



## Fellow Practitioner Issue 195 Dated 7 March 2014

### TABLE OF CONTENTS

- [Pay no Fees to the PGDB!](#)
- [The Risk](#)

### IN OTHER NEWS

#### Letters to the Editor

##### Dear Editor

I think you are on the right track with last week's statement regarding the funding of the board.

You will never get anywhere by working with the Board directly so why not bypass them?

What about lobbying Govt to change the funding regime?

This will not be an easy road, but it's the right one.

The Board's funds should be a levy on property rates as it's the property owners who get plumbing, gas and drainage work done and the cost of the Board should be funded by the people being protected by the Board.

Then the Board would be responsible to the wider general public and that might wake them up.

I think most practitioners beef is with the cost of licensing and the cost of gaining CPD points.

### Pay no Fees to the PGDB!



Those that have been in the industry for a while have seen change and not much of it has been good. The Plumbers Gasfitters and Drainlayers Federation (the Federation) has had the courage to stand up for

what it believes in despite what others think and is now taking a stand for the industry.

Some people say strong organisations stand up for themselves but we believe stronger organisations stand up for others and that is what we are doing. For the last four years the Federation has fought hard for the industry and now calls on YOU to make a stand. The question is why?

To understand why we are fighting for fairness and equality in plumbing, gasfitting and drainlaying regulations and legislation we only need to go back briefly in time and look at what has occurred.

In 2010 the Office of the Auditor General (OAG) reported on its investigation into the Plumbers Gasfitters and Drainlayers Board (the Board) and made an astounding 15 recommendations for improvement. February 2014 is the 4th anniversary of the Board receiving the report from the OAG and STILL there are issues and we await ANOTHER report but what then? Do we put up with another 4 years while the Board becomes accountable?

When the Plumbers Gasfitters and Drainlayers Act 2006 was implemented in 2010 the Board "carried over" a Continuing Professional Development (CPD) scheme to operate under the new Act. Some practitioners were prosecuted for working without a license when the Board wouldn't issue them a license because they didn't have sufficient CPD points. This scheme was later proven by the Federation to be illegal but yet the Board continued on with it.

Fees have increased and the Federation has it from a very reliable source that fees increased for the implementation of the 2006 Act were meant to be a temporary measure but it seems the fees have stayed up and have steadily increased. In 2010 the Board gazetted the fees and levies for the industry where there were cross subsidisations and where license fees were used to subsidise registration fees which were claimed to be \$1,400.00. That cross subsidisation is no longer needed to support registration costs but has never been returned to the industry by way of fees reductions.

Fees and levies were claimed to be based on a time allocation of staff to functions but the Board has never been able to produce any

If our licence fees were modest then we wouldn't be complaining.

**Ed:**

You are right and you will notice we have been hinting at that for some time now. We need to get members to understand and back the stance and then we can start the lobbying in earnest.

Fairness and equality is all we have ever asked for and all we have ever got is money taken from us unlawfully and then legalised by the government.

We suggest that if anyone goes to any election meetings that they bring up the plight of the industry and that the government voted to legalise unlawful fees and levies.

**Dear Editor**

The Plumber Gasfitters and Drainlayers Board have elected their new chairman.

Mr Peter Jackson has been elected to the Chairman's role with Mr Graham Hardie as his Deputy Chair.

Having two fellow practitioners at the helm may be what the industry needs to move forward by ensuring the decisions made at the governance level have a positive effect at the trench level.

It is my hope that Mr Jackson and the Board can work with all industry representatives, and not just the Master Plumbers as Mr Jackson has alluded to in the latest info brief.

documentation to support this claim. That same year a number of one off projects were included in the calculations for the industry fees and levies:

- Consumer awareness campaign \$250,000.00
- Practitioner Roadshow \$30,000.00
- Fees review \$20,000.00
- Organisational review \$10,000.00
- Infringement notice project \$15,000.00
- Debt Collection project 5,000.00
- Office systems and process development project \$30,000.00

A total of \$360,000.00 included in fees and levies for one off projects that have been collected annually for the last 4 years. Based on the Board's figures they have OVER COLLECTED \$1,080,000.00 for the one off projects and this continues in our current fees and levies.

One would have to ask where the cross subsidisation money equating to about \$534,000.00 (\$40.00 per license at that time) annually has gone as the last fees review saw a \$1,000 reduction in registration costs per registration?

While on the subject of fees and levies our industry became the one and only industry that 100% funds its Board and 100% funds the prosecution on non registered people. The Board also became the first registered charity to be given the power by the government to tax (levy) the industry to prosecute non industry people.

The Government in its wisdom passed the Plumbers Gasfitters and Drainlayers Amendment Bill which retrospectively legalised the fees and levies collected by the Board including those mentioned above and the expenditure of the money, effectively taking away industry rights to recover the unlawfully obtained money.

There have been investigations and prosecutions of practitioners who have plead guilty to save costs and there have been others who have fought the Board and won but yet have been destroyed. The Paul Gee case is very relevant where 44 charges were laid and he was only found guilty on two charges (which are still disputed).

Evidence was withheld from the defence, statements made were false and were withdrawn under cross examination, false letters were sent to customers by the Board affecting the reputation of Mr Gee and at the end of the case after the Board had spent over \$200,000 and lost (98% of the case), the investigator and the lawyer were not held accountable by the Board and nor were the people who did the work that Mr Gee was charged with doing. How can this be you ask? If you did work that was so inept (i.e. 98% of it was wrong), you would not be in this industry long – and yet the Board continue on their merry way.

I believe now is the time for the Board to fulfil its promises to the industry that have failed under Mr Jackson's predecessor.

For the industry to move forward long overdue changes must be made. These include:

- Complete removal of the C.P.D. scheme in its current form.
- Meaningful and ongoing consultation with all industry representatives.
- Repairing the dysfunctional relationship between the Board and practitioners.
- Ensuring all decisions made are legally correct and necessary.

The future of our industry will be determined on the relationship between the Board and the practitioners it governs.

Mr Jackson's predecessor arrived into the position promising major change and a better working relationship between the industry and its governing body.

He promised to repair the Board's image and ensure that all board decisions were legally compliant at all times.....

As one famous politician once said *"I intend to leave it no worse than when I found it"*.

Let's just hope under Mr Jackson's tenure these dreams can turn into a reality.

**Ed:**

Yes writer that would be

The Board now employs four or five lawyers and even recently lost a case in the South Island where they proceeded with charges against an individual based on the word of a council inspector. No investigator was appointed; the cost to the industry for the court case was \$23,470.94 and that does not include Board staff time spent working on the case as the Board didn't account for that or disbursements. So how are they accounting for our money?

Equality with other industries is a joke. We are the only construction industry that 100% funds the functions of its Board. Based on one license held we pay over 500% more in fees and levies annually than electricians and that excludes what we have to pay for CPD associated costs. Those with two licenses pay 660% more and those with three licenses pay 830% more. Electricians don't pay a discipline or prosecutions levy as the government funds that through MoBIE but yet the Government claims our industry is treated the same as other industries. The joke unfortunately is on us for this one!

What about accreditation and reaccreditation of courses to support the Board's failing CPD scheme. Why are the accreditations and reaccreditations free when these course owners are going to charge us to attend and make money from our forced compliance?

Those are some of the reasons WHY!

We are saying we will NOT pay our fees until we are satisfied we are getting fairness and equality or until we are forced by law to pay them and all that will do is force even more people from the industry.

We aren't saying there isn't risk, but weigh it up against the last four years performance and behaviour from the Board and Government.

### The Risk



Protest action can be an effective impetus for change and there is no reason to think that this action will not communicate our message to the Board effectively.

The intent of the protest action is first and foremost to send a message to the Board that practitioners (represented by the Federation) are not being listened to and also to create an administrative backlog to reinforce the Federation's dissatisfaction with how the Board is treating practitioners.

The Federation DID seek legal advice on the proposed action and feels obliged to inform you of the risks, but also to emphasise the Board also face greater risks than practitioners.

The extent of risk will depend on whether the Board takes a reasonable or a retaliatory response to the action, but ultimately the Board will have to approve applications where members meet the required criteria.

an excellent outcome to the appointment of Mr Jackson and normally we would say only time will tell but that has been said for years and time has been the industries enemy.

Winston Churchill once said: *You have enemies? Good. That means you've stood up for something in your life.*

**We need action NOW.**

**Dear Editor**

I don't know if you read the Board's Media Releases but I'm getting sick of every media release threatening the industry saying we will be prosecuted or won't be licensed.

It really gets under my skin and makes me want to rebel against them.

**Ed:**

Yes we know what you mean as they have a real arrogance about them.

No fairness and they make all trades people look bad because of a few.

Did you know it is estimated that less than 1% of jobs done by the industry get complained about.

Does the industry get any credit for the 99% that are right? Nope we just get belittled by a bunch of bureaucrats.

**Conspiracy theory**

If you believe in conspiracies you would almost say the Board is taking the line it is to force the industry to join "membership

If the Board take a retaliatory stance the risk is higher for practitioners whom the Board may take action against but also higher for the Board in that they risk appeal action, practitioners dropping out of the regulatory environment and continued dissatisfaction in the industry.

Although members whose practice licenses lapse while their renewal applications are being considered by the Board will be able to continue to work legally, there is risk, but protest actions usually have some sort of risk associated with them and that does not necessarily mean action should be avoided .

If the Board does receive the applications members will be able to legally work while the applications are being considered but may find themselves unlicensed if the applications are declined, however the Board have set a benchmark over previous years where they have given practitioners time to relicense as would be expected of a fair and reasonable licensing authority. They have extended that latitude to include telephoning to remind practitioners of their responsibilities without prosecution but warning of behaviours.

For members who are qualified and meet the licence criteria the legal consequences would only be temporary, as the Board would be obliged to relicense them when an application is made with the prescribed fee.

A reasonable board should advise practitioners promptly if their applications are being treated as un-submitted, but there is no express legal obligation or timeframe for doing so. Members may find themselves in a legal quagmire where they are entirely unclear whether they are licensed or not in the meantime. This is where common sense will prevail and the Federation will be on hand to help.

If the Board accepts and considers the applications, it is likely to decline the applications. At that stage individual members whose licenses have expired would find themselves unlicensed and would have to pay the required fees and levies.

Obviously if members stop trading while unlicensed there will be an impact on their business. Members who continue to trade risk prosecution but that may be an acceptable risk as the Board may be reluctant to prosecute in response to a large scale action provided that members are quickly taking steps to renew their licence.

Practically speaking the only thing stopping members from continuing to work is the threat of prosecution for operating while unlicensed. If a large number of members take part in the action, and members quickly take steps to pay their fee IF their applications are declined or not accepted in the first place, the Board may be reluctant to prosecute on a large scale and the Courts may view the matter as relatively trivial.

However there is the risk that the Board makes an example of particular individual members and all members will want to avoid prosecution and the effects of a successful conviction.

But what is the risk of doing nothing?

organisations such as Master Plumbers,” to coin a phrase from the Board.

The Federation has been stepping up to hold the Board accountable and to get fairness and equality in plumbing, gasfitting and drainlaying regulations and legislation but how far do we need to go?

Do we need to develop into a bigger, better organisation?

By all indications the Board is saying the industry needs its own Board and organisation to advocate and represent the industry so how far do you want the Federation to go – what are your views?

We know other representative organisations are having a few issues at the moment so we want your feedback as to what you want in an organisation.

Please let us know

Wal Gordon, Chairman of the Federation, has this to say:

*“This action is not about not paying the fees and levies but only paying them when they are reasonable and when we have assurances the Board will be held accountable for their actions or lack of actions, including any identified in the Office of the Auditor General report we are currently waiting on.*

*The Federation pledge that no member that follows the actions as we stipulated, will be left alone to fight the Board should the Board wish to take a retaliatory action against the individual.*

*I challenge the Board that should they feel it necessary to take retaliatory action against anyone to take it on me and leave other practitioners alone.*

*For practitioners out there Leonardo da Vinci once said “nothing strengthens authority so much as silence” - don’t be silent, voice your concerns through action.”*

Next week we will explain the legal aspects of the protest to show you why it is legal and what the next step is.

**THE TIME IS RIGHT TO TAKE ACTION!**

You are receiving this email as a member of PGDF or because you signed up online.

[Edit your subscription](#) | [Unsubscribe instantly](#)

Plumbers Gasfitters and  
Drainlayers Federation 3  
Jupiter Grove Trentham  
Upper Hutt 5018 Ph (04)  
5277977 Mob  
0276564811 Fax (04)  
5277978  
[information@pgdf.co.nz](mailto:information@pgdf.co.nz)