

**OUTPUT AGREEMENT**

**between**

**THE MINISTER FOR  
BUILDING AND CONSTRUCTION**

**and**

**THE PLUMBERS, GASFITTERS AND DRAINLAYERS  
BOARD**

**for the period**

**1 April 2013 – 31 March 2014**

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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 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 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 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.
- 4.5. The administrative responsibility for monitoring and reporting back on the Crown's interest in the Board is the Ministry of Business, Innovation and Employment, on behalf of the Minister for Building and Construction.

## **5. ROLE OF THE MINISTRY OF BUSINESS, INNOVATION AND EMPLOYMENT**

- 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 2013 and ends on 31 March 2014.

## **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 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 Plumbers, Gasfitters and Drainlayers Act 2006.

#### 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 2013 financial year by 1 March 2013. 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:

8/5/2013



Alan Bickers  
Presiding Member  
**Plumbers, Gasfitters and Drainlayers Board**

Date:

27/6/2013

## Accountability Agreement 2013 – 2014 - Output Schedule 1

Tasks	Completion Date	Success Criteria
<p><b>Strategic and Business Planning</b></p> <p>Prepare a business plan for the year commencing 1 April 2014 that contributes to achieving the objectives of the 2013-2016 strategic plan.</p>	31/03/14	The Minister is notified of the business plan. The plan demonstrates alignment with the strategic plan and contains measurable performance criteria.
<p><b>Review of operational policies</b></p> <p>Implement a rolling review of operational policies and processes.</p>	31/3/14	Policies that are due for review will be reviewed.
<p><b>Registration Examinations</b></p> <p>To integrate the Board's examinations into the new versions of Level 4 national certificates.</p>	31/03/14	The Board can demonstrate progress with the integration of its registration examinations into the national plumbing, gasfitting and drainlaying qualifications. (This is dependent on timeframes for the NZQA TROQ process).
<p><b>Practitioner competence</b></p> <p>To implement the new system developed by the Board to monitor and measure practitioner competence.</p> <p>Monitor compliance with the gas certification regime.</p>	31/03/14  Ongoing	<p>The competence of at least 150 randomly selected certifying trades people will be reviewed each year once the system is operational.</p> <p>The Board monitors compliance with the certification regime as parts of its programme of gasfitter competence reviews and reports the results of monitoring to Energy Safety.</p>

Tasks	Completion Date	Success Criteria
<p><b>Follow-up review by the Office of the Auditor General</b></p> <p>Ensure that all issues raised in the 2010 report of the Office of the Auditor General have been dealt with by the time of the follow-up review.</p>	30/9/13	The Board obtains a satisfactory report from the OAG, in the follow up review of Board actions taken to address the issues raised in the 2010 report.
<p><b>Annual Report</b></p> <p>Demonstrate that the Board is acting in a financially prudent manner and is meeting its reporting and associated legal responsibilities.</p>	31/7/13	The Board achieves a satisfactory audit report from Audit NZ.
<p><b>Communications</b></p> <p>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>Ensure Board website is available 24/7 and includes current information only.</p>
<p><b>Consumer Awareness</b></p> <p>To encourage a positive behaviour change among non-compliant plumbers, gasfitters and drainlayers.</p>	Ongoing	<p>Raise the profile of the registration and licensing regime through communications.</p> <p>Prosecute non-registered persons who undertake work in breach of the Plumbers, Gasfitters and Drainlayers Act.</p>