PLUMBING INDUSTRY SURVEY 2018

IOPSA
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ABOUT THE SURVEY

The survey was open to anyone to complete but the main communication channels were through IOPSA and PIRB. CPD points were made available for all PIRB registered respondents. More than 85% of the responses received were from PIRB registered plumbers and 35.9% of the respondents were from IOPSA members. Therefore the results could be seen as representing the views of the Formal Plumbing Sector. Other efforts are underway to gather input from the informal sector, but this is proving to be very challenging. The survey will be conducted annually by IOPSA in an effort to gain meaningful data and trends. As this is the first such survey there is no comparative data but in future there will be. The survey will be conducted in August each year.

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PLUMBING INDUSTRY REGISTRATION BOARD

SUMMARY

TOTAL RESPONSES

877

DUPLICATES (PIRB NO.S)/INCOMPLETE

98

11.2%

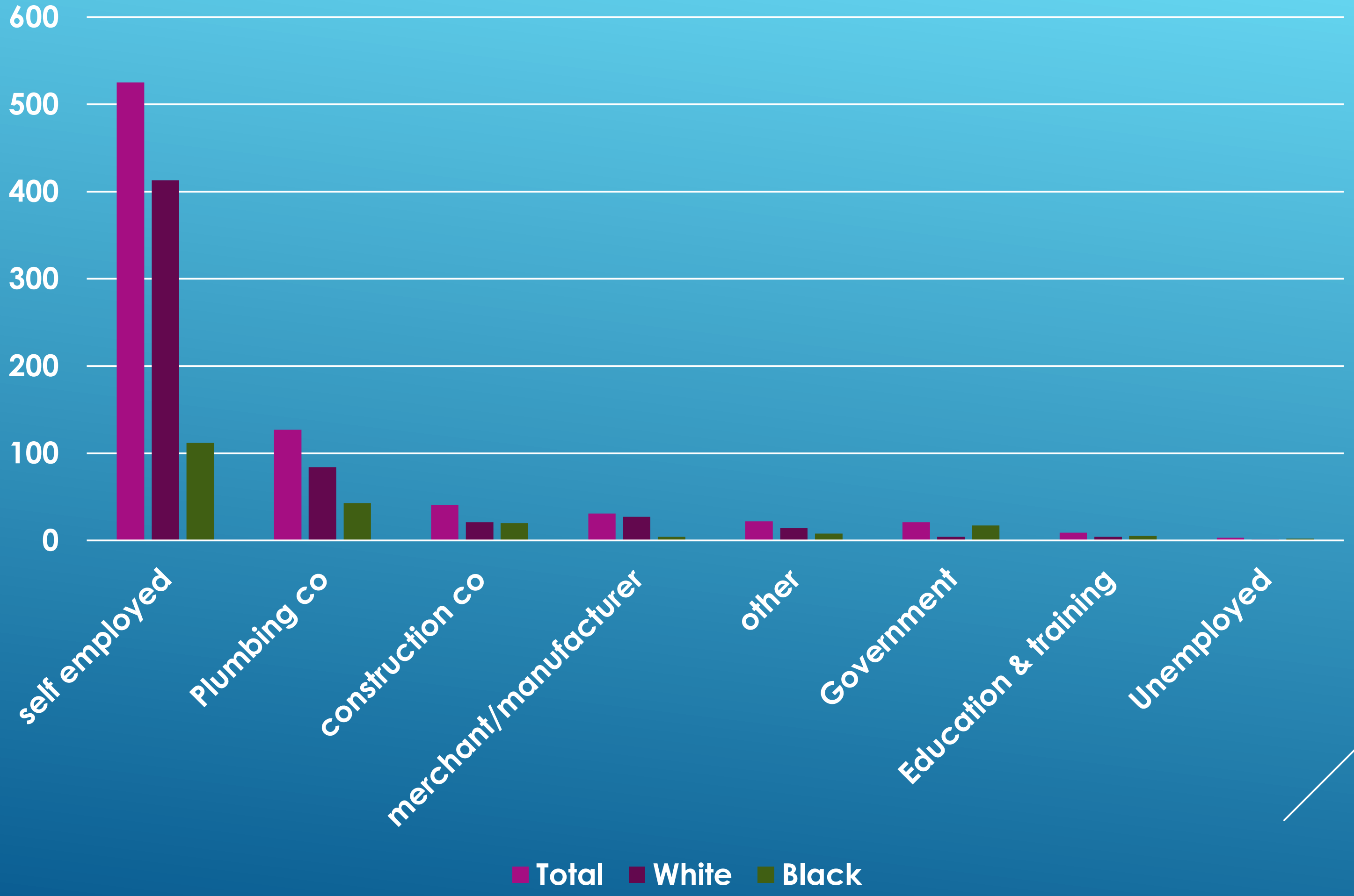
ADJUSTED TOTAL RESPONSES

779

1

WHO DO YOU WORK FOR?

Who do you work for?



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Review Question 1

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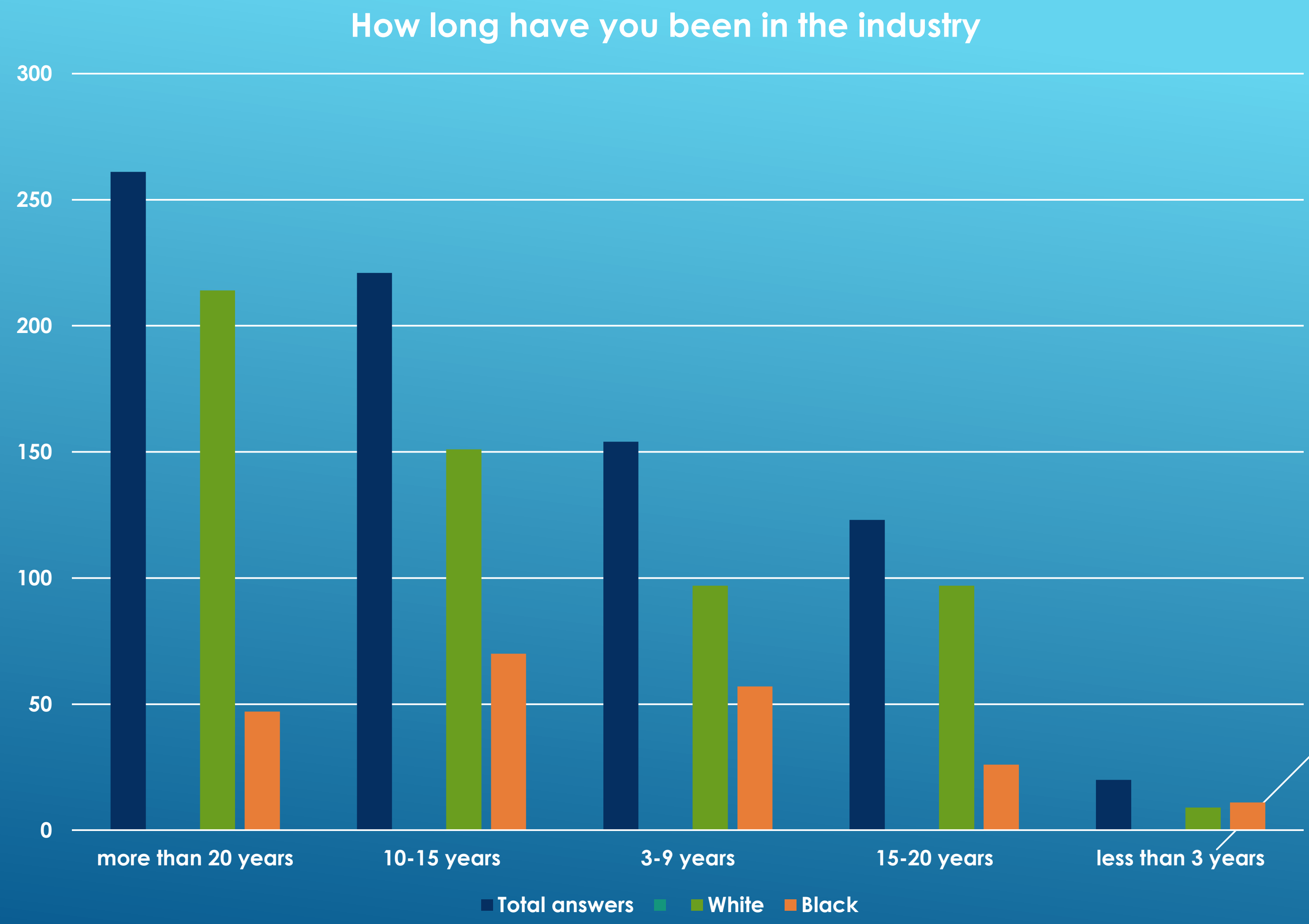
By far the largest number of respondents **67,4%** were self employed individuals in the plumbing industry. However, the survey covers most key employers in the sector. Of interest is the fact that there is a large difference in the percentage of black self-employed respondent's vs white self employed respondents.

It seems to indicate that more of the white respondents are business owners than their black counterparts.

This together with other key results later in this report seems to indicate that transformation in the plumbing sector still needs a lot of work.

2

HOW LONG HAVE YOU BEEN IN THE PLUMBING INDUSTRY?


How long have you been in the industry
300
250
200
150
100
50
0
more than 20 years
10-15 years
3-9 years
15-20 years
less than 3 years
Total answers
White
Black

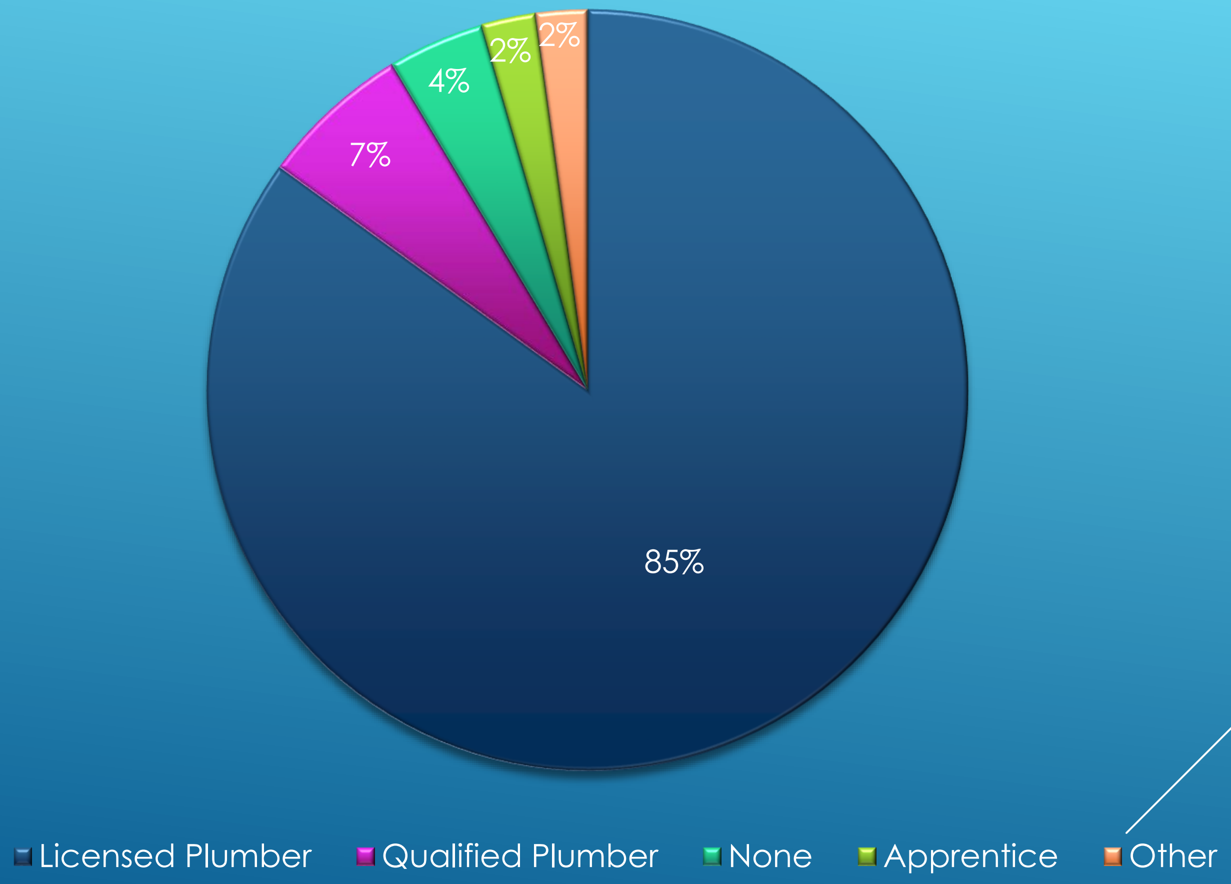
Review Question 2

The respondents were generally very experienced individuals with over **61%** having **more than 10 years** experience in the industry. Comparatively, black respondents were less experienced, with only around **55%** having **10 years experience or more**. Unfortunately there were very few responses from new entrants to the industry, less than 3 years.

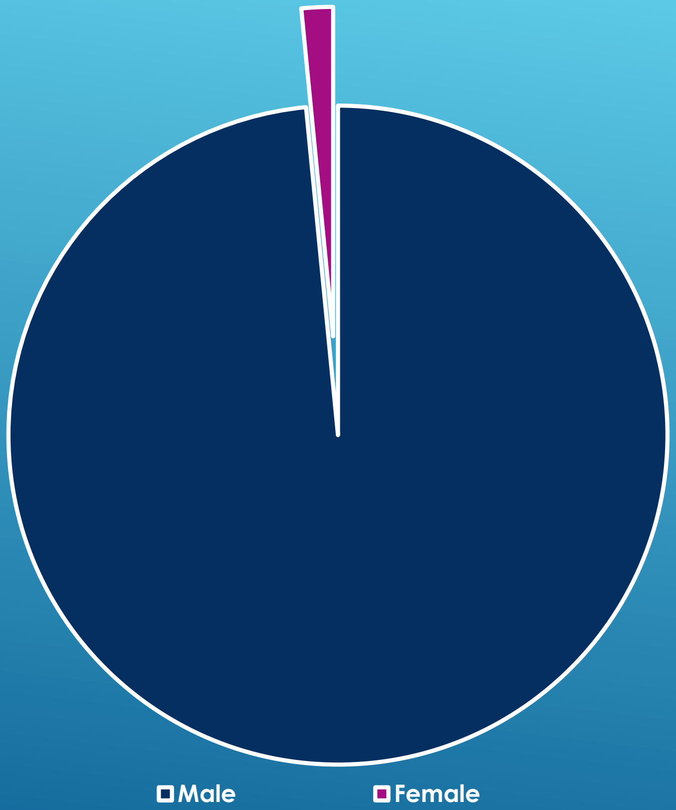
3

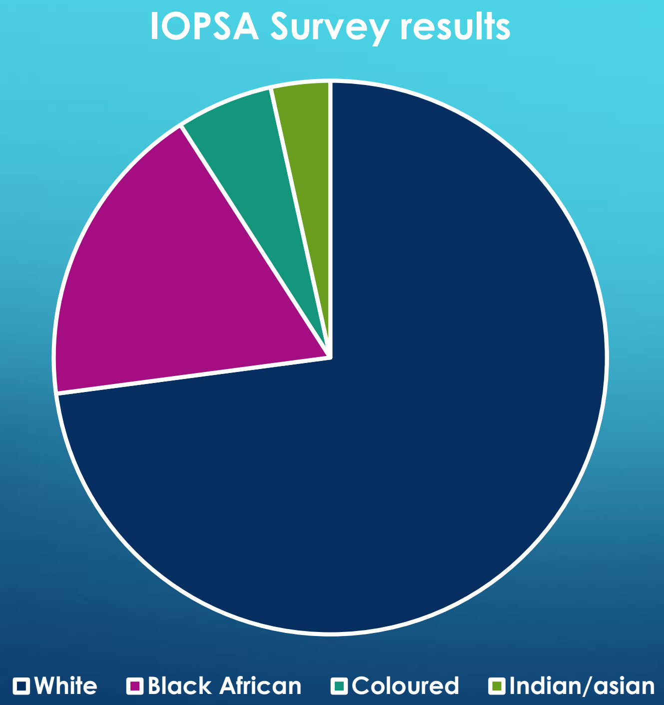
WHAT PLUMBING QUALIFICATION DO YOU HAVE?

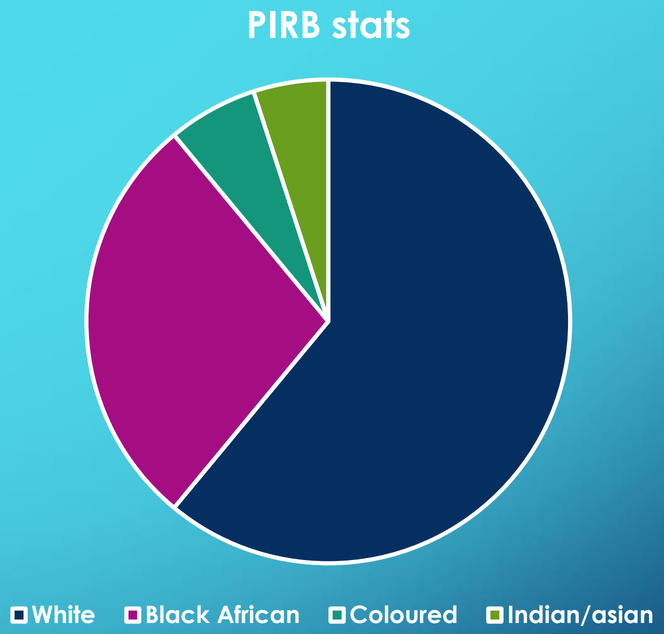
What plumbing qualification do you have?



Male vs Female




IOPSA Survey results
White
Black African
Coloured
Indian/asian


PIRB stats
White
Black African
Coloured
Indian/asian

Review Question 3

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PIRB Licensed Plumbers made up **85%** of the respondents, most likely due to the incentive of CPD points offered. Whilst this is an excellent response, it does not reflect the "informal" plumbing sector. More work needs to be done to source responses from the "informal" sector in future surveys. The fact that just over **4%** of respondents are not qualified at all is interesting and the fact that they participated may indicate a willingness to become part of the formal industry. PIRB statistics show a much larger percentage of apprentices which is very encouraging. The relatively higher percentage of Qualified Plumbers reflected in the PIRB statistics may simply be due to the recent corrective action taken by PIRB due to certain Licensed Plumbers not maintaining the required CPD points.

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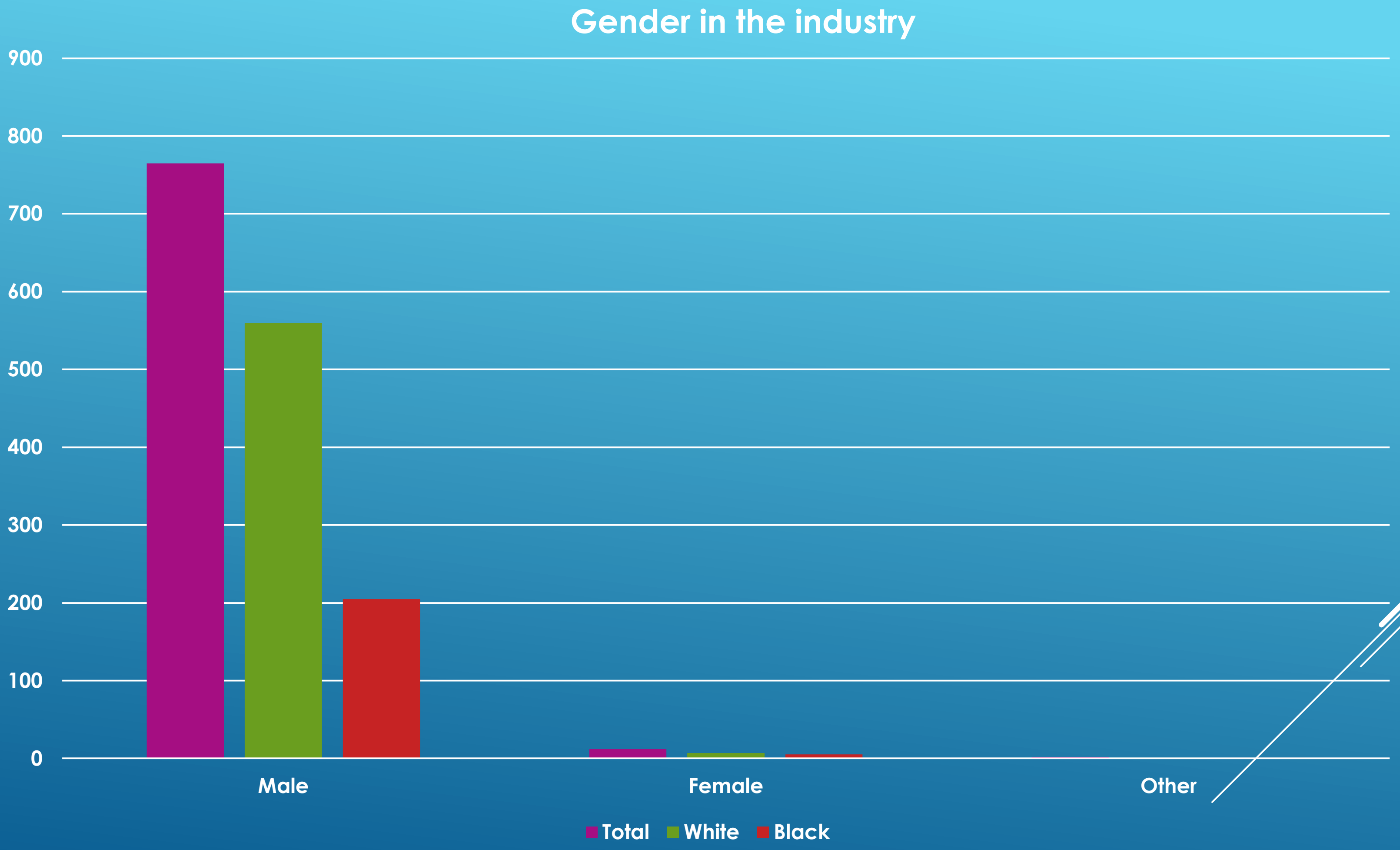
4

WHAT IS YOUR GENDER?


Gender in the industry
900
800
700
600
500
400
300
200
100
0
Male
Female
Other
Total
White
Black

Review Question 4

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PIRB stats are very similar with **1.4% female.** The plumbing industry is still almost exclusively dominated by males, there are structural and historical impediments preventing woman from entering the sector. Concrete strategies are needed to correct this. There are several training projects underway which should result in significant numbers of young black women entering the industry over the next 3 years. Comparatively Australia : 1%, United Kingdom 0,4%, United States 1,5%.

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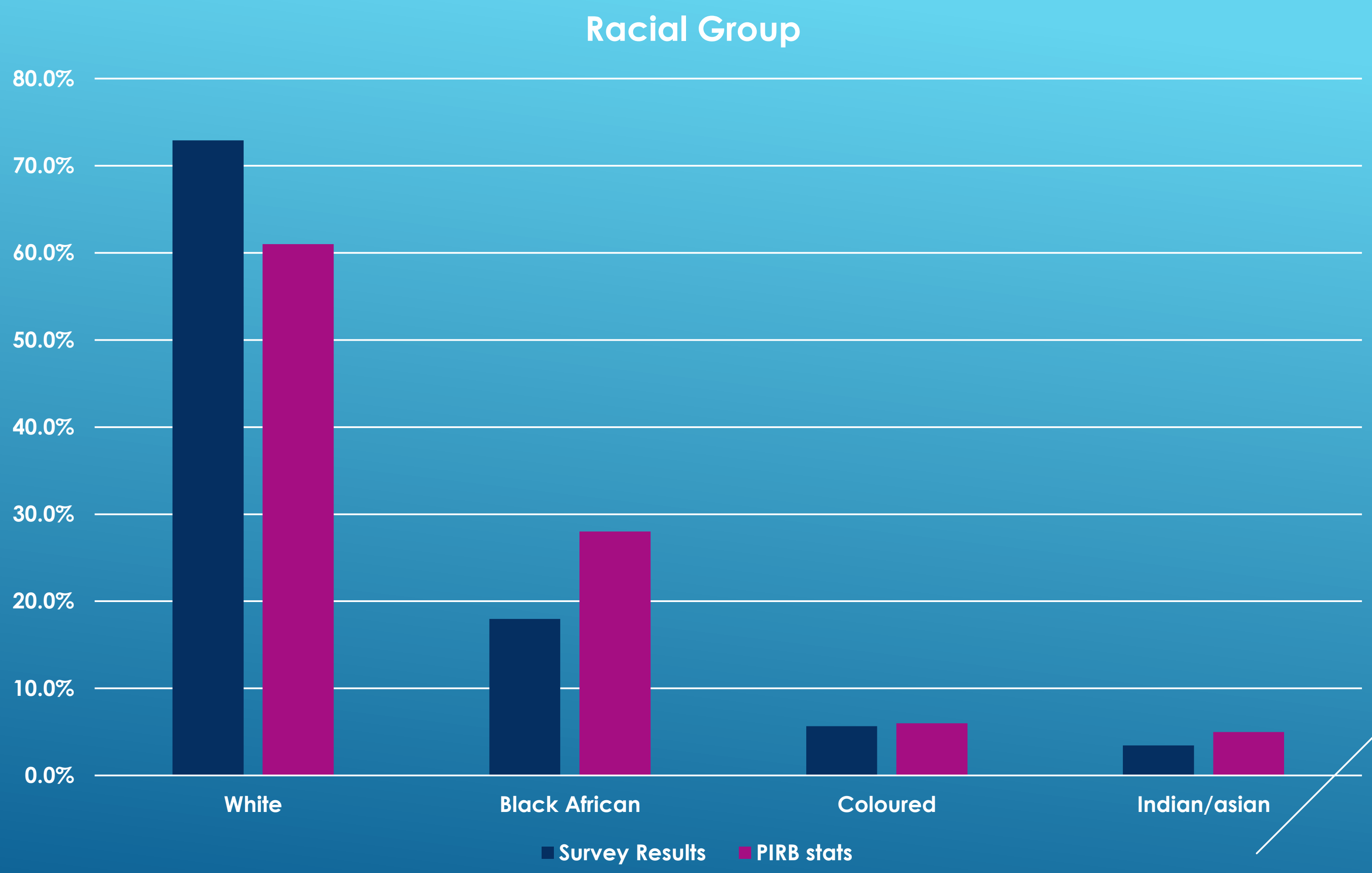
5

WHAT IS YOUR RACIAL CLASSIFICATION?

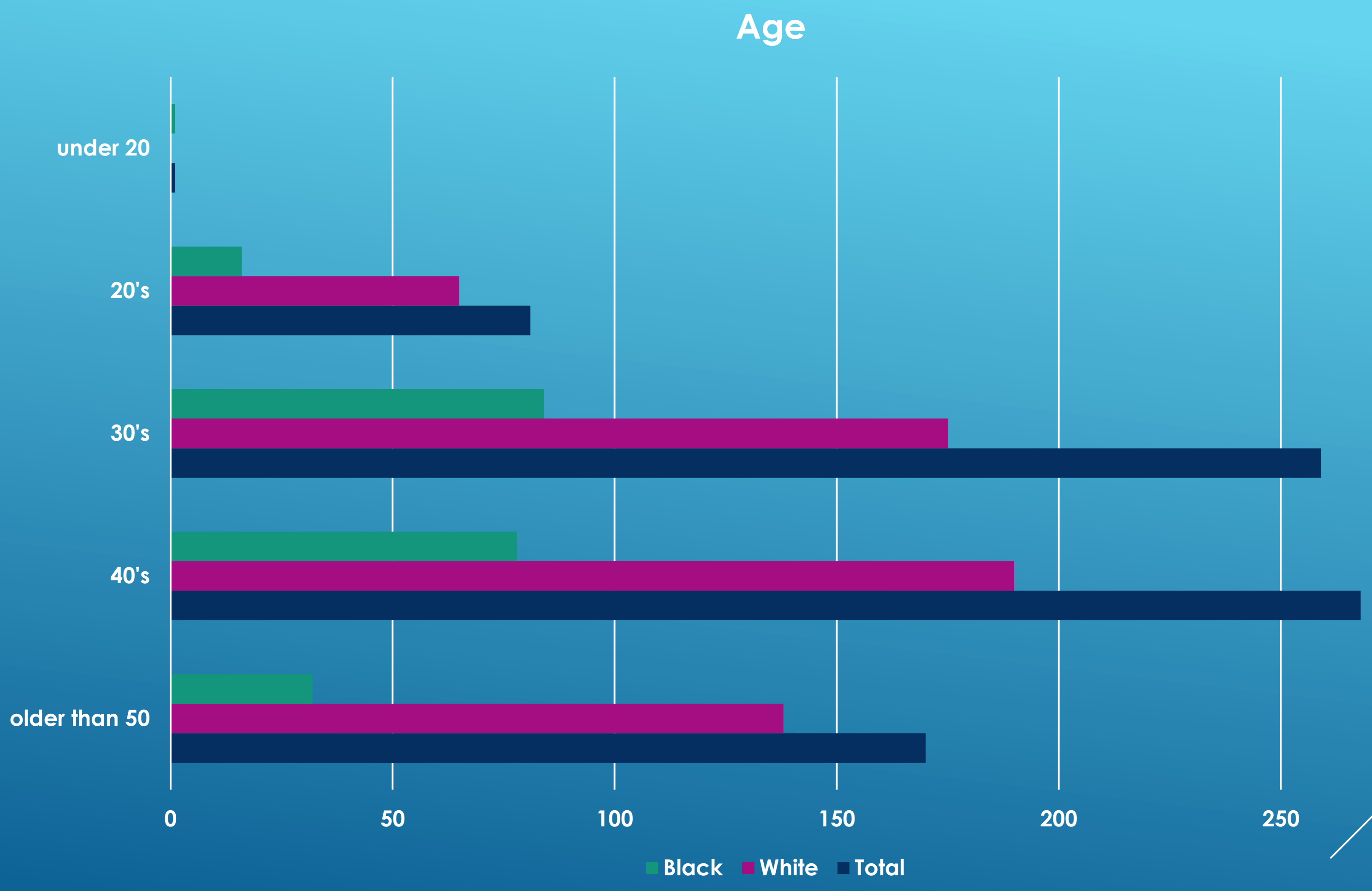

Racial Group
80.0%
70.0%
60.0%
50.0%
40.0%
30.0%
20.0%
10.0%
0.0%
White
Black African
Coloured
Indian/asian
Survey Results
PIRB stats

Review Question 5

The responses to this survey were heavily dominated by white males. PIRB statistics show a much better racial mix, across a broader segment but it is clear that the plumbing industry is still dominated by white males. It will require a concerted effort by the industry as a whole to change the current reality in a meaningful way.

6

WHAT IS YOUR AGE?


Age
under 20
20's
30's
40's
older than 50
0
50
100
150
200
250
300
Black
White
Total

Review Question 6

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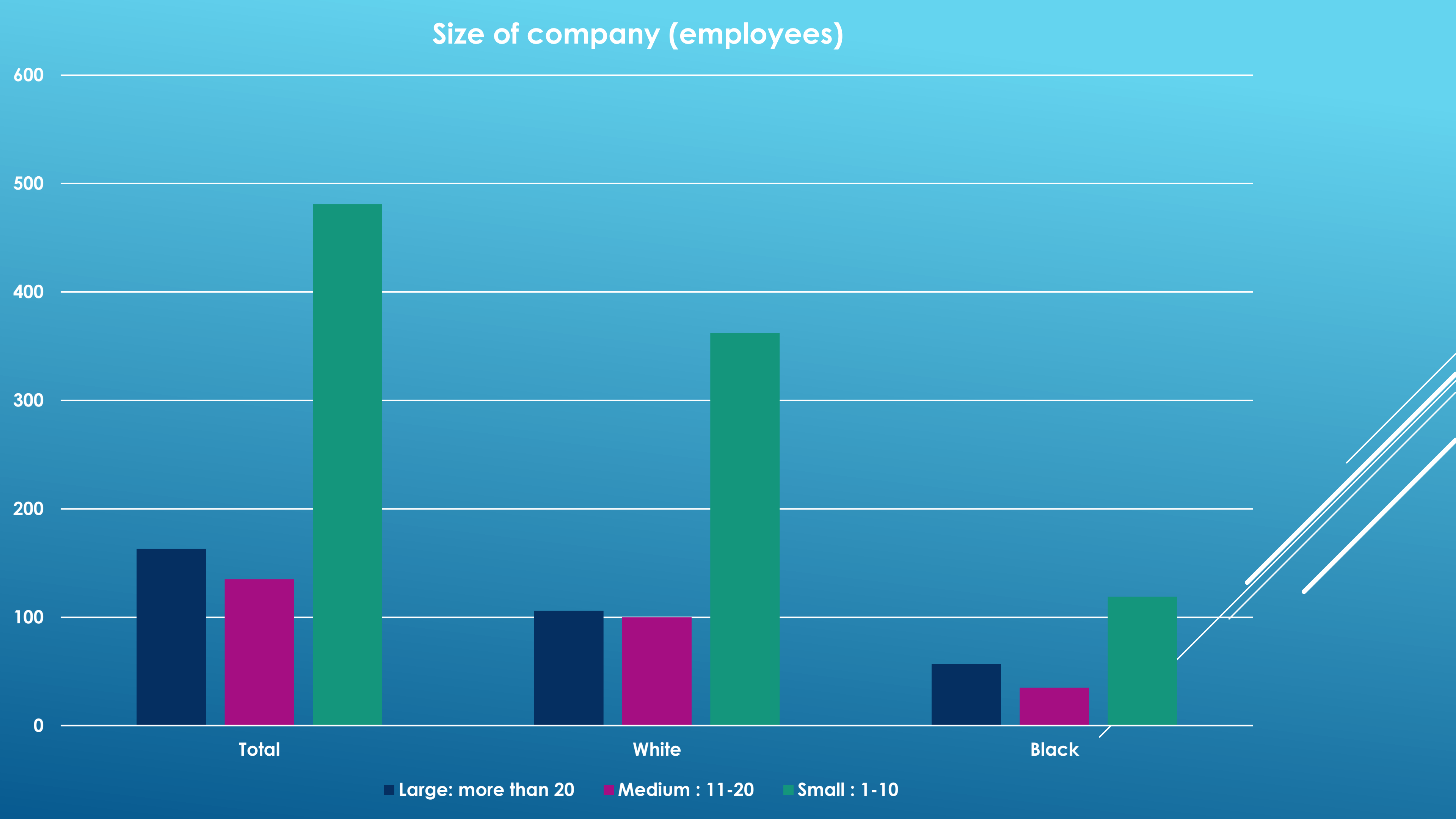
The majority of respondents were between the ages **of 30 to 50**, a similar picture to that of the PIRB statistics. This bodes well for the industry as the majority of respondents are experienced and still have 20+ years before retirement. Of concern is the relatively low number of young people entering the industry, the PIRB stats show a somewhat better picture but we would like to significantly increase the number of young people in the industry. Their are a number of projects currently underway which will bring a large number of young black plumbers into the industry in the next 3 years. The trend must be monitored in future surveys.

7

SIZE OF COMPANY (EMPLOYEES)



Size of company (employees)
600
500
400
300
200
100
0
Total
White
Black
Large: more than 20
Medium : 11-20
Small : 1-10

Review Question 7

The responses are dominated by small businesses with 10 or less employees, this was expected. Of interest is the difference between black and white responses, **27%** of black companies are large, more than 20 employees, versus the **20,9%** overall percentage. This may be due to the low numbers of empowered plumbing companies and the strong drive for BEE by large companies and government, which seems to be causing good growth for black businesses.

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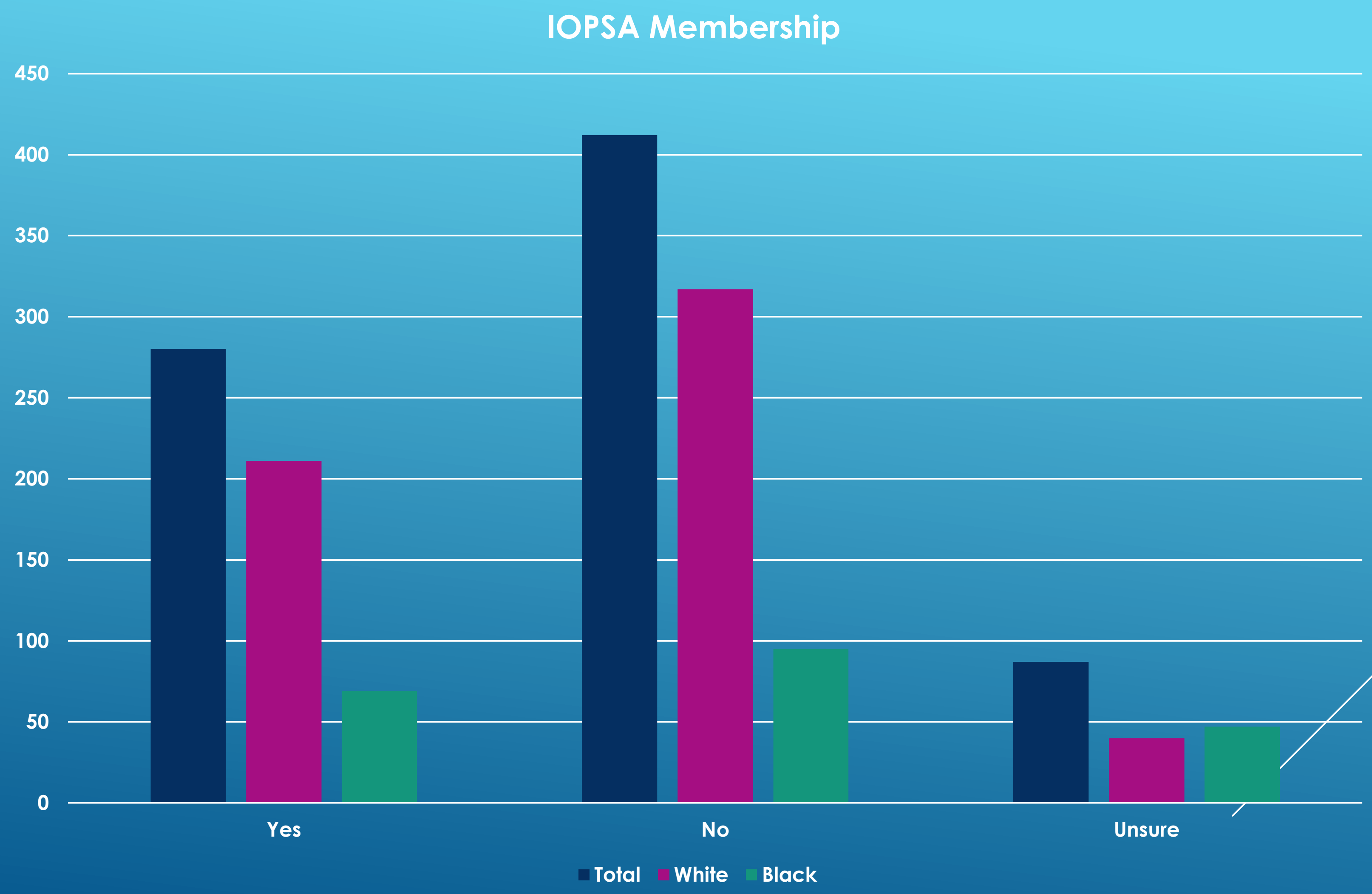
8

IOPSA MEMBERSHIP


IOPSA Membership
450
400
350
300
250
200
150
100
50
0
Yes
No
Unsure
Total
White
Black

Review Question 8

The majority of respondents were not IOPSA members, this is surprising as the survey was conducted by IOPSA and communication was done mainly through their channels. Of note is the high percentage of respondents who were not sure whether their companies are IOPSA members or not, especially amongst black respondents. This, together with the responses to the BBBEE score question below, could indicate that employees are not aware of important company information.

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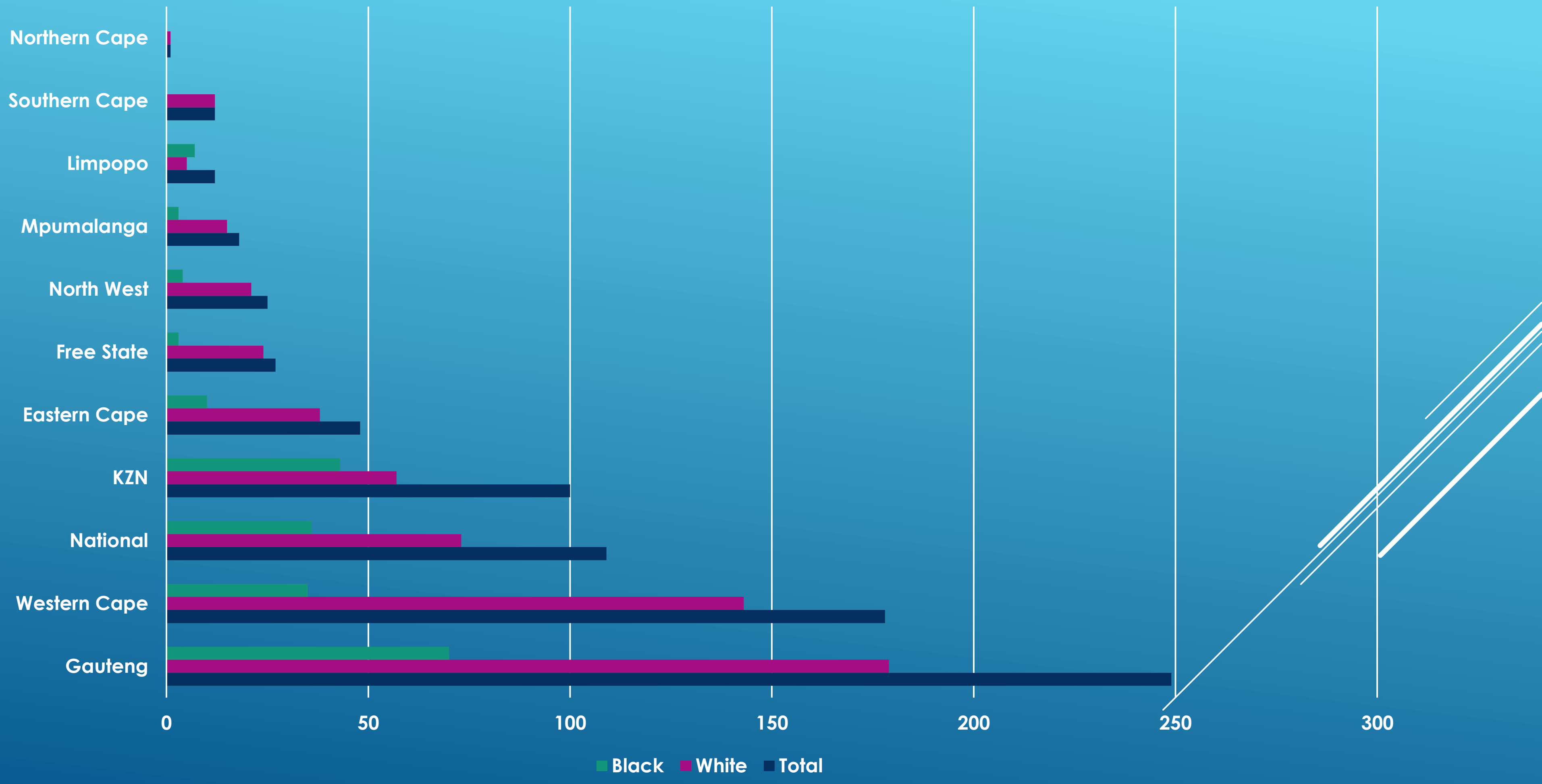
9

WHICH PROVINCE/S DOES YOUR COMPANY TRADE?

Provincial Distribution



Review Question 9

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As one would expect, the bulk of respondents were from the major centres; Gauteng, Western Cape and KZN. The survey's results were based on were the companies conduct business. Of particular interest is the relatively low numbers of black respondents in the Western Cape and the relatively high numbers of black respondents in KZN, we have no particular insight into why this is but it will be monitored in future surveys.

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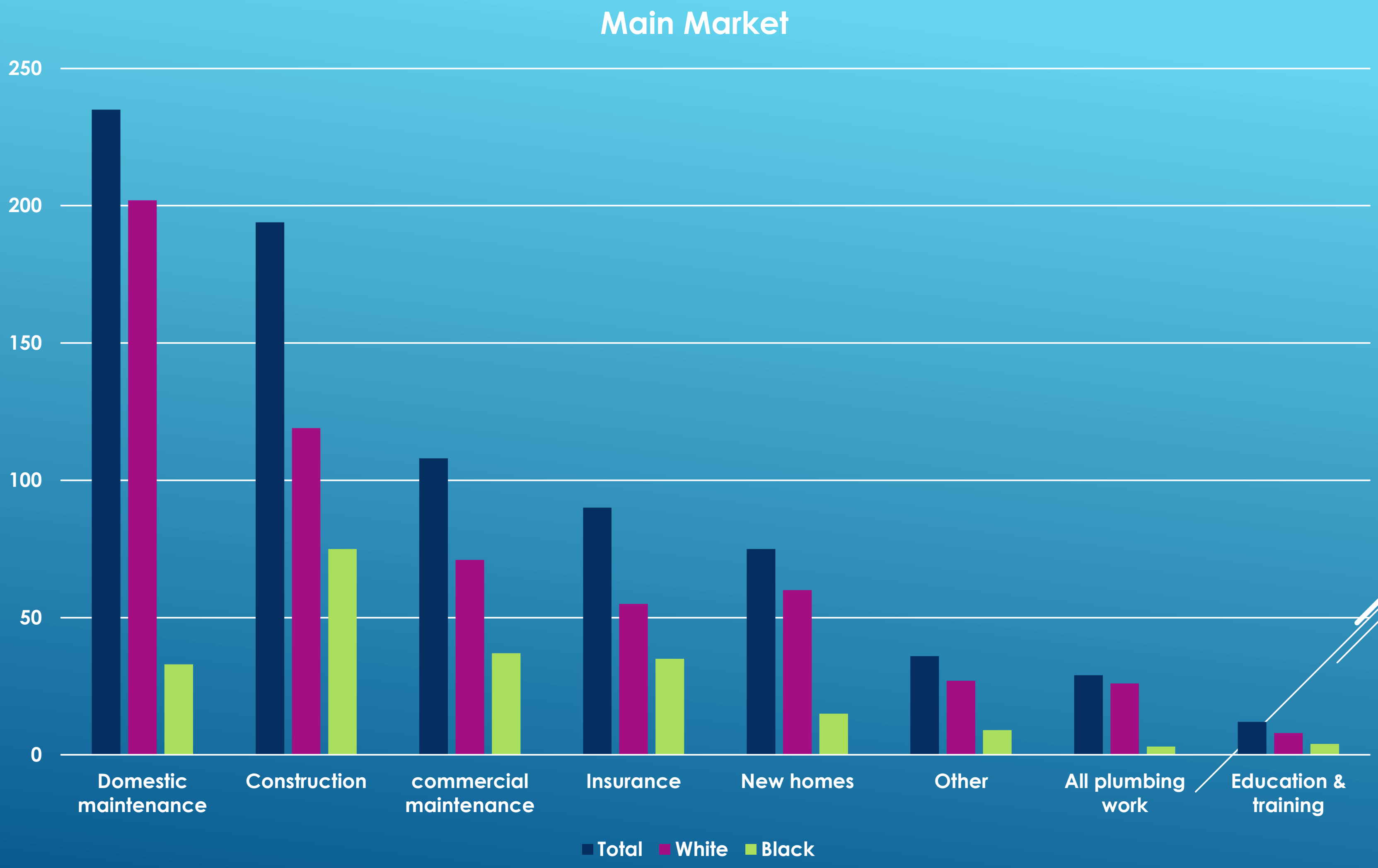
WHAT IS YOUR COMPANY'S MAIN AREA OF BUSINESS?

10

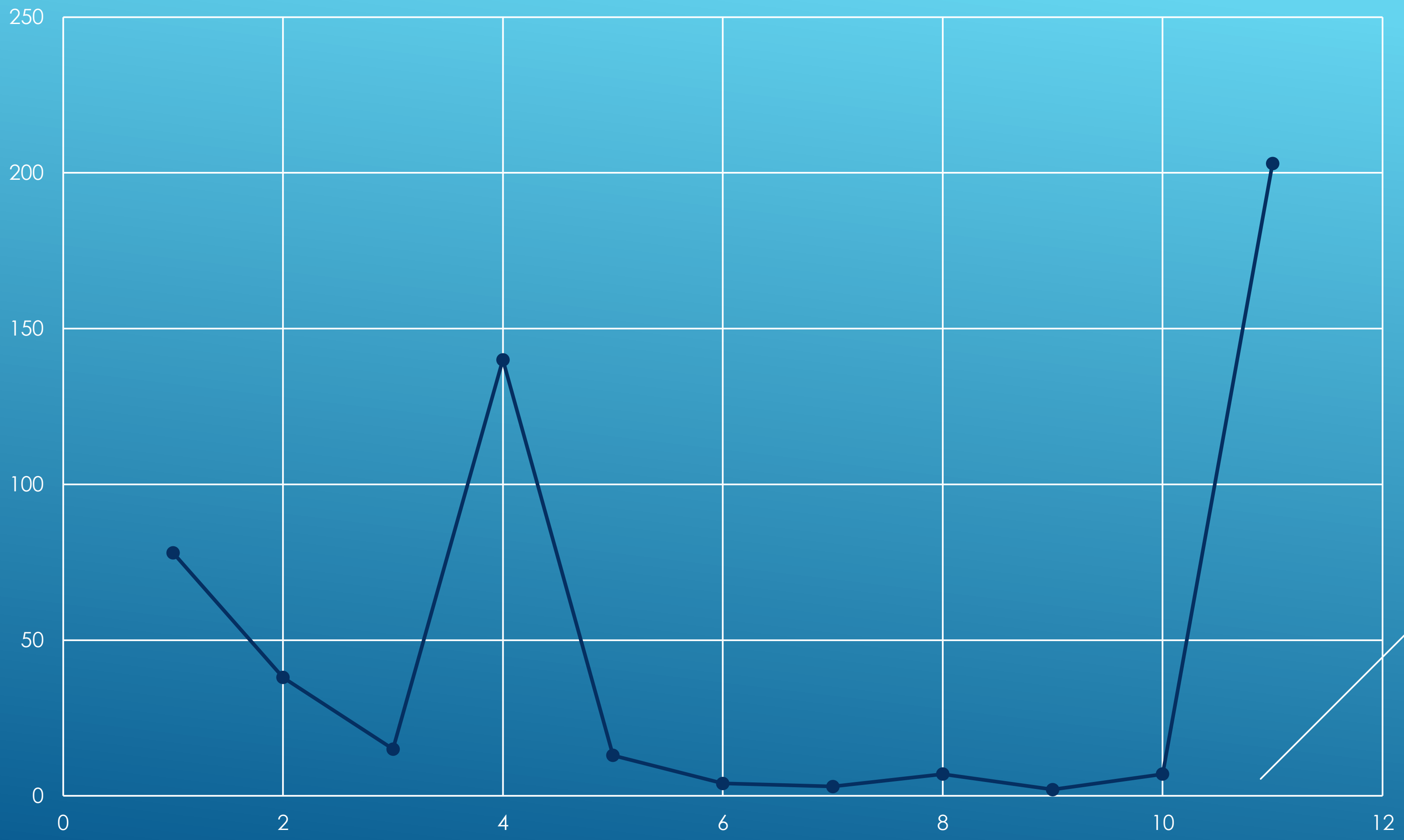

Main Market
250
200
150
100
50
0
Domestic maintenance
Construction
commercial maintenance
Insurance
New homes
Other
All plumbing work
Education & training
Total
White
Black

REVIEW QUESTION 10

- The largest number of respondents are involved in domestic maintenance, followed by construction. The surprising result was that the insurance sector only accounted for 11.6% of responses. Both IOPSA and PIRB have focused large amounts of time and energy to this sector, more research is needed but perhaps IOPSA needs to re-focus its efforts in the domestic maintenance and construction sectors. Black respondents had much higher exposure to the construction and insurance sectors, this is most likely due to the high demand in those sectors for BBBEE level 1 to 3 companies, it could also explain why black owned companies are relatively larger than their white counterparts.

WHAT IS YOUR COMPANY'S BBBEE SCORE?

11


250
200
150
100
50
0
0
2
4
6
8
10
12

REVIEW QUESTION 11

34,8% of respondents have a BBBEE score of **4** or better, this is not surprising as a large number of respondents work for/own small companies and most likely fall into EME/SMME categories. If we adjust the total by removing the "not sure" responses, the picture looks significantly better at **53,1%.** However, the biggest concern is the very large numbers of companies that have not been rated on the BBBEE scorecard. This points to either ignorance or fear, IOPSA's Transformation Committee has been tasked with educating its members regarding transformation and BBBE which may assist those who have not been rated yet. IOPSA has recently started collecting the BBBEE scores of its members, to date only **17%** of members have submitted. A lot of effort and focus needs to be placed on transformation in the industry.

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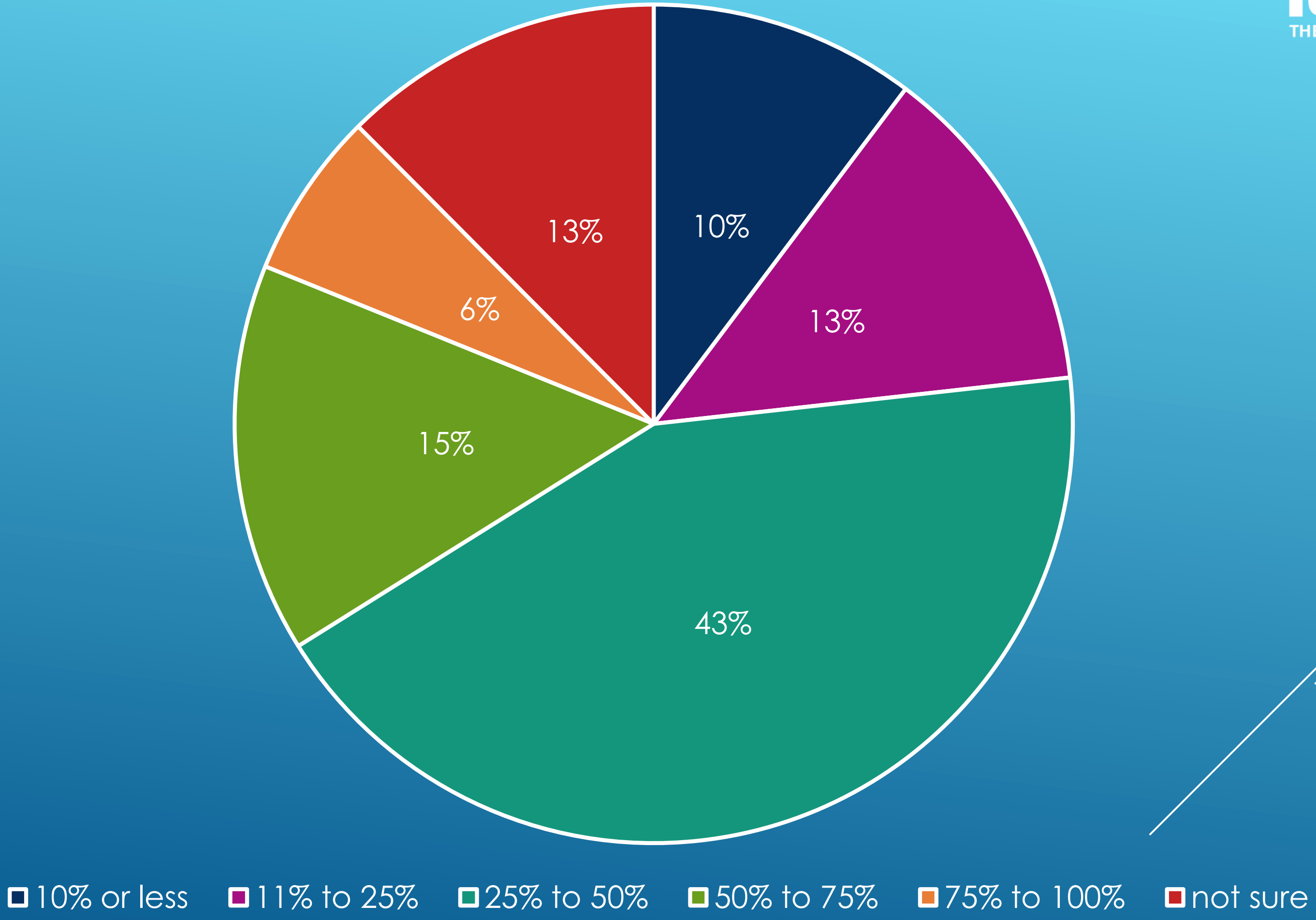
PERCENTAGE OF NON-COMPLIANT PRODUCT IN THE INDUSTRY

12



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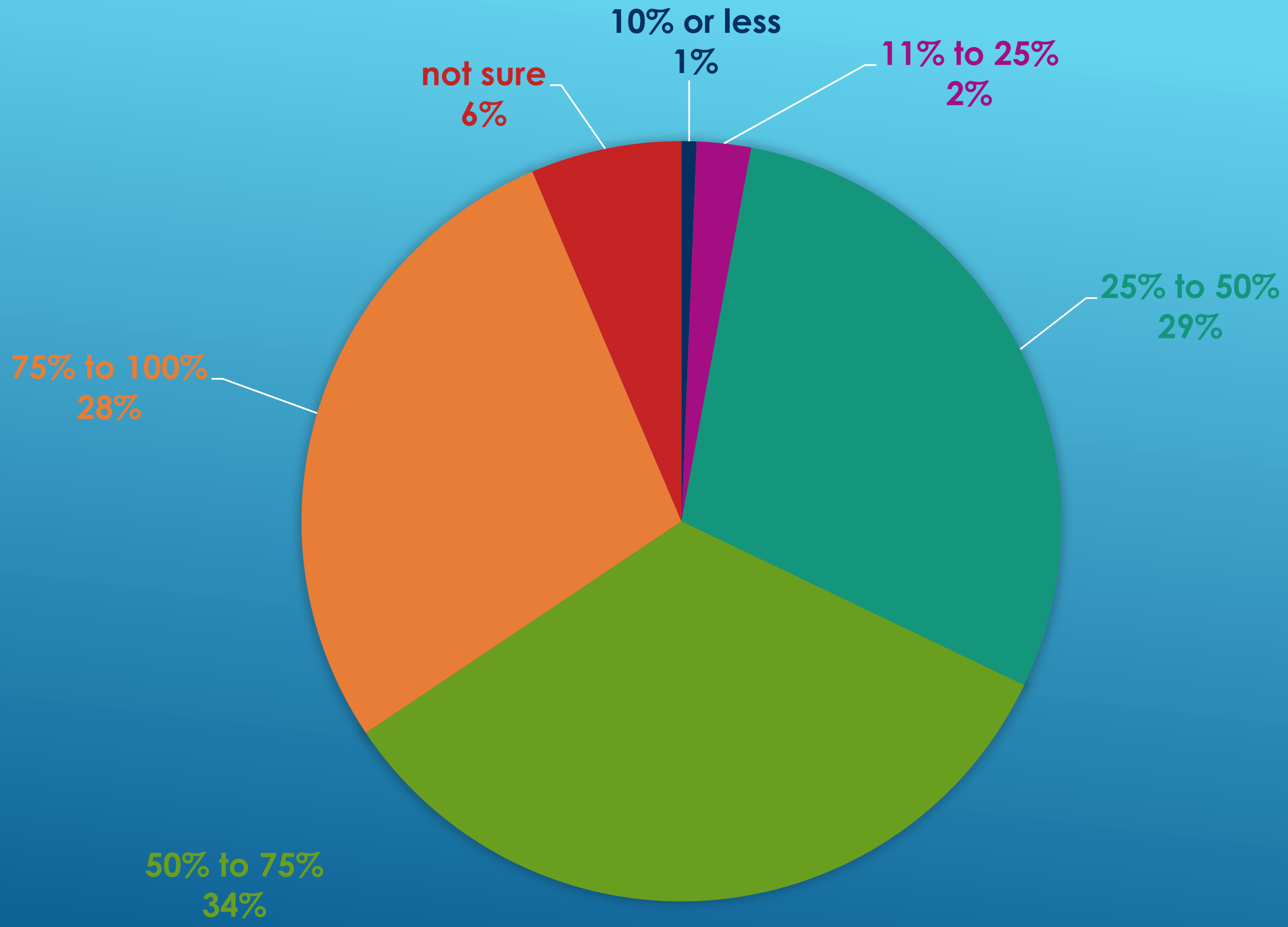
REVIEW QUESTION 12

The largest number of respondents, **42,9%,** believe that between 25% to 50% of all products used in the industry do not comply to the South African Standards and Regulations. This is extremely concerning and points to failures in the policing of standards and regulations. If such a large percentage of plumbing material being installed is ,in fact, non-compliant, one can safely assume that the companies selling plumbing materials are complicit. The advent of audits on PIRB COC's will go a long way in reducing the use of non-compliant products but unless industry as a whole takes a firm stance against buying, selling, marketing and installing non-compliant products the problem will persist.

13 PERCENTAGE OF WORK DONE BY UNQUALIFIED PLUMBERS


10% or less
1%
11% to 25%
2%
25% to 50%
29%
50% to 75%
34%
75% to 100%
28%
not sure
6%

REVIEW QUESTION 13

The largest number of respondents, 33,5%, believe that between 50% to 75% of all plumbing work being done is completed by unqualified "plumbers". This is extremely concerning, although not unexpected. The lack of policing as well as the failure of the Education & Training system over the last last 10-15 years is largely to blame. The introduction of the PIRB COC's and the resultant audits will go a long way in addressing these issues, however much more needs to be done to gain broader acceptance especially on the sale of homes. There is also a big need to educate consumers at all levels. IOPSA needs to do much more in this regard.

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14

BIGGEST IMPACTS ON SUCCESS

BIGGEST IMPACTS ON SUCCESS

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1. Unqualified Plumbers
2. Late payment
3. Imported products
4. Unapproved products
5. Bad debt

Review Question 14

Unsurprisingly, based on the previous responses, the biggest impact on plumbers' business success is unqualified "plumbers" operating in the market. These individuals generally work for lower rates and often flout the law, either through ignorance or to reduce the cost of a job. Either way their activities end up impacting on the profitability of legitimate plumbers.

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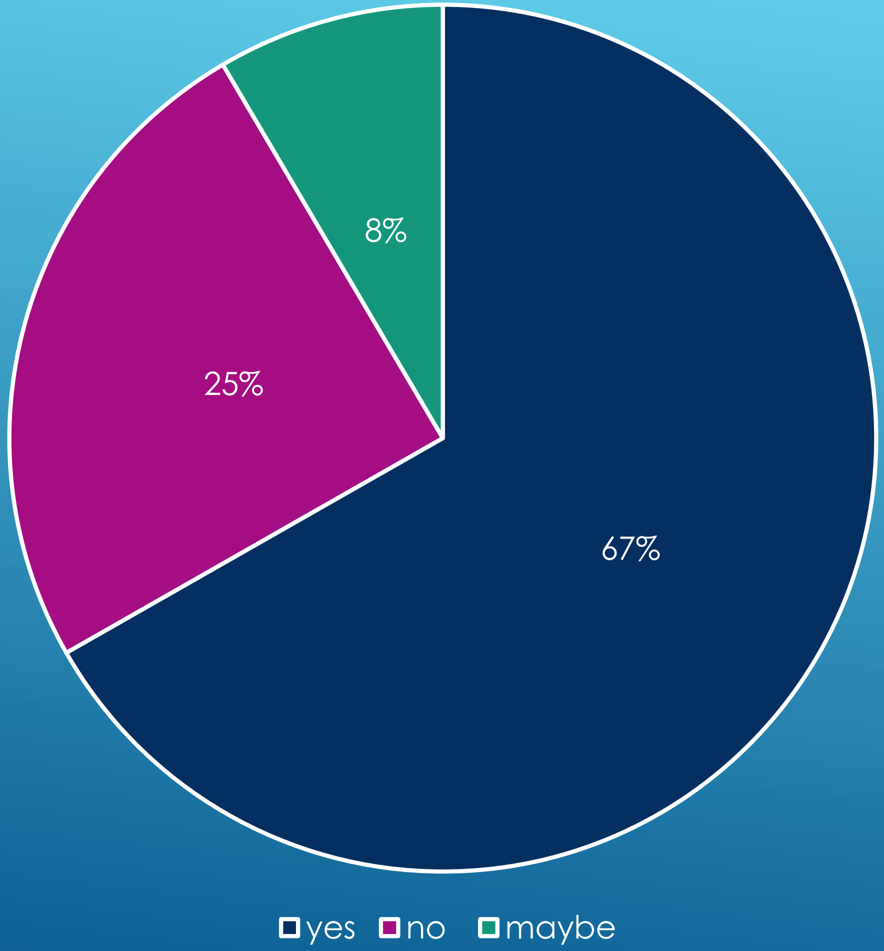
PARTICIPATION IN FORMAL TRAINING

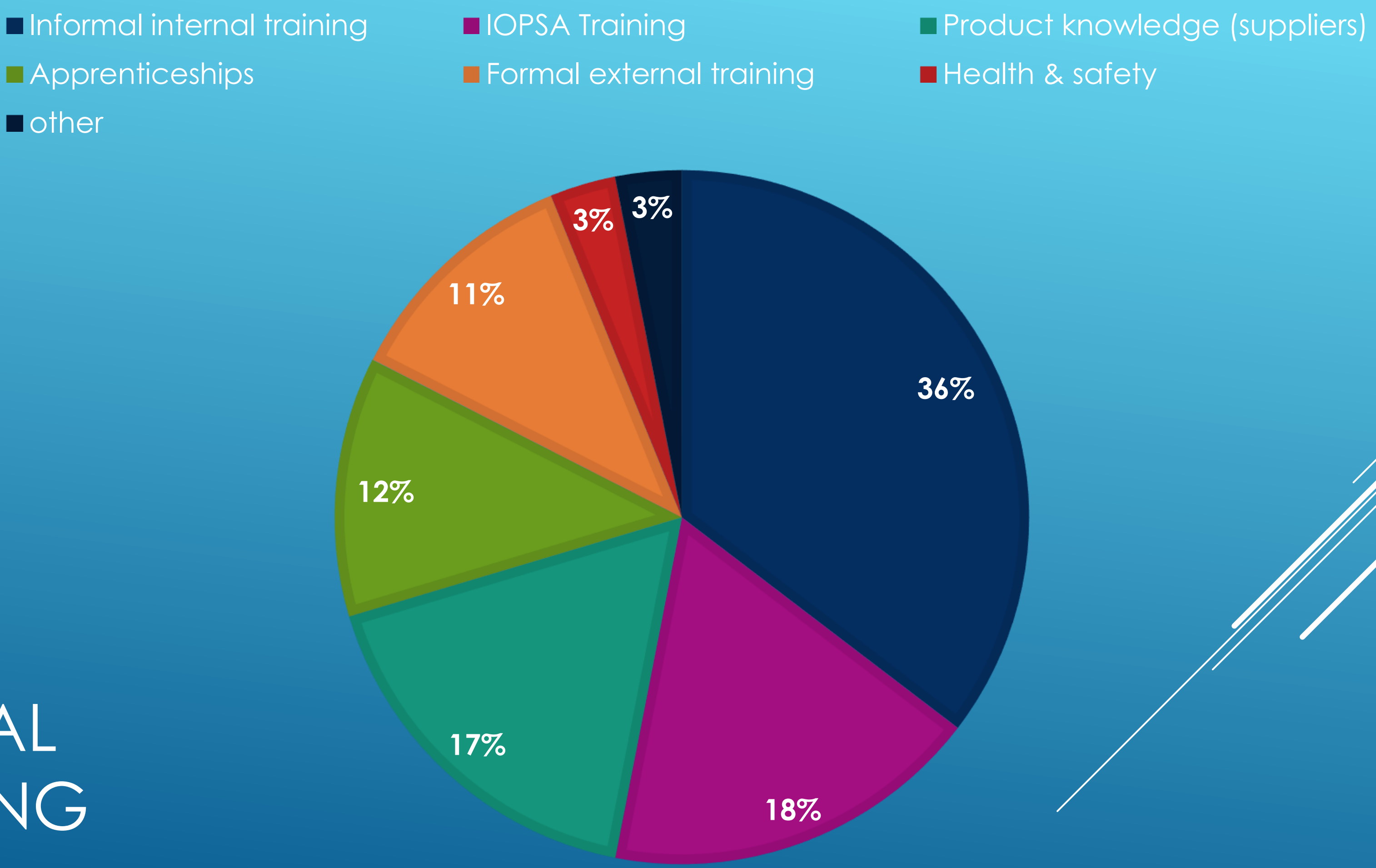
15

15

PARTICIPATION IN FORMAL TRAINING



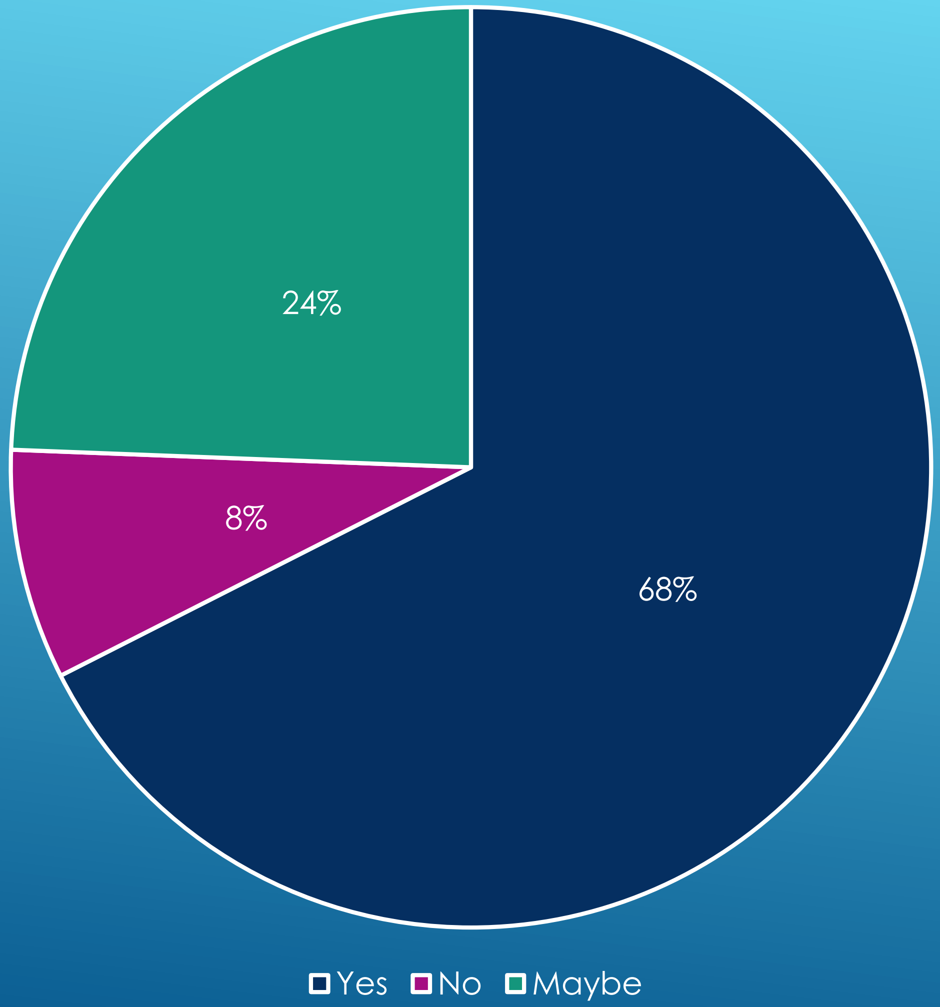
16



FORMAL TRAINING

INTERESTED IN IOPSA FORMAL TRAINING

INTEREST IN IOPSA FORMAL TRAINING



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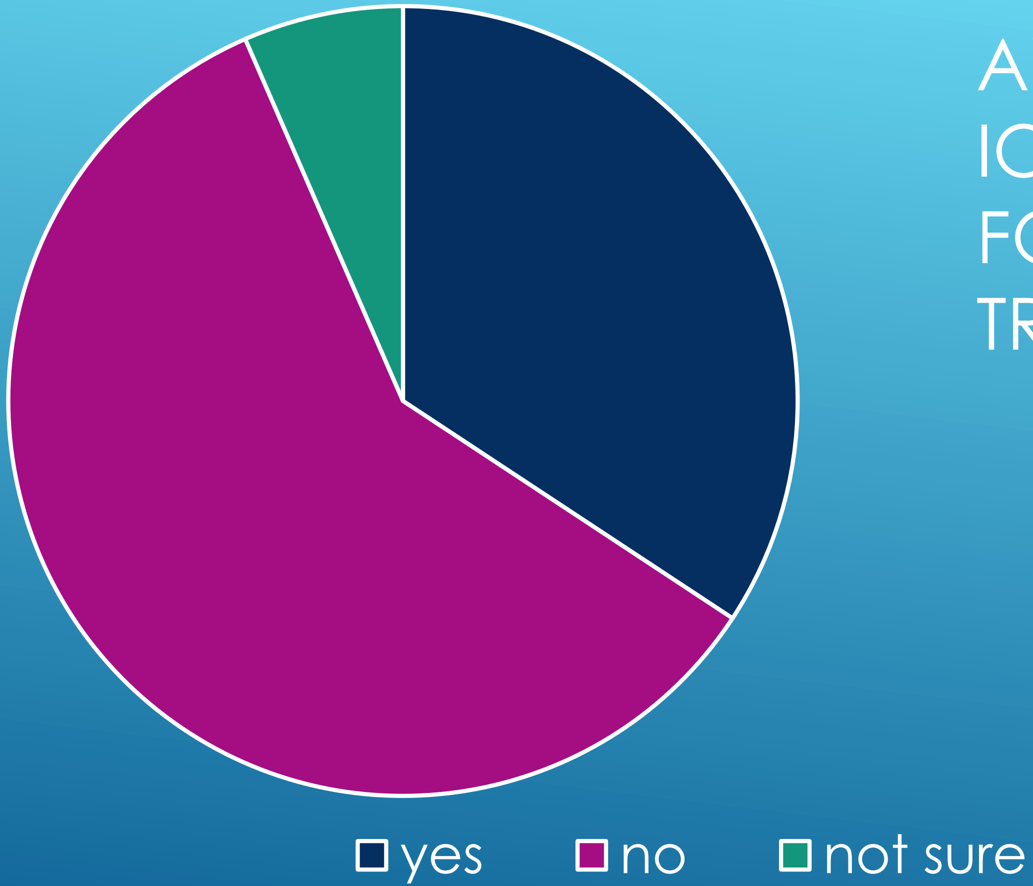
18

AWARE OF IOPSA FORMAL TRAINING

AWARE OF IOPSA FORMAL TRAINING



REVIEW QUESTION 15 -18

- Refer to 15 - 18. There appears to be a lack of understanding of the training environment; 66.8% of respondents indicated that they are participating in formal training. However, when asked to define the formal training 35,4% selected "informal internal training" and 17,3% selected product knowledge training from suppliers, neither of which can be considered formal training i.e. 66.8% of respondents think they are participating in meaningful formal training but less than half of them actually are. Of more importance is the fact that 67,5% of respondents are interested in IOPSA's formal training programmes but only 34,3% of them are aware of these programmes (a similar number to the number of IOPSA members who completed the survey), this presents a major opportunity to IOPSA to fulfill a clear need in the industry for formal training programmes.

PREFERRED FOCUS AREAS FOR IOPSA

19

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RESPONDENT VS OWNER

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Respondent		Owner	
1.	Unqualified plumbers	1.	Unqualified Plumbers
2.	Consumer awareness of IOPSA/PIRB	2.	Improved standards at colleges
3.	Upskilling plumbers	3.	Upskilling plumbers
4.	Improved standards at colleges	4.	Non-compliant products
5.	Non-compliant products	5.	Bad debt
6.	Insurance company rates	6.	Insurance company rates
7.	CPD point system	7.	CPD point system

Review Question 19

The recurring theme of unqualified "plumbers" is once again highlighted in these responses. Of particular interest is the fact that consumer awareness of IOPSA and PIRB ranked 2nd on the respondents list of preferred focus areas for IOPSA. Considering that roughly only one third of respondents are IOPSA members this was not expected. Nonetheless, the key areas for IOPSA to focus on have been highlighted. It is also interesting to note that the concerns of the plumbers and the business owners are similar, with business owners slightly more concerned with standards at the colleges. IOPSA's focus on the insurance sector is once again called into question.

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IOPSA SERVICE RATING

20

6.6/10

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PIRB SERVICE RATING

21

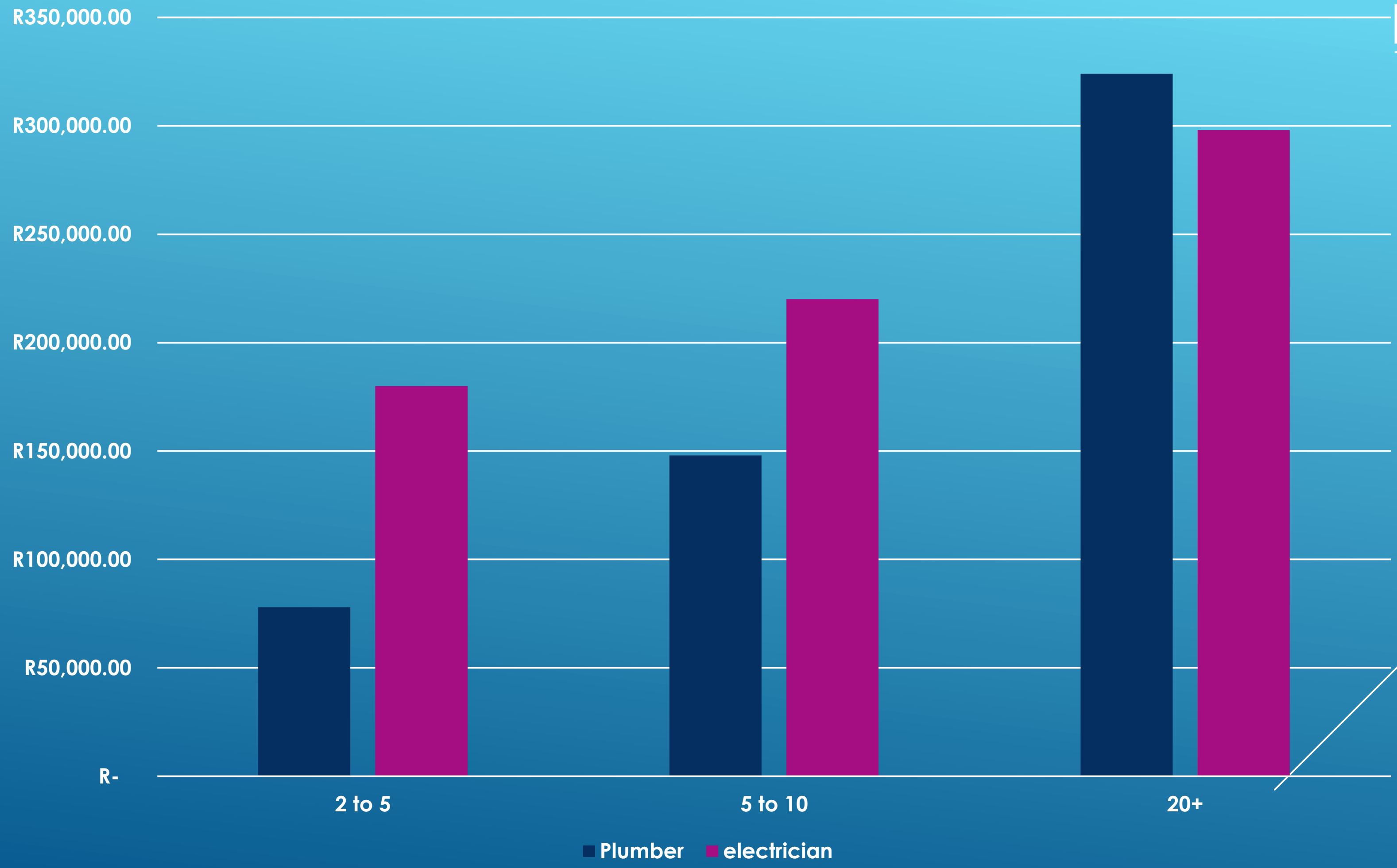
7.2/10

PLUMBER SALARIES

22


Plumber Salaries
Highest
High ave
Mid ave
Low ave
Lowest
R0.00
R100,000.00
R200,000.00
R300,000.00
R400,000.00
R500,000.00
R600,000.00
Annual salary elect
Annual salary plumb

Salary VS Expierience



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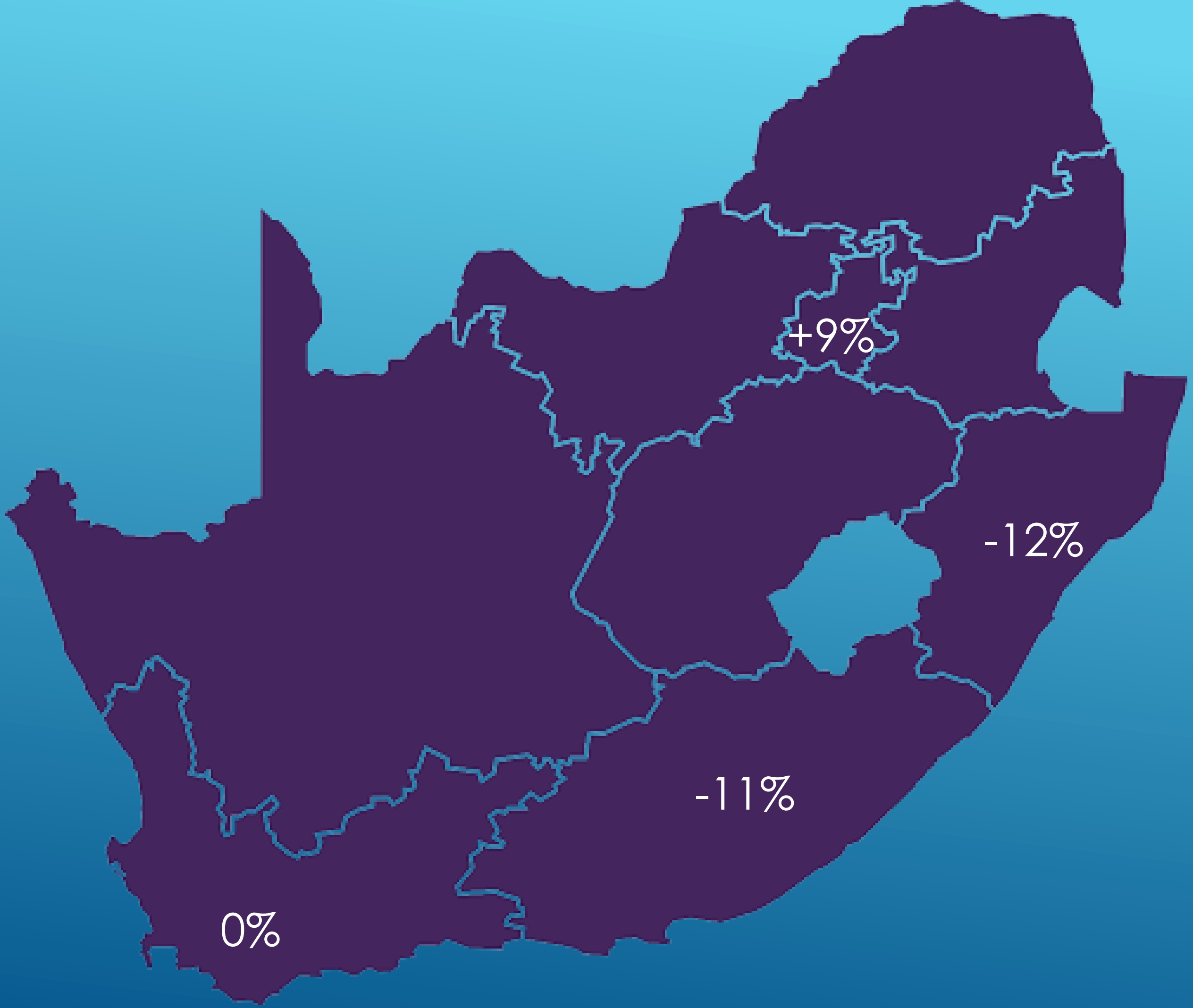
+9%
-12%
-11%
0%

REVIEW OF SALARY SURVEY

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The survey drew salary information from www.payscale.com, www.indeed.co.za and www.salaryexplorer.com. All of these sites draw statistics from actual jobs listed on their sites as well as from potential applicants. Collectively they represent just short of 2800 responses.

Future surveys will include questions about salaries for comparison purposes. We have decided to compare plumber salaries to electrician salaries as they are similar professions with a similar skill set. It is clear that electricians are paid higher salaries than plumbers in every instance, but the biggest variance is found with entry level apprentices.

We believe that this disparity is due to 2 key factors; Firstly, the electricians have a bargaining council in place where minimum wages are set for the industry and for certain other levels of qualification. This prevents exploitation of vulnerable entry level candidates. The lowest salary found for plumbers was a shocking R14400 per annum, which is clearly unacceptable.

Secondly an electrical COC is required on every electrical installation and on the sale of homes. This means that Qualified Electricians are in high demand and are given the recognition they deserve. Conversely, a plumbing COC is only required for selected plumbing installations and this legal requirement still has not been fully implemented by many in the broader market. A plumbing COC is not a requirement on the sale of a home. This devalues the Qualified Plumber and leaves the door open for consumers to use anyone who calls themselves a "plumber".

CLOSING

I am certain that professional market researchers will point out many failings and shortcomings in this survey. We do not profess to be experts or to have a lot of experience in this field. However, we are satisfied that we have been able to extract some very useful information on our industry, at virtually no cost to our members. We will repeat the survey annually and ensure that we improve on all aspects. We welcome any constructive criticism as well as any assistance which could be given.

A big thank you to all those who participated in the survey and to the staff at IOPSA for their hard work in making it a reality.