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What we are ending up with is an industry where the honest get policed and the remainder get away with dodgy or illegal trading in the industry.

Practitioners endure the hardship through the regulation and this is part of the reason it is difficult to get people to support the regulation of the industry.

If practitioners don't trust the regulation of the industry or the training then they won't encourage others into the industry or increase their productivity.

The Federation believes a large portion of the industry is in a survival comfort mode where they are happy to turn away work and just do what they need to do to be comfortable.

This in turn feeds the black market as consumers can't get legitimate tradespeople to do their work so turn to self help or

THE FEDERATION VISION (continued)



The regulatory governance of the industry is the subject of this week's Fellow Practitioner where we will put forward our vision of what we would like to see for our industry moving forward.

Nearly a decade ago ex Prime Minister Sir John Key said, when questioned at a meeting in Upper Hutt, that the plumbing gasfitting and drainlaying industry knows what is best for it and the government was listening – but are they? We believe that none of the Government's over the last two decades have listened to the real industry.

What we want to see is a regulatory system which is rewarding for the industry, rewarding for the practitioners, is progressive and is a move away from the punitive regime we have now. The difficulty is there doesn't appear to be a regulated industry anywhere in New Zealand that is a good model for this to occur.

The system we have now seems to be a system that is opinion based, devised by bureaucrats sitting behind desks advising the Minister of Building and Construction, and really, when it comes down to it, what do they know about the industry? They may know what they have read about punitive regulation but that doesn't help the industry and we believe an industry that is just surviving isn't good enough.

We can see from the Government's reviews that they want the regulation of the regulated industries to be in line with each other, and in particular the construction sector, but we believe they are not the same. To a desk jockey at the Ministry of Business Innovation and Employment (MBIE) it may all look the same on paper - but it simply isn't.

cashies. This in turn puts everyone at risk.

If the industry was operating favourably for the practitioners there would be no need for them to work in the weekends doing cashies.

Cartels in the industry are hard to defeat as they have influence and reputation which protects them. The Federation believes the legislation is not protecting the practitioners and the Government is not willing to change what they do or the type of people they appoint.

Lack of accountability in the industry is allowing cartels to hide in plain sight and their activities are supported by government and government agencies.

When the Government introduces lots of regulatory barriers it sets the stage for cartels to thrive. It also places into question who they appoint to their statutory Boards.

Look at the appointments to the Plumbers Gasfitters and Drainlayers Board where the Board consists of:

2 registered plumbers,

2 registered gasfitters,

2 registered Drainlayers and

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

We are different, why you ask? We pay for the Board's regulation of the industry which is a result of the incompetence advice given to the Minister of Building and Construction by MBIE. Another example of their poor performance is the review of the Plumbers Gasfitters and Drainlayers Act 2006 where it was legislated to be reviewed 3 years after implementation and here we are nearly a decade later and it's still not complete. This is a poor, poor reflection on both the National Government and the Coalition Government. By the time changes are consulted on and legislation drafted and passed in the House of Representatives into law then the Act would have been operational for nearly 14 years. Why do you think this has taken so long – it simply illustrates how little the Government thinks of us. We aren't Farmers, we aren't Teachers, we are simply "tradespeople".

As an industry not only do we fund the Board's regulation but as a taxpayer we also fund MBIE's incompetence and then the Minister's failing direction. Yet again their failures are not our fault no matter how much they try to blame the practitioners they are the ones that are failing in the regulation process.

There seems to be divided objectives. MBIE recommends what it believes the Government wants, backed by a few who can gain from their recommendations and then there is what practitioners believe is best for practitioners and the industry. How do we get our message direct to the Minister though that is the question?

Obviously without a unified voice the industry loses and the regulations are imposed on the industry. We can't ignore all this but we do need to protect ourselves from stupidity. The gas certification system is a prime example of this type of failure. The industry isn't to blame – this sits purely with the bureaucrats. They took a system that was working well, and moved it to Energy Safety where it has languished ever since, with little or no audits being done, no tracking of every gas job, a misunderstanding within industry of low risk, general and high risk still after all these years. And if you don't put in a gas certificate? Well unless the customer complains – nothing happens. There is no record of you doing the work, no audit, no anything.

The Minister of Building and Construction has stated that the biggest overhaul of building regulations in 15 years is underway, and officials are working hard to improve the industry but it's all about regulation which might not be the best for the industry. Looking at plumbing, gasfitting and drainlaying we know we operate in a punitive system that really only regulates the honest people. The other worrying thing is that the people on the Minister's shoulder giving advice are not plumbers, gasfitters or drainlayers. Big builders seem to be there – and we know how these people have treated our industry over the years – with failings and retentions going south. Are they REALLY the best people for the Minister to be taking any advice from?

There are lots of illegal operators throughout the country but in particular Auckland and Queenstown, however a blind eye is turned to the situation by the Government because to take action would slow down the building of houses. The Plumbers Gasfitters and

relevant tertiary or vocational education; and 2 must be persons whom the Minister considers are able to represent consumer interests.

Ten people and none of them are there to represent the interests of the practitioners.

Yes there are tradespeople on the Board but they are not there to represent tradespeople. They are there for discipline and to create a so called "Expert Board" with their trade knowledge.

So where does the trade representation come from?

At the moment because of the Legislation the representation comes from whomever the Board chooses to be part of their Stakeholder Liaison Group. They get to choose whoever won't oppose them and the same goes for the liaison between skills and the industry.

Skills had an Industry Leadership Group and when that group didn't give Skills the answers they wanted the group was disbanded and Skills went to a computer based forum system which was a failure with no industry feedback. So now that they have formed the cartel with the Board and Master Plumbers it seems that is where they get their industry feedback from.

This is no different to the Stakeholder liaison group the Board has where the Federation was a thorn in

Drainlayers Board have limited resources and we don't believe the other regulators have on the ground investigators to assist in joint operations.

If the Board was to address the illegal operator issue they would need substantially more resources than they have and that cost would fall on us the practitioners, not on the public. There should be benefits for practitioners and the public by having a regulated industry but we just don't see the benefits for practitioners.

Regulation shouldn't be about restrictions and accountability but more about achieving the objective of the legislation. It should not only be about protecting the public but also about protecting the practitioners. If qualifications and training were at an appropriate level then the standard of workmanship and accountability on the job would be higher. We need the training to train apprentices in all things plumbing, gasfitting and drainlaying and then get them practiced in it on the job.

If the regulation of the industry was appropriate and supported by the industry then there would be savings for other government agencies because they wouldn't be dealing with complaints by the industry trying to hold the Board accountable. This would be less pressure on the Board as well.

We always hear of the discipline issues in the industry as scare tactics are used but we never see a percentage figure of how many issues are reported based on how much work is done in the industry. A simple survey of the businesses would give a figure of the number of jobs done successfully and then a percentage of complaints made could be obtained. For example is it one complaint for every two hundred thousand jobs done throughout the country. If it was is there a real problem? We won't know until the right information is collected.

Here is an example. If a practitioner does 2000 hours a year that would be 250 eight hour days and let's say they do on average 5 jobs a day, that equates to 1,250 jobs a year. If they have one discipline offence then that is .08%. Obviously no offences are better than .08% and it would also depend on the severity of the offence so rather than dealing with everything as a punitive regulatory system lets get it changed to an encouraged system where only the really serious issues are dealt with by way of discipline.

Perhaps even now after decades of regulation the legislation and regulation is based on past forced regulation. Government is doing what governments do without really understanding what the industry as a whole needs. Government are listening to a few in the cartels and the rest of the industry pay the price. It seems it's easier for the government to persecute the industry rather than change the way the government does things.

We don't seem to see impact statements and when we do it shows no impact on the government or their treasury. No impact on the public and minor impact on the industry. They don't seem to realise

their side so the Federation has been excluded. Where do they get their industry feedback from- their cartel member Master Plumbers and others who they choose to appoint to the group.

The exclusion tactics used by Skills and the Board have undermined their credibility and this is of their doing, not the practitioners so the consequences are their fault not the practitioners. Legislation is allowing them to do as they please.

The Federation believes the industry needs to look carefully at the regulations, legislation and regulatory polices imposed on the industry and see if it is creating anticompetitive behaviour or unfair advantage on some groups operating within the industry.

TO BE CONTINUED NEXT ISSUE

or care about the impact on the industry and practitioners.

We picked up on this from the media last week:

Building Minister Jenny Salesa has a plan to renovate the building industry. Salesa says the industry, which the government is relying on to deliver its KiwiBuild programme, is unproductive, inefficient, beset with skills and labour shortages, poor health and safety, and it is difficult for anybody to hold a builder accountable for shoddy building.

Now you could be forgiven thinking that the government was talking about itself – they appear to be unproductive (look at the PGD Act Review), inefficient (ditto), beset with skills (just look at the first take on Kiwibuild), and it is difficult to hold MP's to account for anything...

Perhaps our industry is the victim of the cartels formed within the industry where they influence legislation and regulation for their self interest. It borders on anticompetitive behaviour but it is all covered up through the regulation imposed on the industry.

CONTINUED IN THE SIDE COLUMN.....

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