



## Fellow Practitioner Issue 359 Dated 19 October 2018

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#### Dear Wal and Crew

We love the Federation's view for the future however you have a huge hurdle to jump and that is one of TRUST.

Things have never been great between the Plumbers Board and the Industry in recent times but they got a lot worse when they started to use force to ensure compliance.

This was in the days of the last Chairman and Chief Executive.

Here's a prime example. ACC have just announced they have made a mistake and will be refunding those who it affects. What a great thing to do.

Now look at what happened when the Plumbers Board overcharged the industry for discipline and prosecutions – no admission, no offer to fix the problem and it took action by the Federation at the Regulations review committee and the Ombudsman to prove they were wrong.

Then it got even worse when they claimed they would be bankrupt if they had to pay

### Presentation by the Federation.



The Federation was invited by the Plumbers Gasfitters and Drainlayers Board to give a presentation at the Board's Strategic Planning Day earlier this week. The Federation gave its presentation by exploring a number of questions.

Over the next couple of issues of the Fellow Practitioner we will share those questions with you. Remember it's our opinion and the Board is not obliged in any way to take action on the questions, but it is all food for thought and no telling what may happen.

Some of the opinions put forward may be controversial within the industry but getting views and conversations going is part of the process of getting industry movement forward.

Enjoy the read and don't forget to give us your feedback. Here are a couple of the questions and views.

#### Does Regulating the Industry Provide Governance for it?

Without practitioners there is no industry and as it currently stands we have regulation but no governance. Unless the Industry gets governance it will continue to go around in circles with the trust mistrust cycle.

Communication between the Board and Federation has been good, but with the industry as a whole it still seems sometimes strained. A lot of practitioners appear to still see the Board as a dictatorship, with undue influence by Master Plumbers.

The actions by the Board since the last Strategic meeting have set

money back to the industry.

The Minister of Building and Construction got involved and with the support of an industry group and the government, changed the law retrospectively to make that which was unlawful lawful.

This left the industry high and dry having won the battle but lost the war as nothing was achieved and there was no accountability.

The industry still remembers this issue and the trust of the Government and the Board just isn't there.

Good luck changing the culture but you have your work cut out as it would take an industry wide forgive and forget attitude.

**ED:**

Hi Writer. Thanks very much for that extensive opinion backed by a large amount of fact.

We remember the Minister of Building and Construction and the Board were warned they were using a sledge hammer to crack a walnut over that issue but it went ahead anyway.

We will never know for sure who made the claim of the Board being bankrupt over the issue.

Was it the Chairman or the CEO at the time? They had a history of exclusion tactics, or was it the Minister of Building and Construction who referred to the Federation and others as a couple of malcontents? He appeared to not like people questioning his misguided opinions.

This was not the only issue that was dealt with badly over that period. There were the

good regulatory processes but there is still a huge amount of work to be done from an industry progression perspective which is not the Boards role - or is it?

The Board's responsibilities are summed up in the Purpose of the PGD Act 2006. In addition the courts have ruled their charitable purpose is:

*"To protect public health and safety and property in New Zealand by ensuring that people involved in the provision of plumbing, gasfitting and drainlaying services are competent".*

**It doesn't say that this must be solely by regulation and enforcement.**

As a charity there is also the inferred role to promote public trust and confidence in the charity and to encourage and promote the effective use of the charity's resources. Without the practitioners there is no charity.

To date the Board's Strategic Plans have focused on regulating people and forcing compliance but times have changed and so has the environment we work in.

The Federation believes the Board has reached a stage in the development of the regulation of the industry that it needs to take on a supplementary leadership role. That role would include encouraging and helping the industry take responsibility for itself and to help force other organisations to do what the industry needs not feed their self interests.

We have previously recommended that the Board should explore ways to implement a Governance Board or Committee that shares the existing Board resources but is representative of the industry. This separates the very important regulatory role and the governance role but combines the two to meet the Board's purpose under the PGD Act 2006 and its purpose as a Registered Charity.

We are confident when the Act was written that there was intent for the Plumbers Gasfitters and Drainlayers Board to govern the industry. However, the legislation missed the mark.

There is representation from the three trades, and then there are four other people. One may be a registered person, one is a tertiary or vocational education person and two must be persons to represent consumer interests. We have the consumer represented but in reality not the practitioners.

We believe Section 137, Functions of the Board allows scope for this to occur. Under section 137 the Board is empowered:

*(r) to exercise and perform any other functions, duties, and powers as are conferred or imposed on the Board by or under this Act or by or under any other enactment:*

*(s) to do any other things as may, in the Board's opinion, be*

historical complaints where numerous people proved the Board had done wrong but we don't know of anyone who was satisfied with the outcomes.

The individuals won by proving by fact that they were right. The Board at that time appeared to simply shrug their shoulders.

And of course there was the Paul Gee case about the same time where yet again there was no accountability for those who got it so wrong.

The individuals put in a huge amount of effort to prove they were right and got a nil return for their efforts.

Yes we agree it is a huge task to ask everyone to forgive and forget but what are the options if we are to move forward?

Do we carry on the way it is now or do we change the environment so we can move forward?

The Board will need to play a huge part in this by showing acts of good faith and possibly revisiting some of the issues to right the wrongs.

It needs to be remembered that they are a perpetual board so when they get appointed it's not a fresh start - they take responsibility for all decisions made before and if the decisions were wrong it's up to them to correct the situation.

What are your thoughts?

*necessary for the effective administration of this Act:*

*(t) to carry out any functions that are incidental and related to, or consequential on, its functions stated in this section.*

Section 138 Powers of Board of the Act states the Board has all of the powers that are reasonably necessary or expedient to enable the Board to carry out its functions. The Federation believes implied governance is one of those powers.

### **Is the Board Reporting Relevant Information?**

The Board has been meeting its obligations under the Plumbers Gasfitters and Drainlayers Act 2006 which is good and sum what relevant but it seems the system is designed for the reporting of good news and for identifying trends but is that really enough?

To the average person an increase in registrations and licensing numbers would be good news but is it really what we need to know? For example would it be more relevant to know how many fully qualified practitioners are there per head population in New Zealand?

For example in 1975 there were 3.11 million people in New Zealand and everyone on the register was fully qualified. We don't know how many were on the Register at that time but we do know they were fully qualified and responsible for their own work.

In 2018 the population has reached 4.75 million people. There are around 14,592 people on the register and it is estimated and there are 5,396 fully qualified certifiers. That may not be the exact figure but it will be close. That's around 36% who are fully qualified – a 74% drop in fully qualified practitioners since 1975.

At the moment there is a ratio of 880 people to every certifier. At a rate of one person being born every 5 minutes in New Zealand our industry needs 119 certifiers this year just to maintain the status quo.

We would need those 119 certifiers plus another 9196 certifiers just to get back to where we were in 1975 with 100% being fully qualified.

More relevant information is needed from the Board so the industry can make decisions for its self.

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