



Fellow Practitioner Issue 253 Dated 8 May 2015

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IN OTHER NEWS

What impact does the main article have?

What amazes the Federation Executive Committee is that methods that have been attempted for over a decade by the Plumbers Gasfitters and Drainlayers Board haven't worked to the extent that now we believe they are using force and coercion to implement more of the same.

We have repeatedly said to them (on the rare opportunities we are granted an audience) that it would be better to have 10000 practitioners on side than against you – can't we work together to achieve this?

As tradespeople who rely on our trade for income all we can do is hold on, change tactics and continue to fight for fairness and equality but we have to look after ourselves and our interests at the same time. We don't have to acknowledge the Board or participate with them until we believe change can happen.

It is the Board's responsibility to

Don't give up just change tactics!!



There was huge condemnation after critical findings were published about the Government's Whanau Ora scheme, and we could see the comparison to our plight.

A report published by the Office of the Auditor General has found the scheme has been a success for many families, but says it's not easy to describe what it is, or what it's achieved. It has also revealed around a third of the scheme's \$137 million in funding has been spent on administration costs.

How similar to our industry does this sound? We don't know what has been achieved and have a situation where overhead costs outweigh the performance of the legislated functions. **In other words, it costs more to administer the Plumbers Gasfitters and Drainlayers Board than to do the actual tasks!**

Politicians kick up over the Government's Whanau Ora scheme but ignore our plight, so what is left for us to do – well many might like us to go away – but it just makes us want to scrutinise what is going on that much more, keep a microscope on those spending our hard earned money and keep industry informed on the fairness and equity in our legislation and regulation.

About five years ago the Plumbers Gasfitters and Drainlayers Federation was established to ensure our industry was treated in a fair and equitable manner. The Federation wanted to:

- Make the Board and Government accountable
- Increase industry participation
- Tackle Excessive Expenditure
- Ensure better decisions
- Ensure past issues were addressed
- Strengthen the industry
- Ensure relevance in training
- Make your opinion count (i.e. we felt the only section of the industry represented was business owners, the employee practitioners and the apprentices had no voice, plus we were also willing to speak for business owners who did not feel represented)

The Federation has endured criticism from politicians, industrial exclusion, threats of legal action and the list goes on but it has never given up. It has said what had to be said. There have been a number

communicate with the industry and communication is more than telling us what they have decided.

Communication is a two way process of reaching mutual understanding in which participants not only exchange (encode-decode) information, news, ideas and feelings but also create and share meaning.

The Federation will make appropriate decisions on moving members forward without recognising the actions of the Board. We will acknowledge the Board's actions but no risks will be taken to comment.

The Federation realises it was inevitable where some in the industry would ignore the regulation imposed on them. Some legally and some illegally.

As we have been saying for some time the Board has nothing we need but we as tradespeople can ignore the regulation of the industry and this doesn't have to be an illegal activity but we are sure that will continue to happen anyway.

There are a number of actions which we are sure the Government didn't want when they implemented the Plumbers Gasfitters and Drainlayers Act 2006 and the Amendment Act where they legalised the unlawful taking of money from the industry.

For example certifiers can refuse to supervise Licensed Class people. This will exclude about 1500 plumbers, 620 gasfitters and 150

of successes and we have no doubt the Plumbers Gasfitters and Drainlayers Board have had to change the way they do things.

The Federation's isolation has come at a great personal cost to the Federation's Executive Committee but they have endured in the interest of the tradespeople. They are a passionate bunch from around the country – and have given up much of their leisure time to ensure views are collated and represented.

The relationship with the Board became a head on in your face type scenario - they chose to cease regular meetings with the Federation, stating the reason was the Federation wouldn't work "CONSTRUCTIVE" with them. From our point of view we summed this up as meaning that the Federation would not agree to a lot of what the Board was doing at the time, and the manner it dealt with the tradespeople.

Briefly cast your mind back to 2008 and 2009 when the Office of the Auditor General conducted an investigation into the Plumbers Gasfitters and Drainlayers Board and reported on that investigation in 2010.

The following excerpts are from that report and are stated in part:

What we found in our fieldwork in 2008/09:

We also talked to many individuals and organisations working in the building and construction sector about their interactions with the Board. We encountered a sector that was characterised by suspicion and discontent. Many plumbers and gasfitters we spoke to were unhappy with the work of the Board at many levels. They often did not understand why the Board made certain decisions, could not see the reasons for some requirements, and were unhappy with the cost. They also felt that they were unable to get clear answers to their questions.

Given that they fund the Board through their fees, many plumbers and gasfitters were becoming increasingly disaffected. Some openly refused to participate in the Board's regulatory processes. Many challenged the fees they are required to pay. Others told us that their frustration was such that they were considering leaving New Zealand to work elsewhere.

Issues that still need attention

In our view, the organisational or cultural issues that we have identified will also require sustained attention over a long time. In particular, the Board needs to embed the principles of acting fairly, reasonably, and according to law, in everything that it does. Steps that need to be taken to rebuild trust in the Board If the Board members keep going with the improvements they have already initiated, and address the additional matters we have highlighted in this report, they will achieve a lot. However, they also need to pay explicit attention to the underlying problem that many in the trades have lost trust in the Board.

Steps that need to be taken to rebuild trust in the Board

drainlayers from working not to mention the apprentices.

Tradespeople refusing to bring apprentices into such an environment is a move which has to be contemplated. Why would you want to sign up a person to do a four year apprenticeship when at the end of the four years they can't apply their trade unless supervised.

Another example is compliance costs can be handed on to consumers. If the regulation is not appropriate tradespeople will either not participate or will resent participation, in either case they should pass on the costs to the consumer.

Some will say passing on costs will not work as the public won't stand for it but we believe they are wrong because ignoring the regulation of the industry creates a supply and demand situation.

Any economist will tell you that as the supply decreases and the demand increases the prices will also increase.

So if tradespeople were to say screw the future we are looking after ourselves there will become a shortage of tradespeople and the demand for their services will increase as will the price. Bang goes the Government theory of more affordable housing.

It will be a situation where the consumers will just have to wait for their fresh water at the tap, for their warmth when their gas heating stops or put up with sewage

There is a great deal of writing on the importance of voluntary compliance in regulatory systems. In any regulatory context, it is too hard to achieve high levels of compliance through force or coercion – effective systems depend on people choosing to participate and follow the rules. For people to want to comply, they have to trust the system and see it as providing an overall benefit. The evidence this inquiry gathered showed that many tradespeople do not have this view of the Board at present.

If more people drop out of the regulatory system or choose to ignore it, the system will not be effective in protecting public safety.

In our view, the Board needs to maintain a clear overall focus on the need to build and maintain trust in the Board. To build trust, it needs to behave fairly and reasonably at all times, and make sure that this is apparent to all those interacting with it. It needs to build the values of openness, accountability, integrity, and fairness into all aspects of its work. It is important that the people the Board regulates, and who fund its work, are able to see and understand what it is doing and why.

Some very important statements and recommendations from the Auditor General - so nearly five years on what has happened? We can report that we feel the Plumbers Gasfitters and Drainlayers Board have failed in this respect.

The Federation has always been outspoken and has said the things that have needed to be said. This has been viewed by some as being destructive. Other organisations have worked "constructively" with the Board and look what it achieved for tradespeople in the industry – high fees and a CPD system that does not address the “needs” that discipline highlights, or ensure that tradespeople are fully conversant with regulation and legislation changes.

We can't forget the Government had to protect the Board by validating the disciplinary levy to cover the period 1 April 2007 and ending on the close of 11 January 2012, and stating it always has been validly imposed by the Board. They added the money received by the Board in payment of a disciplinary levy validated above always has been lawfully collected and applied. We liken it to a violation of practitioners – and no apology has ever been received for this violation. Making it legal still doesn't make it right. An apology for this would have gone a long way to building bridges.

They also had to validate an offences fee payable on and from 12 January 2012 saying it always has been validly prescribed by the Board and the money received by the Board in payment of the offences fee validated above always has been lawfully collected and applied.

The situation has been created where options are limited and accountability is rapidly approaching the stage where it can only be achieved by taking legal action.

The Federation, Editor of the Fellow Practitioner and Executive Committee are always at risk by being outspoken and have acknowledged after receiving legal advice, that recent events have

flowing onto the ground when their drains block up. It will be an abrupt welcome to the real world.

The Federation has always had the view of "get legal or get out" and that still stands. We encourage tradespeople to stay legal but to stop absorbing the cost and to hand them on to the consumer. Treat the Board as the population treats IRD, have nothing to do with them but comply as you see fit.

If the Board's regulation costs you then pass on the cost. For tradespeople who can't hand on the cost the Federation will be looking for ways to ease the burden on you and your families because remember the money the Board taxes you for discipline and prosecution is taking hard earned money away from your children and their future.

Tell us what you think about this current situation as we are guided by the tradespeople in the industry.

Review of the Plumbers Gasfitters and Drainlayers Act 2006.

The Federation has prepared a 26 page submission on the review of the Plumbers Gasfitters and Drainlayers Act 2006.

This will be submitted to the Ministry of Business, Innovation and Employment next week.

increased that risk.

As options are limited, there is no communication with the Board and there is an ever increasing risk imposed we have decided the Federation will be more cautious with its comments, but will become ever more watchful than before and dig deeper into issues. This will mean more Official Information Act Requests, more government submission and more reporting to you on the facts.

We believe a regulatory environment has been created where tradespeople in the industry are purchasing the right to take on more responsibility and accountability for no return. Sections of the industry appear to be deregulated for example Certifiers pay for the right to take on responsibility for people under supervision who are not under training or not registered. People who don't fall into the current regulatory regime.

The industry knows what is best for it but the Government and Board don't appear to look at industry needs. The Government appoints a Board at a 100% cost to tradespeople, the Board reacts to the Governments wishes and forces the tradespeople to pay to protect the public's health and safety regardless of the cost to tradespeople. Tradespeople simply pay a tax to protect the public and work in a regulated industry.

Tradespeople in the industry need to ask what the return is for them for paying the extra tax to protect the public.

The public of New Zealand pay tax and it is distributed to pay for services such as hospitals, education, infrastructure and consumer protection like the Commerce Commission. They ignore the Inland Revenue Department (IRD) as there is nothing they can do about what they are taxed and they rely on the Government to get a return on their money.

The Federation is asking industry to consider what turning their back on the Board and Government would mean, and how would it look? This action has come earlier than expected but has been hastened by recent events. Basically we are taking the first steps to formalising the rejection of the legislation and regulations imposed on us.

It is not a rejection of the regulation of the industry but the tradespeople need to get some return for their investment in the protection of the public. Who is going to take responsibility when there aren't enough tradespeople to do the work and the costs are higher. It appears an environment for "cowboys" is being created because of failing systems.

Think seriously about this issue as it is currently in our future.

