PERFORMANCE AGREEMENT from 1 April 2018 between THE MINISTER FOR BUILDING AND CONSTRUCTION and THE PLUMBERS, GASFITTERS AND DRAINLAYERS BOARD

1. PURPOSE AND SCOPE

1.1. The objective of this Agreement is to set out:

- expectations and performance indicators that apply to the work of the Plumbers, Gasfitters and Drainlayers Board (Board)
- other matters relevant to the relationship between the Minister, Ministry of Business, Innovation & Employment (Ministry), and the Board.

2. POLICY FRAMEWORK FOR OCCUPATIONAL REGULATION

2.1. The policy framework for occupational regulation aims to protect the public from the risks of an occupation being carried out incompetently or recklessly, by providing assurance that practitioners meet approved standards, and that effective action is taken against those that do not meet those standards.

2.2. In carrying out its statutory functions, the Board will take into account the Crown's broader objectives in regulating plumbers, gasfitters and drainlayers in New Zealand. These objectives include maintaining a regime that the public and the sector consider to be effective and balanced i.e. maintains standards without imposing anti-competitive entry barriers and conduct regulation.

2.3. The Board recognises that it does not operate under the Plumbers, Gasfitters and Drainlayers Act 2006 (Act) in isolation, but instead operates within the building industry framework, including (but not limited to) the Gas Act 1992, Gas (Safety and Measurement) Regulations 2010, the Building Act 2004, and the Building Code. The Ministry's work on effective regulatory systems is also relevant to the Board.

3. ROLE OF THE BOARD

3.1. The Board is responsible for administering the registration and licensing systems for plumbers, gasfitters and drainlayers. Broadly speaking, the Board's powers and functions can be categorised into registration, licensing, competence, discipline, and prosecution. The Board receives complaints and may investigate and discipline registered persons (including provisional licence holders) or instigate a prosecution in the District Court against those working illegally in the industry, most commonly unregistered or unlicensed persons.

3.2. The Board is the primary monitor of its performance and agrees to provide the Minister with high-quality analysis regarding performance against plans, implications for future performance, and risks and opportunities facing the Board. The Board reports annually to Parliament, through the Minister for Building and Construction, on the performance and effectiveness of the regulatory regime for plumbers, gasfitters and drainlayers.

4. ROLE OF THE MINISTRY

4.1. The Ministry advises the Minister on issues arising from the Minister's responsibilities in relation to the Board. In carrying out this role, the Ministry will:

- provide the Board with the opportunity to comment on policy and legislative proposals that materially impact on the Board. This may also include informing the Board of proposals outside of the Ministry's direct influence or authority, where possible
- provide the Board with the opportunity to comment on relevant papers prepared in its role as the Minister's adviser that affect the Board and its functions
- provide advice to the Board on standard government procedures and requirements for statutory entities, as appropriate.

4.2. The Board may invite Ministry officials to attend Board meetings as appropriate.

5. TERM & ALTERATION

5.1. This Agreement commences on 1 April 2018 and remains in place until amended. The Board and the Minister will revise the performance indicators to reflect any changes to the role and functions of the Board specified by the Minister and/or Parliament.

6. REVENUES, RESERVES, AND COST MANAGEMENT

6.1. The Board is a not-for-profit body whose operational revenue is derived from fees (for registrations, licenses, examinations etc.) and levies on the tradespeople who are registered and licensed. There is no general taxpayer contribution to any of its operations. Any financial reserves held by the Board are to be used in ways that contribute to its goals and are consistent with its statutory functions.

6.2. The Government wants to maximise system-wide effectiveness and efficiency. The Board agrees to maintain a thorough understanding of its business and its cost drivers, and to look for service improvements in its work and for opportunities to reduce costs. Where possible, the Board will work with other agencies on joint approaches, procurement, and shared services.

7. ACCOUNTABILITY FOR PERFORMANCE

7.1. The performance measures for the Board are set out in Schedule One of this Agreement. If the Board becomes aware that it will not be able to meet any of the performance measures in this agreement, the Board will advise the Minister and the Ministry, as soon as is practicable.

8. PROVISION OF INFORMATION

8.1. The Board will promptly notify the Minister of any potentially contentious issues of public interest that may have a significant impact on the Board and the sector (no surprises). No surprises also means that the Board will:

- ensure it considers implications of its decisions and actions for wider policy issues
- inform the Minister in advance about implications of major initiatives it is considering
- advise the Minister as soon as possible of issues that may be discussed in the public arena or that may require a ministerial response.

8.2. The Board will provide the Ministry with information required by the Minister, or such other information as is needed to enable the Ministry to effectively carry out its advisory role.

8.3. The Government wants statutory agencies to operate transparently, and publish non-sensitive performance information throughout the year on their websites. The Board agrees to support this objective, following discussion with the Ministry regarding appropriate disclosure.

SIGNED

Hon Jenny Salesa
Minister for Building and Construction

Date: 01 MAR 2018

Peter Jackson
Presiding Member
Plumbers, Gasfitters and Drainlayers Board

Date: 20.3.2018

SCHEDULE ONE: PERFORMANCE MEASURES

Board's 2016/19 strategic goals:

1. **Registered and licensed tradespeople performing plumbing, gasfitting and drainlaying are competent.**
2. **Reducing unauthorised plumbing, gasfitting and drainlaying work.**
3. **Engaged tradespeople work with the Board to ensure competence and compliance.**

Expectations	Measure
Registration and licensing system	
Ensure the registration and licensing of tradespeople is efficient.	Applications for registration are approved or declined within 10 working days of receipt.
	Applications for licensing are approved or declined within 5 working days of receipt.
The Board maintains and follows policies and procedures in relation to the registration and licensing system.	No breaches of policies and procedures are reported.
Competency and safe working practices of tradespeople	
Board actively engages with tradespeople and industry to ensure competent and safe working practices.	The Board completes its annual stakeholder engagement programme.
	90% of all authorised tradespeople complete Continued Professional Development training by 31 March in each year.
Identify and target areas for enforcement.	Minimum of six targeted operations and 75 site visits each year to check on compliance.
Consumer awareness and confidence	
The public are aware of the importance of using authorised tradespeople to perform restricted work.	On a biennial basis, the Board measures the public awareness of the need to use authorised tradespeople to carry out restricted work. (commencing 2018/19).
The system is enabling consumer confidence in the competency of tradespeople.	A biennial survey of consumers is carried out measuring consumer confidence in tradespeople (commencing 2018/19).

Complaints and discipline	
Ensure complaints regarding plumbing, gasfitting, and drainlaying work are resolved fairly and efficiently.	The average time for completion of disciplinary investigations is less than 80 working days from receipt of complaint.
	Allegations of offences are processed to a decision about prosecution within 40 working days of receipt of the formal allegation.
	Disciplinary decisions, including any decision on penalty, are released within 40 working days of the hearing.
	No decisions are overturned on appeal due to a failure to follow agreed processes or the principles of natural justice.
Governance	
The Board has robust strategic planning processes that identify strategies for improving the registration and licensing system.	The Board annually reviews its strategic plan and identifies risks and opportunities and strategies for achieving its goals. The Annual report reports on the implementation of strategies to achieve the Board's strategic goals.
Undertake an annual self-appraisal of the Board's performance and provide a summary to MBIE.	The summary of the self-appraisal identifies areas which are working well, areas for improvement, and the action the Board intends to take as a result.
Provide MBIE with the Board's view on membership and succession.	The Board's view shows the current skills and experience of Board members and identifies any gaps and proposals for the Minister to consider in future appointment rounds.
Meet all obligations under relevant legislation, including reporting under the Plumbers, Gasfitters and Drainlayers Act.	All legislative obligations are met.