

**TABLE OF CONTENTS**

- **Governance and Regulation**
- **The Hamster Wheel**
- **Apply Logic**

**IN OTHER NEWS**

**Editor Comment**

Last week we mentioned trust being a critical ingredient to the progression of the industry.

A lot has happened over recent decades to cause an environment of mistrust, and that is not only a mistrust of the Government and its departments, but also of the Plumbers Gasfitters and Drainlayers Board and industry membership organisations.

A lot of damage has been done to relationships and it's believed this is mostly due to self-interest.

The Federation has taken some strong stances with issues it feels are critical to the progression of the industry and will continue to do so. If it means walking away from issues in disgust then so be it.

Sometimes standing up for what you believe in is needed to make others see a new point of view.

Those of us in the industry

**Governance and Regulation**



The Federation fields many calls from members of the public and we answer the questions as best we can, but sometimes you get questions, which are difficult to answer in a few words.

This week's best question was - "Who governs your industry?" The simple answer was "no one", but that does not explain the real situation.

The question brought back memories of governance and regulation comments made in the past, so we thought we would start from the beginning and explain the situation. The simple definition of "Govern" is to officially control and lead (a group of people): to make decisions about laws, taxes, social programs, etc, for (a country, state etc), to control the way that (something) is done and to control or guide the actions of (someone or something). Simple and all the things an industry needs to prosper or succeed!

For our industry, first there is legislation, the Plumbing Gasfitting and Drainlaying Act 2006. This says what MUST be done by law and was written by the various Governments over the years.

The purposes of this Act are to protect the health and safety of members of the public by ensuring the competency of persons engaged in the provision of sanitary plumbing, gasfitting, and drainlaying services; and to regulate persons who carry out sanitary plumbing, gasfitting, and drainlaying.

The Act allows for the formation of the Plumbers Gasfitters and Drainlayers Board. The Board is a body corporate with perpetual succession, each member is appointed by the Minister of Building And Housing by notice in the Gazette.

- The Board consists of:
  - 2 persons who are registered, or entitled to be registered as plumbers,
  - 2 persons who are registered, or entitled to be registered as gasfitters,
  - 2 persons who are registered, or entitled to be registered as drainlayers and

getting on in years need to be open to new ideas but we also need to be prepared to turn the clock back to what we know works.

A lot of new concepts have been tried and have failed. Apprenticeship training is a prime example.

The concern we have is that if those who control the regulation of the industry don't make substantial change now then it may be too late for the industry to recover, at a suitable, competent level.

Practitioners need to be involved in change but they also need to see what is in it for them.

They need to trust the people regulating them. The Government is reviewing occupational regulation and will need to consider fairness and funding, as currently our industry is the ONLY truly, 100% industry funded regulated industry.

We are also the only industry paying 100% to investigate and prosecute members of the public that choose to do their own sanitary plumbing, gasfitting or drainlaying.

The Government wants us to adhere to standards but do they supply the standards to us? – No we have to purchase them. For example, AS/NZS 3500 will cost nearly \$600.00 for a hard copy. You do the maths if you want to supply ten workers with this one standard.

That's just one standard of hundreds that we should

- 4 other persons, of whom 1 (but not more than 1) may be a registered person; and 1 must be a person whom the Minister considers has appropriate experience in relevant tertiary or vocational education; and 2 must be persons whom the Minister considers are able to represent consumer interests.

Section 137 of the Act lists the functions of the Board. So far, it all seems straight forward; there is the legislation, a responsible Minister, an appointed Board, a purpose and a list of functions. It is noteworthy that the Minister has NO DIRECT CONTROL over the Board. There is no Governance here.

To aid the Minister he has access and the support of the Ministry of Business Innovation and Employment. They provide advice to the Minister and have NO CONTROL over the Board. The Minister also has an accountability agreement with the Board, which should be used to help the Board recognise the policies and direction of the Government. Still no governance.

Practitioners are regulated by the Board who adhere to the provisions of the Plumbers Gasfitters and Drainlayers Act 2006. There are a few membership groups, who advocate for their members to the Board and Government Departments. There is no ONE group that represents all practitioners in the industry – no governance here either.

It seems a simple process so why does it not work effectively. The Federation believes it is all about interpretation and no governance.

The Act can be interpreted in two ways. Firstly it can be looked at as a consumer protection Act where it is forced compliance to protect the public, which is what the industry has had imposed on it for decades.

With a mind switch, the same Act could be looked at as an Act to empower an industry Board to govern the industry. The industry already funds the Board and everything it does so why not have the Board Govern the industry.

Is it time to get off the hamster wheel!

## The Hamster Wheel



From the inside, a hamster wheel looks like a success ladder where you continue to work your way up but in reality, you just go around and around. At the moment, the Plumbing Gasfitting and Drainlaying industry have thousands of practitioners on the hamster wheel all working hard but getting nowhere. We also have four-year apprentice

training which leads to nowhere – a qualification that permits you to

be adhering to, but who can afford them all, so we all take the risk of action against us if we get caught not adhering to the standard.

We have a Government backed standards scheme, which imposes the standards, we have to pay to access the standards and if we don't adhere to the standards, we may get prosecuted if something goes wrong. Is this not just bureaucracy?

This is what standards say about themselves. *Standards New Zealand is a business unit within the Ministry of Business, Innovation and Employment. We specialise in managing the development of standards. We also publish and sell New Zealand, joint Australia-New Zealand, and international standards.*

We have never heard of anyone getting paid to be on the standards committees so it would seem they collect information from the industries for free, turn them into standards and sell them back to the industries.

It seems to be a continuation of the Government taking away our qualifications and selling them back to us as an annual authority to operate in the industry we have paid to train in.

It seems we have moved into a user pays regulated industry that has a glass ceiling for charge out rates but yet regulation costs increase.

work under someone else's supervision, and is out of line with our colleagues that also work in regulated industries such as electricians and builders.

We have established the industry has no governance and that a body is required to ensure the industry operates well, and well governed so that practitioner value can be maximised and there is no repeat of behaviour from previous years.

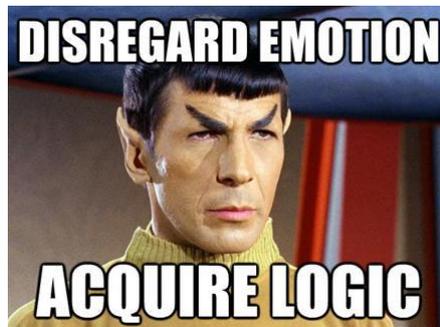
You may well ask what governance can do for the industry so think about this: Where is the industry now → where it is going → what is needed to get there if it is going somewhere?

Good governance helps an industry:

- Improve performance
- Have a defined vision for the future of the industry
- Take a big picture view of the industry separate from the daily operations
- Ensure there is accountability and oversight of operations
- Manage risk
- Find the right balance between making short-term gains and building long-term stability.
- Is a voice for the industry (and that is the WHOLE industry, apprentices, tradespeople, certifiers – people who own businesses and people that work in them)

Currently the Government has us on the hamster wheel and they get what they want, but the thousands of practitioners simply get worn out, disillusioned and leave. Look at how many practitioners are on the register but are not authorised to operate in the industry. What a waste of skills and knowledge. What a waste of industry and taxpayer money with regard to training. The Federation believes it is time to change the mindset and apply logic.

## Apply Logic



We have no governance so let us get some.

We can hear people already saying, "that will never happen" "it will take too long", "the government will never go for it" and the list goes on.

Lets apply logic:

We need legislation – it's already in place.

The Government wants the price of housing to come down but how can it if regulation costs go up?

These are just a few of the issues the industry faces and needs representation to deal with. We can't continue to do it as representative organisations or as individuals.

To continue as we are as an industry is madness and the country will suffer as a result.

The Minister likes solutions so our solution is either the Government funds the regulation of the industry and continues along the track of forced compliance or they hand over regulation to the industry without interference.

Let the industry vote on the Board and Chairperson and let the Board become a true Industry Board. Let the industry progress.

To ignore the needs of the industry is to risk the health and safety of New Zealanders as the Plumbing Gasfitting and Drainlaying industry is one of the few industries that actually perform a preventative function.

We need a purpose - The existing purpose doesn't need to change.

We need a Board – the mechanism is in place but we need industry representation on the Board, which is already allowed for with two plumbers, two gasfitters and two drainlayers. What we need is for the industry to recommend their appointment rather than the Minister.

The Minister appointments to the Board – already in place just need industry recommendations to the minister.

Functions for the Board – already in place

Funding for the Board – already in place

Government input - already in place with the accountability agreement.

Meeting the Registered Charity requirements - An Industry Board would fit into the definition of a Registered Charity far better than a Consumer Protection Board does.

Looking at logic - there isn't anything holding the industry back except the mindset of the Government.

***What would you call such an industry Board – well you may want to avoid confusion and call it the Plumbers Gasfitters and Drainlayers Board!***

A simple solution to an age old problem so all the Federation can say is

**“You're Welcome”**

You are receiving this email as a member of PGDF or because you signed up online.

[Edit your subscription](#) | [Unsubscribe instantly](#)

Plumbers Gasfitters and Drainlayers Federation  
6 Tacoma Drive, Totara Park, Upper Hutt 5018  
Ph (04) 5277977 Mob 0276564811 Fax (04)  
5277978 [information@pgdf.co.nz](mailto:information@pgdf.co.nz)