – the challenge for the government here will be ensuring that investment dollar gets used on the people whose skills we are trying to improve, and not the administrators overseeing it who clip the ticket at every opportunity.

The results of what happens can be seen with the Plumbers Gasfitters and Drainlayers Board - we have an industry that generally does not support their decisions and question their every move due to their lack of credibility. This only creates dissension and animosity. To push ahead without taking the industries with you is madness.

The second National Construction Pipeline report is available at: <http://www.buildingvalue.co.nz/publications>, and Dr Smith's full media release can be read at <http://www.beehive.govt.nz/release/report-forecasts-100-billion-construction-boom>

Building and Housing Minister Dr Nick Smith has welcomed the findings of the second National Construction Pipeline report, which confirms building and construction activity in New Zealand is expected to reach unprecedented levels by

Board, and in particular the Registrar, still want to exclude the Federation because we won't conform to their wishes.

The Federation would love to make this happen and have made a tentative approach to Master Plumbers CEO on this subject and will be requesting a formal meeting with them to discuss the issues further.

The Federation has been working with Master Plumbers on training issues that are under development to use industry money currently being held by The Skills Organisation.

We know we will not agree on everything but we can still combine our efforts to hold the Board accountable where good decisions are made for the industry and the public. It doesn't have to be all one sided (good for the public) as it is now.

The Federation will make every attempt to get fairness and equality for the industry but we are up against deep ingrained attitudes and will need to help change decades of organisational self preservation tactics.

It is time for huge change for **ALL** the industry not just some.

Send us your views and

## Letter to the Editor

### Dear Editor

Did you see the Building and Housing Minister announced building consents have topped 24,000 per year?

Apparently this is a six year high. If all this work has been generated and we have less tradespeople than last year then why aren't we all rushed off our feet?

I've been in business of over 15 years and I'm just ticking over. Do you know how others are getting on?

**Ed:** Well reader it appears it's up and down all over the country - some are struggling and others are booming - but what we do know from our members is that it is the commercial guys are really busy but their margins aren't very good - so they aren't going to get rich! They are having to look closely at what staff they employ and levels of qualifications etc.

Likewise with those doing new housing, they are having to continually look for cost cutting measures just to get work. Maintenance guys seem to chugging along but are being affected by unregistered people doing their own work or even work for others.

In areas like Christchurch it would appear that there are a lot of "imported" tradies – and we hope that NZ registered and licensed people are keeping an eye on this and ensuring that these people are having to jump through the same hoops that we are. If not then the PGDB need to be informed as it creates an unfair work environment if they are not carrying the same costs of licensing and upskilling that we are.

Nick Smith said this last week:

*"We are reducing building materials costs, reining in development contribution contributions, cutting compliance costs and investing in skills and productivity in the construction sector"*

That's all well and good but what about the compliance costs to tradespeople which are still increasing. There are ACC levies, Safety and Health obligations and costs, CPD, Prosecutions Levy and the list goes on. Look at how much our industry will have to pay next year just to be complaint with regard to safety and health, and not to forget the new consumer protection regulations with regard to contracts.

If the costs aren't passed on to the consumer then it comes out of our pocket. So it appears a case of giving with one hand and taking with the other. They talk about increasing productivity in the construction sector but we don't see much evidence of that in our industry.

ideas.

### Dear Editor

This week I sent this to the Minister of Building and Housing:

*I read recently in an industry newsletter that a hardware outlet (Mitre Ten) had refused approximately 300 members of the public buying plumbing fittings because they were not registered persons. This was in one month at one outlet, even if the figure of 300 is cut in half this is still a lot of persons unregistered trying to buy plumbing fittings.*

*I applaud the Mitre Ten store for doing this.*

*Can the PGDB tell me if they are doing anything to support this outlet?*

*Can the PGDB tell me if they have any plans in the near future to have a campaign to advise non registered persons that it is illegal for them to do work in the plumbing industry? After all the PGDB have a duty to protect the public.*

*Can the PGDB advise me if any members of the public have been prosecuted recently for doing illegal work?*

*After all if one store in NZ has turned away approx 300 members of the public in a month there surely must be thousands doing illegal work,*

## Productivity



There is a lot of talk about productivity and most in the industry deal with it in isolation. What we mean by this is that a tradesperson will go out do a 40 hour week and charge most of the 40 hours out to clients, and at the end of the week say it was a productive week. This is undoubtedly true but there is more to it than getting the work done and getting the money in your pocket - there is the overall productivity of the industry we need to take into account.

Individual productivity is survival, where collective productivity is progress and prosperity. Apparently a few years ago a Building and Construction Sector Productivity Partnership was established and set a strategy to address low productivity in the sector. The Plumbers Gasfitters and Drainlayers representation at the time was the old Plumbing, Gasfitting, Drainlaying and Roofing ITO so that's probably why very few people know about it and why it hasn't progressed in our industry. A full copy of the strategy can be found at [http://buildingvalue.co.nz/sites/default/files/skills\\_strategy\\_booklet.pdf](http://buildingvalue.co.nz/sites/default/files/skills_strategy_booklet.pdf)

The aim of the partnership was to raise sector productivity by 20% by 2020 as the Building and Construction sector in New Zealand contributes about 4.3% to GDP and employs one in every 12 New Zealanders in the workforce, or roughly 178,000 people.

The report states the sector is significant to the economy and the social fabric of New Zealand but in recent years had become characterised by declining productivity, poor skill levels, mixed quality craftsmanship and management, and poor accountability.

The workgroup concluded to achieve the 20% increase would require a sector that is characterised by:

- A more knowledgeable client base that has better procurement skills
- Vibrant firms capable of competing for projects as well as cooperating in partnerships and effective supply network relationships
- Management in firms able to survive and grow through business cycles by effective business planning
- A flexible, safe and skilled workforce able to adapt quickly to new technologies and processes with significantly lower accident rates
- A clear, effective and responsive regulatory environment

...which together provide whole-of-life value for clients and end-users at a lower overall system cost.

The strategy outlines how skills can contribute to this vision for the sector and identifies steps that can be taken to reach the goal of increasing productivity by 20% by 2020.

Part of the overall strategy focuses on skill utilisation, skills development, deployment of skills and ensuring workers have the right skills at the right

*what can be done about this?*

*Does the PGDB think that it could/should discourage plumbing Merchants eg..... Mico, Plumbing World, etc selling plumbing fittings to non registered persons?*

The reply should be interesting.

Concerned plumber!!!!

**Ed:**

Thanks very much writer for taking the effort to get involved and ask questions of the Minister and the Board.

You would have to ask the question "is there any difference in risk between a member of the public doing their own plumbing and another non registered person" and if there isn't then why are both classes of people able to buy the items for doing plumbing gasfitting and drainlaying?.

The one initiative of not selling fittings to 300 non registered people in one month has probably been more effective than the entire "Ask for the Card" campaign which simply targets people working either legally or illegally in the industry.

The Board and Government seem to forget that the rules apply to everyone not just those working in

times. It was believed these skill levels would help increase productivity by ensuring work is done more efficiently and safely, reducing staff turnover, increasing morale, and reducing rework and fragmentation.

The Federation has been consistent in its view that the industry is failing in training the skills needed. We have gone from an environment where there was consistent industry training at an affordable price to an environment where the focus on training has been placed on the certifiers and the price has tripled, so in effect we have gone from paying for training to paying for the right to train someone.

When looking through the strategy mentioned above it is noted the responsibility to make this all work has been placed on industry organisations and here is a problem for our industry as our industry is fragmented. Many people in the sector are focused solely on the work that they are doing and don't think about their work in the wider context of the industry.

We as an industry lack representation or organisation recognition and are slaves to the will of the Government appointed Plumbers Gasfitters and Drainlayers Board and the Government imposed ITO. The Federation believes industry organisations must unify in some form to establish a platform for industry wide governance.

Take the time to read the strategy and a lot of what the industry faces or has faced will become clear.

### Proposal



Four years ago the Federation was formed to fight the fight for everyone in the industry.

When it was established one of its aims was to give everyone an avenue to voice

their opinions regarding fairness and equality in the industry. As individuals or organisations we can be picked off one by one but as a united industry we can fight and achieve what we believe is best of our industry.

We can quote John Key here when he responded to questions in Upper Hutt three years ago at election time when he stated that the government will listen to the industry as no one knows what is best for the industry more than the industry. What we need is a body where the views of industry organisations and individuals can be put to government from an industry perspective. This is about industry needs, who are doing what, the opportunities, the gains and timelines.

As a starting point the Federation wants to put forward a proposal to Master Plumbers so that direct dialog can begin to find common ground and to establish a joint body to represent the entire industry not just individuals or independent industry organisations.

Please send us your thoughts or notes of objection or support for this venture as we need to do something.

the industry.

#### From the Media

Sam Thompson,

Newstalk ZB

October 30, 2014, 2:55 pm

The number of businesses in New Zealand is at an all time high.

The latest figures show there's now one business for every nine New Zealanders.

Statistics New Zealand spokesman Stuart Pitts says the number of high-growth enterprises in New Zealand exceeded one thousand for the first time since 2008.

He says it means they had employment growth averaging at least 20 percent a year over the past three years.

#### Ed:

Did you know that it wasn't that long ago that there used to be one plumber to every 780 New Zealanders and now it's one plumber to every 2,000 plus New Zealanders?

## The final word from a Letter to the Editor

### Dear Editor

Regarding the Letter to the Editor last week regarding the NZ First Syndrome – I think you are right and the Board and Government are playing the industry groups off against each other. The industry would be much stronger if they were combined - but I can see issues.

Firstly Master Plumbers are an old established employers association that have not changed much over the years. They appear happy to go with the flow and only speak up when they will get something out of it - where the Federation is more outspoken and wants matters resolved and resolved now. The Federation seems to have more modern thinking.

Take away the Board's support and they have nothing but position. They were warned about not having industry support but as you say they seem to rely on Master Plumber's support which in turns gains them Government support.

I'm sure that no one thought the Federation would survive this long or to even get the following that it has. They are now in a position of recognising it and its views or fighting against it to their own peril as we have seen the tenacity displayed by the Federation and their will to achieve what they believe is fair for the industry.

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