

OUTPUT AGREEMENT

between

**THE MINISTER FOR
BUILDING AND CONSTRUCTION**

and

**THE PLUMBERS, GASFITTERS AND DRAINLAYERS
BOARD**

for the period

1 April 2014 – 31 March 2015

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1. PARTIES TO THE OUTPUT AGREEMENT

- 1.1. This Output Agreement (Agreement) is between the Minister for Building and Construction (the Minister) and the Plumbers, Gasfitters and Drainlayers Board (the Board). The Ministry of Business, Innovation and Employment (the Ministry) supports the Minister by carrying out monitoring activities related to the Board's functions.

2. PURPOSE AND SCOPE

- 2.1. The objective of this Agreement is to establish expectations of performance for the outputs to be provided by the Board. The Agreement enables the Minister to monitor the Board, and hold it accountable for its performance.
- 2.2. This Agreement sets out the understanding of the Minister and the Board on:
 - the outputs to be supplied by the Board;
 - the indicators used to measure the outputs;
 - the ways in which the Minister will assess the Board's performance in the delivery of the outputs; and
 - other matters relevant to the relationship between the Minister and the Board.

3. POLICY FRAMEWORK FOR OCCUPATIONAL REGULATION

- 3.1. The Government has a policy framework for occupational regulation, which aims to ensure that certain occupational groups are regulated in order to protect the public from the risks of an occupation being carried out incompetently or recklessly.
- 3.2. While the regulation of occupations imposes costs and reduces flexibility, it can also provide assurance that competent people who have the necessary skills are available to carry out work; and that these people have been sufficiently trained and meet the required industry, sector or government standards.

4. ROLE OF THE BOARD

- 4.1. The functions of the Board are set out under the Plumbers, Gasfitters and Drainlayers Act 2006 (the Act). The Board is responsible for administering the registration and licensing systems of plumbers, gasfitters and drainlayers. In doing so, it is responsible for setting the minimum standards for registration and ensuring that those persons carrying out regulated work are competent to do so. Broadly speaking, the Board's powers and functions can be categorised into registration, licensing, competence, discipline, and prosecution.
- 4.2. The Board receives complaints and, as a result, 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.

- 4.3. The Board is a not for profit body whose operational revenue is derived from fees (such as registrations, licences, examination) and levies on the trades people who are registered and licensed. There is no general taxpayer contribution to any of its operations.
- 4.4. The Board does not operate under the 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.
- 4.5. The administrative responsibility for monitoring and reporting back on the Crown's interest in the Board is the Ministry, on behalf of the Minister.

5. ROLE OF THE MINISTRY

- 5.1. The Board recognises that the Minister has appointed the Ministry to:
 - advise the Minister on issues arising from the Minister's responsibilities in relation to the Board; and
 - monitor the delivery by the Board of the outputs specified in the relevant sections of this Agreement.
- 5.2. The Ministry will work with the Board in a timely manner to monitor the registration of plumbers, gasfitters and drainlayers, and provide support and advice for the Minister; particularly on areas of strategic importance for this industry. This work will also aim to be consistent with a whole-of-government approach to occupational licensing.
- 5.3. In particular, the Ministry will:
 - provide the Board the opportunity to comment on policy and legislative proposals that materially impact on the Board and its functions in regard to the general broad scope encompassing design professions and professionals (this may also include informing the Board of proposals outside of the Ministry's direct influence or authority, where possible);
 - provide the Board opportunity to comment on relevant papers it has prepared in its role as the Minister's adviser that effect the Board and its functions; and
 - provide advice to the Board on standard government procedures and requirements for government entities as appropriate.

6. RELATIONSHIP BETWEEN THE CROWN AND BOARD

- 6.1. The Board will, in carrying out its statutory functions, take into account the Crown's broader objectives in respect of implementing and maintaining a system for registration of plumbers, gasfitters and drainlayers in New Zealand. The Board has a statutory responsibility to review and report to the Minister for Building and Construction on the performance of the registration

regime for plumbers, gasfitters and drainlayers.

7. TERM

7.1. This Agreement commences on 1 April 2014 and ends on 31 March 2015.

8. ALTERATION

8.1. The Minister and the Board may amend this Agreement at any time during its term by mutual agreement. Any such amendments will be in writing.

9. THE OUTPUTS TO BE PROVIDED BY THE BOARD

9.1. The outputs and associated performance measures for the Board are set out in Schedule One of this Agreement.

10. ACCOUNTABILITY FOR OUTPUTS

10.1. The Board will report on its outputs as specified in Annex A of this Agreement.

10.2. The Board and the Minister undertake to revise the outputs to be provided by the Board to reflect any changes to the role and functions of the Board agreed upon by the Minister and/or Parliament during the period covered by this agreement.

10.3. If the Board becomes aware that it will not be able to meet any of the performance measures and outputs in this agreement, the Board will advise the Minister and the Ministry, as soon as is practicable.

11. FUNDING

11.1. The Board is a third party funded, non-profit statutory body. It receives no direct Crown funding for its operations.

11.2. 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.

12. PROVISION OF INFORMATION

12.1. The Board may invite Ministry officials to attend Board meetings as appropriate, generally at least once a year.

12.2. The Board will also provide to the Ministry information as required by the Minister, or to enable the Ministry to carry out its monitoring functions effectively.

12.3. The Board will advise the Minister and Ministry of any significant information arising from an auditor's report.

13. ANNUAL PERFORMANCE REPORTS

13.1. The Board will prepare an annual report on its operations for each financial year as set out in the Act.

14. ANNUAL FINANCIAL REPORT AND STATEMENT OF RESPONSIBILITY

14.1. The Board is a public entity as defined in Section 4 of the Public Audit Act 2001. In accordance with that Act, the Auditor-General is its auditor. As soon as practicable after the end of each financial year, the Board shall submit to the Audit Office statements and accounts of all its income and expenditure in that year, together with a statement of financial position as at the last day of that year.

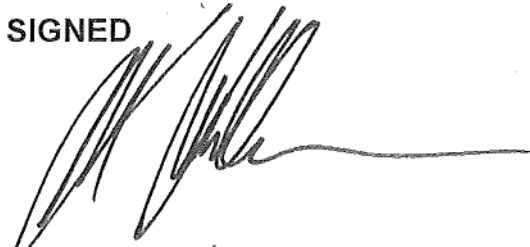
15. LIAISON BETWEEN THE BOARD AND THE MINISTER

15.1. The Board and the Minister may wish to meet from time to time in order to discuss issues that either party wishes to raise with the other.

16. PREPARATION OF OUTPUT AGREEMENT FOR THE NEXT PERIOD

16.1. The Ministry will provide the Minister with a draft Output Agreement, developed in consultation with the Board for the 2015-2016 financial year by 1 April 2015. If a new Output Agreement is not completed by the parties before the commencement of the next financial year, the parties will continue to operate under the terms of the existing Agreement.

SIGNED



Hon Maurice Williamson
Minister for Building and Construction

Date:

10/4/2014



Peter Jackson
Presiding Member
Plumbers, Gasfitters and Drainlayers Board

Date:

Annex A - Accountability Agreement 2014 – 2015 - Output Schedule

Tasks	Completion Date	Success Criteria
<p>Strategic and Business Planning</p> <p>Adopt a strategic plan for the three years commencing 1 April 2015.</p>	31/03/15	The Minister is notified of the strategic plan.
Adopt a business plan for the year commencing 1 April 2015 that contributes to achieving the objectives of the 2015-2018 strategic plan.	31/03/15	The Minister is notified of the business plan. The plan demonstrates alignment with the strategic plan and contains measurable performance criteria.
<p>Review of operational policies</p> <p>Continue the rolling review of operational policies and processes.</p>	31/03/15	Policies that are due for review during the 2014/15 year will be reviewed.
<p>Registration Examinations</p> <p>To integrate the Board's examinations into the new versions of level 4 national certificates.</p>	31/03/15	The Board will have completed consultation with stakeholders in relation to proposed Gazette notices to achieve the integration of its registration examinations into the level 4 national plumbing, gasfitting and drainlaying qualifications. (This is dependent on timeframes for the NZQA TROQ process).
<p>Practitioner competence</p> <p>To implement the new system developed by the Board to monitor and measure practitioner competence.</p>	31/03/15	The competence of at least 150 randomly selected certifying tradespeople will be reviewed each year once the system is operational. (This is dependent on the outcome of consultation and the Minister's approval to publish Gazette notices).
Monitor compliance with the gas certification regime.	Ongoing	The Board monitors compliance with the gasfitting certification regime as part of its programme of gasfitter competence reviews and reports the outcomes of monitoring programmes to Energy Safety within WORKSAFE NZ.
<p>Annual Report</p> <p>Demonstrate that the Board is acting in a financially prudent manner and is meeting its reporting and associated legal responsibilities.</p>	31/7/14	The Board achieves a satisfactory audit report from Audit NZ.

Tasks	Completion Date	Success Criteria
<p>Communications Maintain effective communication with stakeholders around New Zealand.</p>	Ongoing	<p>A minimum of 10 newsletters are published each year.</p> <p>A minimum of 10 stakeholder meetings are held throughout the country each year.</p> <p>The Board's stakeholder survey demonstrates an improving trend in satisfaction with Board provided services.</p>
<p>Consumer Awareness To encourage a positive behaviour change among non-compliant plumbers, gasfitters and drainlayers.</p>	Ongoing	<p>Ensure the Board website is available 24/7 and includes current information only.</p> <p>Raise the profile of the registration & licensing regime through communication.</p> <p>Prosecute non registered persons who undertake work in breach of the Act.</p>
<p>Review of Act Provide input to the review of the Act as requested by the Minister and/or the Ministry.</p>	31/03/15	Requests for input into the review of the Act are responded to in a well-researched and timely manner.
<p>Auditor General's follow-up review Put in place a programme to ensure recommendations of the review are implemented.</p>	Programme in place by 30/06/14	The Minister is satisfied with the programme. The Board implements the recommendations in accordance with the agreed programme.