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### **THE HOUSE OF ASSEMBLY SELECT COMMITTEE ON THE COSTS OF HOUSING, BUILDING AND CONSTRUCTION IN TASMANIA MET IN COMMITTEE ROOM 2, PARLIAMENT HOUSE, HOBART ON THURSDAY, 23 FEBRUARY 2012.**

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**Mr ROY ORMEROD**, GENERAL MANAGER, WORKPLACE STANDARDS TASMANIA, WAS RECALLED AND EXAMINED.

**CHAIR** (Mr Hidding) - As I understand it, Mr Ormerod, the situation is that this committee in its interim report made a non-specific finding about a solution to the stand-off or the non-resolution of the plumbers' fees issues with the NOLS licensing scheme, that you resolve it in a fashion that was as cheap as possible for everybody because this committee is most interested in the cost of housing, building and construction in Tasmania. There is no question in the minds of this committee that these things drive up the cost of building and construction.

We are also aware, of course, that a number of members of parliament, including Mr Booth who is on this committee, have separately been meeting with and discussing issues with plumbers. I am very relaxed about that because that was occurring before it came to this committee and it was later referred to this committee by the Parliament.

I am interested to understand from you, Mr Ormerod, where you see the situation as it currently stands.

**Mr ORMEROD** - The minister wrote to all plumbers in this State on 6 February advising of a new fee structure for plumbers, and I can table a copy of the letter for the committee today. It basically explains the new licensing structure that he has arrived at arising from consultation with the industry. There was an earlier letter sent out over my name on 26 September suggesting a new structure that the minister asked me to send. Then as a result of that we got a number of responses from plumbers: 23 responses were received; 18 were from plumbing contractors, three from plumbers and two from plumbing associations. Twenty-two responses were supportive of this scheme and structure and the only actual opposition was from one of the plumbing associations - United Plumbers of Tasmania, who represent a number of plumbers in their own right of course.

As a result of that the minister wrote on 6 February deciding to proceed with the plumbing structure as suggested in the earlier letter and he will be tabling in Parliament an amendment to the Occupational Licensing Act to allow for the fee structure to have effect because this is around, for instance, a discount for age of plumbers over 65, allowing a contractor to be licensed for three years rather than one year and issues like that to try to give the -

**CHAIR** - That will require legislation?

**Mr ORMEROD** - That requires amendments to the act and from that there will be a need for regulations to be drafted and obviously go through the normal processes.

**CHAIR** - Which would put into place the proposed -

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**Mr ORMEROD** - The new proposed structures.

**CHAIR** - What is the amount that the minister is suggesting?

**Mr ORMEROD** - The amount is actually a sliding scale. Firstly, for a plumber over the age of 65 working alone as a contractor the annual fee will be \$98 and over three years it will be \$260. Previously it was \$462 so there is a significant discount for those plumbers in the older age group because there was a level of concern for those in the industry as they felt that the new fee structure would be sufficient to actually push them out of the industry too early because they weren't doing many jobs.

**Mr BOOTH** - The original fee was \$54, wasn't it?

**Mr ORMEROD** - Under the old act the fee was \$54, that is correct. Under the previous regulation it was \$462.

**Mr BOOTH** - But that has been disallowed?

**Mr ORMEROD** - That is correct.

**CHAIR** - That is over 65 and I have to say that is a pleasing trend to set because this committee has looked at all levels of the building industry and the structure appeared very much for young fit contractors and not to the older, more experienced people who are still in the business.

**Mr ORMEROD** - Exactly. From the point of view of shared cost of administering the scheme, those plumbers are the ones less likely to attract attention from the point of view of issues around compliance, conduct et cetera. Once again it is reasonable they don't need to be required to contribute to that side of the cost of running a scheme as well.

For a contractor with a licence with one operative, that operative could be the contractor himself, the cost is \$390 for one year. Under the disallowed regulations it was \$462. The cost for three years is \$1 100, so slightly discounted again if they choose to go for three years. For a contractor with between two and four operatives, the cost will be \$500. For those it is an increase from \$462 to \$500. A contractor licensed with five to nine operatives, it goes to \$750, discounted to \$2 200 over three years. A contractor licensed with 10 or more operatives, it is \$1 000 per year and \$2 950 over three years. That is the change there. The idea being that those larger companies will be paying a share of the cost, which is probably equal to the size of the industry.

**CHAIR** - Would it be accurate to say that the majority of contractors in Tasmania would fit into that \$390?

**Mr ORMEROD** - That would be correct.

**CHAIR** - So that's the main area of disputation, I take it.

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**Mr BOOTH** - Was the minister aware that Parliament has referred this to this committee to determine fees before he decided unilaterally to try to impose a fee structure on plumbers?

**Mr ORMEROD** - I expect he would, but that's a question for him.

**Mr BOOTH** - I just raise the matter procedurally, Chair. It seems that that would be a contempt of this committee for the minister to pre-empt the work that Parliament has referred to this committee to do. I find it somewhat pre-emptive and extraordinary that if there is a parliamentary committee tasked to look at this that the minister would go ahead and attempt to table these fees. I suppose it would be up to the committee to discuss whether or not it is a contempt, but it seems to me quite extraordinary that this has occurred. It is not helpful to our deliberations because it is very unilateral behaviour.

**Mr ORMEROD** - I am aware that the licence fee structure that I have mentioned today has already been across this committee. There was a draft list of licence fees that I handed over to the committee some time ago so this shouldn't present a surprise to the committee. That's all I can say.

**CHAIR** - Conversely, for that precise reason it shouldn't be a surprise to the minister either, the fact that we had it and were considering it. We can't expect Mr Ormerod to comment on that, obviously, but the member has made the point and he can raise it later in committee.

**Mr BOOTH** - Mr Ormerod, with regard to the reason for the fees, I understand it was because in the National Occupational Licensing Act there is a requirement to pay so much per practitioner. Could you remind the committee of the details of the proposal to go into NOLS?

**Mr ORMEROD** - Firstly, I should remind the member that these regulations are attached to a State act, the Occupational Licensing Act, which was passed by Parliament in 2005. For plumbers it only came into effect a little more than 12 months ago. The fee structure fundamentally was based upon the cost of administering the Occupational Licensing Act. However, Mr Booth is correct, there is a component there to take account of the cost of NOLS given that that is likely to be implemented some time this year. The fee structure under the national Occupational Licensing Act will ultimately attach itself to a different regulation, to a different act, so therefore you have to look at it from a different point of view in that regard. In the meantime, there is a cost the State has to contribute towards the cost of setting up the NOLS structure and there are already costs occurring. Given it is all around occupational licensing in particular, the four to start with are real estate agents, plumbers, electricians and gasfitters. The idea was to actually incorporate a fee into the fee structure to allow for that contribution to be shared across those occupations.

**Mr BOOTH** - How much have we sent to Canberra effectively?

**Mr ORMEROD** - Sorry, I cannot answer that question; I did not think to bring that with me. My apologies. I can certainly provide that to the committee later on.

**Mr BOOTH** - That is based on a pro rata basis per licensed occupation, the numbers of each licensed occupation?

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**Mr ORMEROD** - Yes. We actually arrived at a figure based upon the total cost and separated it amongst the plumbers. It works out to be about \$30 - roughly.

**Mr BOOTH** - I would just like that for the committee because you did mention it.

**CHAIR** - Are you working on a policy basis that you are looking at cost recovery -

**Mr ORMEROD** - Correct.

**CHAIR** - Or are you setting fees so that you can backfill the services up to those fees? In other words, are you setting a fee to say we will have money to do all sorts of things? Could you make a case now, for instance, on the \$390 of what you will be expending on behalf of one of those contractors?

**Mr ORMEROD** - Firstly, you must remember that the whole idea of licensing is really about two aspects: consumer protection and consumer safety. When you regulate an occupation sometimes those in the occupation ask the question, 'What am I going to get out of this?'. Apart from a good, well-regulated industry which ensures that the only people trading are those who are properly qualified and up to a certain standard of conduct, that is as far as we can offer as a service to the contractor or to the occupation itself. But from the point of view of the consumer it grants a level of confidence, knowing that they can go and deal with a plumber, in this instance, and know that the plumber is licensed in Tasmania, licensed to a certain standard and knows that if there is a problem in relation to the outcome then they have a place to go.

**CHAIR** - I do not perceive anybody out there disagreeing with the notion that you need to keep a tight register of plumbers in Tasmania. However, the cost can be looked at in a couple of different ways. In recent history when we contracted a register out to the private sector, John White said it was going to cost  $x$ , and now it is in another environment it costs a heck of a lot less than  $x$ . This committee has actually found that the money that comes in is used for a particular purpose, is well spent and there is no profit and there is no overspend. How can we be assured that is going to happen here? Of the \$390, how much are you looking at expending to benefit a plumber?

**Mr ORMEROD** - To benefit the occupation groups, this fee structure is structured for plumbers, gasfitters and electricians. It is a similar structure because it is within the licensing group -

**CHAIR** - So are you saying electricians are going to be paying \$390?

**Mr ORMEROD** - They will be ultimately. At the moment they are paying a different rate. They are paying a higher rate because the rate that was in the regulation that was disallowed by Parliament was a rate that was across three occupational groupings, but the plumbers are paying nothing at the moment. The proposal is that they pay this at a reduced rate and that that will be shared across the other two occupation groups as well.

It is cost neutral; that I can state being the person responsible for administering this. At the moment we currently employ an audit and compliance officer. When we calculated this figure we estimated that we needed three audit and compliance officers and that the

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plumbing industry contribution by way of licensing fees would equate to about 0.8 of one compliance officer for plumbers.

**CHAIR** - So you are saying the three were for electricians and gasfitters and all that?

**Mr ORMEROD** - Across the whole three; that is correct. Of that, when we calculated the costings -

**CHAIR** - Plumbers are 0.8 of one.

**Mr ORMEROD** - That is correct. The compliance officer we have employed is required to investigate issues surrounding all three groups but she has taken a significant amount of her time in relation to plumbers. She has taken complaints from council plumbing inspectors about unlicensed plumbing work. She gets an awful lot of calls from inspectors about unlicensed plumbing work which she is expected to follow through. The interesting thing about that is that there is an expectation that because we find someone is doing unlicensed plumbing work, we will get that person out of the industry, kick them out. But we are finding in many instances these people are qualified plumbers and did not realise that they were supposed to be licensed and therefore needed to be helped through the process of being licensed.

**CHAIR** - Is there a case to say that there is tail to be dealt with here.

**Mr ORMEROD** - A big tail, that is correct.

**CHAIR** - Because once you work the tail through, in a year's time surely the maintenance of a register -

**Mr ORMEROD** - Good question. Then you go into the next level and this is what we found with building practitioners. If you start with the process of getting people up to a certain standard then you find yourself doing audit work, ensuring they maintain that standard and getting involved in complaints around conduct. At the moment there is no way that our compliance officer, Fiona, is able to do all the work that is thrown her way. A lot of it is just falling off her desk not being done because we do not have the capacity to do everything.

**CHAIR** - Some of the things being referred to this officer included unlicensed plumbing work?

**Mr ORMEROD** - Correct.

**CHAIR** - Isn't that a matter for the local government inspector?

**Mr ORMEROD** - No, it is not, otherwise it would not be referred to us. The issue with the plumbing inspector is that they can disallow the work, obviously. They have the right to do that. But the point is they cannot then collar the person who did it and say you are unlicensed, because they have no authority. Previously they had nowhere to go with these people because the Plumbers Registration Board did not have the resources or capacity or people to do anything with it.

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**Mr BOOTH** - But they had their legislation. You could prosecute someone for carrying out illegal plumbing work.

**Mr ORMEROD** - But it was not done.

**Mr BOOTH** - Yes, but it could be done.

**Mr ORMEROD** - You are right.

**Mr BOOTH** - You do not need NOLS to prosecute people who are not licensed to carry out commercial work.

**Mr ORMEROD** - Correct. If we just put NOLS to one side and talk about the OLA, which is what this is about, compared to the old \$58 scheme which was under the old Plumbers and Gasfitters Act, that particular board charged a fee which covered basically the employment of one person and the issuing of licence certificates. They had no capacity to investigate issues around conduct et cetera. If you look at the reports you will see that. So what you needed to have was a properly administered scheme that allowed you to employ people to do this work.

**Mr BOOTH** - The Chair asked you for a breakdown of where that \$390 will go. You talked about a compliance officer but can you give us dollar amounts, please? I want to know where that money is going and what it is going to do.

**Mr ORMEROD** - To be quite frank I have only brought with me the licence fee structures. I thought I provided that information previously to the committee but I if I have not I will provide it for you. I can mention the number staff that we employ currently and will keep employed under the scheme.

**CHAIR** - 0.8 of one?

**Mr ORMEROD** - That is the staff to take the application from the people. The 0.8 of one is all about the compliance person. On top of that you have to have people to take the phone call, talk to the plumbers about an application, deal with their insurance requirements and their qualifications, all those issues around processing a licence.

**CHAIR** - How many FTEs are we talking about here for the plumbers, for the \$390?

**Mr ORMEROD** - We have four people in the office dealing with occupational licensing in total. Those four people are involved in all three occupation groupings - gasfitters, plumbers and electricians. I am saying that in the overall cost of the scheme, the end dollar when we collect all the money together, 0.8 of that is paid for by the plumbers. My apologies, I cannot give you the actual breakdown. I will provide that to you in written form but I can get it to you very quickly.

**Mr BOOTH** - Is that 0.8 of the one full-time equivalent?

**Mr ORMEROD** - It is 0.8 of the one full-time equivalent for the three compliance members we want to employ to investigate issues around compliance and audit of those three

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occupational groups. Of the three, 0.8 of one from a costing point of view is the contribution that plumbers were making for those three.

**Mr BOOTH** - And the rest of their money - what does a compliance office cost per year?

**Mr ORMEROD** - In round terms, \$100 000.

**Mr BOOTH** - Okay, so \$80 000 goes to the compliance officer.

**Mr ORMEROD** - Yes.

**Mr BOOTH** - You have something like a bit over a thousand licensed plumbers so what is the total haul you are anticipating bringing in based on the current figures?

**Mr ORMEROD** - I haven't got those figures, sorry; I'll get them. We had the list transferred from the Plumbers Registration Board and that is the list we have been operating from. We didn't know how many have been out in the industry up until the time we took over and we have slowly been bringing those into this new scheme. Not all of them are there yet.

**Mr BOOTH** - But you would be pulling in well over \$400 000 just from plumbers' \$390 base fee.

**Mr ORMEROD** - Possibly, yes. That covers the other costs associated with the other people employed, plus on-costs.

**Mr BOOTH** - We have over \$400 000, we have \$80 000 for the 0.8 full-time equivalent, so that leaves you with over \$320 000.

**Mr ORMEROD** - Correct.

**Mr BOOTH** - What is going to happen to that money?

**Mr ORMEROD** - That goes to employ staff.

**Mr BOOTH** - To do what?

**Mr ORMEROD** - To take calls, to process applications. You have to issue a secure licence, which is printed in Melbourne.

**Mr BOOTH** - Like a car licence?

**Mr ORMEROD** - Yes, it is. It is much the same price as a car licence and I can give you that breakdown.

**Mr BOOTH** - The actual cost of producing a plastic card?

**Mr ORMEROD** - The cost we are charged by the contractor in Melbourne to produce the card, I can give you that.

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**CHAIR** - How many people in this unit are we talking about when you talk about taking phone calls et cetera?

**Mr ORMEROD** - Four.

**CHAIR** - Four people all told?

**Mr ORMEROD** - Yes, correct.

**CHAIR** - I wonder if we should have Mr Ormerod provide us with a document that shows how that is going to be cost-neutral and what the contributions are from the three sub-trades - electricians, gasfitters and plumbers - and how that comes out to be reasonably neutral. Do you have that document in your office or does it need to be created?

**Mr ORMEROD** - It is in my office and I can have it to the committee this afternoon.

**CHAIR** - Thank you.

Of the work that will be done predominantly for plumbers, so that is 0.8 of one person, if something is referred to that person to say there is a really dodgy job being done on my house by somebody who said he was a plumber, what does that person do about that? Is there a practical dimension of having that looked at, considered and actioned?

**Mr ORMEROD** - There are two aspects of that particular complaint. It is the plumbing inspector who checks to see whether the work has been done according to the plumbing code and the various standards attached to that. The plumbing inspector can then also seek restitution. If the plumber is licensed he can have some jurisdiction in getting the plumber to come back. But if the plumber says, 'Get lost, I'm not interested', that's the end of it.

**CHAIR** - When I was in the building industry, if your drainage job was not up to standard, it wasn't hooked to the main.

**Mr ORMEROD** - Correct.

**CHAIR** - The person couldn't move in.

**Mr ORMEROD** - That's right.

**CHAIR** - The builder is looking for his money but they say, 'I'm sorry, the plumbing hasn't been signed off. There's not a vent on the back', so the plumber has to go back and insert a longer vent on that particular inspection opening point.

**Mr ORMEROD** - And if the plumber doesn't come back, the consumer can't go in.

**CHAIR** - That is a stand-off that would see it resolved. This is the environment we are in. We have local government doing something, but only some of them. I understand there are only 15 plumber inspectors.

**Mr ORMEROD** - I don't know for sure.



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**CHAIR** - There is a bunch of councils that don't inspect plumbing; is that true?

**Mr ORMEROD** - That's correct.

**CHAIR** - None of this improves that, does it?

**Mr ORMEROD** - Not all plumbing work needs to go to a plumbing inspector of the council; it is important to remember that. Those that don't go to the council as plumbing work, unlicensed plumbing work the council has no jurisdiction over, and habitual poor quality work by plumbers is work the council have no jurisdiction over.

**Mr BOOTH** - Why don't they have any jurisdiction? If you have a plumbing inspector by council and a licensed plumber is not doing work that meets the standard -

**Mr ORMEROD** - You cannot stop the plumber from doing more bad work in another house.

**Mr BOOTH** - What about the work he has just done; you do not sign off on it.

**Mr ORMEROD** - That is right, which means ultimately the consumer is out of pocket, because often the consumer pays innocently assuming the work has been done and then the council comes along and says, 'Sorry, this does not meet the standards and is not going to be completed. I cannot let you hook up', and then there is a stand-off.

**Mr BOOTH** - First of all, why does that justify the introduction of NOLS, because I think as the Chair was getting to how is it going to be any different under NOLS?

**Mr ORMEROD** - Under occupational licensing under NOLS, it means you can take an action against a plumber. We can actually seek to have the plumber removed from the industry ultimately if that plumber is an habitual problem. You want to raise the standard of the industry so you want to get the plumber out. The bad egg, who could be a plumber or unlicensed, is removed from the industry ultimately. You cannot do that now.

**Mr BOOTH** - With respect you can on every job that plumber does with the plumbing inspector just not passing their work.

**Mr ORMEROD** - Yes, but it does not stop them going on doing more bad plumbing work.

**Mr BOOTH** - If it is no good you don't pass that, isn't that the case?

**Mr ORMEROD** - In this instance, as I mentioned when I started, it is not actually protecting plumbers; it is about protecting the consumer. In those instances the consumer has nowhere to go. We had this instance when I got involved with electrical licensing some time ago, where every electrical job was inspected by the Hydro and they knew certain electricians were so bad at it they used to go along and fix the problem - at a significant cost. In this industry there is no plumbing inspector who will go and fix the plumber's work, but the plumbing inspector will say, 'I am not going to approve that so come back and fix it.'

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**Mr BOOTH** - Are you saying then that there is no way currently, if it wasn't under the occupational licensing, for a plumber who continues to do the defective work there is no mechanism to require that plumber to lift their standard, to discipline them or to remove their license?

**Mr ORMEROD** - With the old plumbing act there was, but there was no one tasked with the job of doing it, so it wasn't done.

**Mr BOOTH** - So it could have been. Under the old regime, then, not under NOLS, you could -

**Mr ORMEROD** - It could have been done, yes. If you had someone around doing it, correct, but they didn't employ anyone because the licence fee structure was insufficient to cover the cost of employing anyone to do the work.

**Mr BEST** - I am just interested in your views about a plumber's registration system. Obviously there would have been, in all cases with departments and so forth, an exploration of the options to ensure the integrity of customers and to make sure the customers don't continue to get ripped off, say, by a bad plumber. I am just interested in your views firstly about the registration system. Do you think that really is a good option in regard to controlling the quality of plumbers in the industry?

**Mr ORMEROD** - Yes, it is and it follows the similar scheme that we have been operating with electricians for years, so it is a proven model and it is one that electricians like, and it is one which a lot of plumbers want.

**Mr BEST** - So essentially you are saying really the best way to ensure compliance, that is that someone who is a bad tradesperson, is to have that capacity to say, 'Look, we simply do not want you in the industry, we are not going to register you.'

**Mr ORMEROD** - That is correct.

**Mr BEST** - What other ways would there be apart from that where you could probably control it?

**Mr ORMEROD** - I cannot think of any other way to do it.

**Mr BEST** - Thank you.

**Mr BOOTH** - Mr Ormerod, with respect, you said already that the old act had provision and a mechanism there to remove someone's licence, so it was simply a matter of putting in a compliance officer under the old system, or an inspector who could actually then follow through and have those licences removed; correct?

**Mr ORMEROD** - Yes.

**Mr BOOTH** - So now under the proposed system or the current system that you are working under, we had a discussion in Launceston with Wayne Johnson and Kerrie Crowder, myself and Peter Gutwein to try to sort this out and to demonstrate how under this new system consumers would be protected. We had an example of Peter Gutwein's toilet

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being blocked. He has it done by a licensed plumber - the work on the bathroom. He rings up and says, 'My toilet is not working and the plumber says that it is not his problem, he is a licensed plumber and he did it properly'. How is your compliance officer who checks numbers on the doors of cars to ensure that a plumber is licensed, that they are not advertising in the paper without their licence number and all that sort of peripheral stuff, but has no expertise whatsoever at all in plumbing, nor authority to make a determination, how are they going to get that toilet working?

**Mr ORMEROD** - We have examples of complaints up until now.

**Mr BOOTH** - Run that one through. The toilet is blocked -

**Ms ARCHER** - Are you talking about quality assurance?

**Mr ORMEROD** - My understanding of the point you are making is that because we are not employing a licensed and qualified plumber how can that person have the knowledge to negotiate or deal with a poor plumbing job; is that the question?

**Mr BOOTH** - Yes, pretty well and how is the consumer going to be protected?

**Mr ORMEROD** - Firstly, of course, there is always a capacity for the regulator to seek an opinion from a qualified plumber if required but in that instance it would seem to be fairly simple. Peter Gutwein employed a person to unblock his toilet and the toilet is not unblocked.

**Mr BOOTH** - No, to do some work on a bathroom and the toilet blocks up.

**Mr ORMEROD** - Therefore the particular person in this instance would go along to the site, get the plumber over and the consumer and say, 'The toilet is still blocked, Mr Plumber, what are you going to do about it?'. The plumber might say, 'In fact it is blocked because there is a major problem with the sewerage system outside that is not connected to this and it is not related to my work', et cetera.

**CHAIR** - Like our Sorell office.

**Mr ORMEROD** - Fair enough. I had 15 years of these sorts of complaints when I was an investigation officer with Consumer Affairs, a whole range of issues. I wasn't a plumber or builder but I was able to deal with 90 per cent of these issues because in those instances you go to the consumer and say, 'It could well be as the plumber is suggesting. I suggest that you get someone to come along and have a look at it and see in fact what the cause of the problem is.'

**Mr BOOTH** - So you are saying that the actual compliance officer is unable to make any determination?

**Mr ORMEROD** - And doesn't need to because you have to be seen to be one step removed from the process. You don't want to be buying into it and saying, 'I'm an expert here', because you can't be expert in everything.

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**Mr BOOTH** - Yes, but what I am trying to get to is how do you get that toilet fixed? So far the toilet is not working, you have rung up Workplace Standards and said that you have a problem and that you had a licensed plumber do the work and the toilet is not working, so what happens then?

**Mr ORMEROD** - If you go right to the broad question, I would ring up Workplace Standards and say that the toilet is not working. We say, 'Have you got the plumber to come back?'. 'He won't come back.' I suggest you ring the council first because it could be a council issue. The council often will say that they will check to the boundary and they will say that the boundary is clear, so it is not caused by a council issue -

**CHAIR** - The water corporation these days.

**Mr ORMEROD** - Sorry, thank you, the water corporation. Then they would say that they need to be satisfied that in fact it is a problem caused by the plumber who has done some work for you -

**Mr BOOTH** - This is maybe a week later or two weeks later?

**Mr ORMEROD** - It doesn't matter because -

**Ms ARCHER** - It doesn't matter with a blocked toilet?

**Mr ORMEROD** - It does matter, of course it does, but if you are suggesting that by our having a qualified person looking around at these issues that the issue could be done quicker, I am not convinced that is the case because even if you use a qualified plumber to do the work the qualified plumber would look at the blocked toilet and he would discuss it. Unless he is going to roll his sleeves up and fix him it himself he is not going to be able to do it and he is not employed to do that job.

**Mr BOOTH** - But the point I am getting at, Mr Ormerod, is that you have a system in place that you say, in your own words, delivers better consumer protection. It is going to weed out these dodgy plumbers.

**Mr ORMEROD** - Correct.

**Mr BOOTH** - I have given you an example and I want to know what the steps are going to be. You have a compliance officer who has no capacity to make a judgment, other than the toilet. They are probably lawfully able to say, 'Yes, the toilet is blocked. It's not working', but that is it. So who rings the plumber?

**Mr ORMEROD** - We would expect that the consumer would go to the plumber and the plumber says, 'The plumber you employed didn't hook this to that'.

**Mr BOOTH** - No, step us through it clearly. So you have a blocked toilet, the consumer has rung the plumber, the plumber says, 'It's not my work', then the consumer has rung Workplace Standards -

**Mr ORMEROD** - Yes, and they would say, 'Ring the water corporation to start with, to see that it's not an issue caused at the boundary. The water corporation has said, 'It's clear

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this end. I suggest you get a plumber. You've got a problem there and you need it fixed quickly and you may have to pay to get it fixed quickly'. The consumer would then get another plumber in, the plumber would say, 'The problem here is caused by work that was done by a previous plumber'. Because it is an urgent matter, I expect the advice would be given that you had better pay the plumber to get it fixed because you can't have sewage banking up. Then you drop us a note as to how much you have paid for the work, send the bill to us, we would then notify the plumber and say, 'Mr Plumber, the first plumber did the work, we have a complaint from a consumer about a contract between you and that consumer about plumbing work. That consumer went back to you and you said, "Not my problem". The consumer has gone to another plumber; the plumber has done some work and said it is your problem. There is a bill here and a statement from the plumber saying it has not been done properly. Please explain'. The plumber says one of two things. If he is a nice plumber he would say, 'I will pay the money. I'm sorry'.

**Mr BOOTH** - No, no, specifically on that.

**Mr ORMEROD** - Okay. On that instance, that is the end of the story. On the other, we are not a dispute-resolution service, as you would understand. It is all about conduct and compliance. In those instances it is a very serious issue. We would expect the plumber to explain why he or she doesn't believe that that was caused by them. If the explanation is not satisfactory, we can take action against that plumber.

**Mr BOOTH** - But who would decide whether it is satisfactory? What you have done here is set plumber against plumber. You have required the consumer, who is supposed to be protected under this, to basically whistle Dixie, go through the phone book, find another plumber, get that plumber out, get them to pass a judgment on another licensed plumber who has gone through the same system, who then makes a judgment on their fellow plumber. They have no authority to do that. What standing do they have?

**Mr ORMEROD** - If we believe that this is a stand-off situation - most of these things are cut and dried - we can employ our own expert to seek an assessment and make a determination based upon the evidence provided by the two plumbers.

**Ms ARCHER** - With your own evidence, would you have the right to demand payment?

**Mr ORMEROD** - No, we can't, because it is not a dispute-resolution service.

**Mr BOOTH** - What if the consumer said, 'I'm not going to pay for another plumber to fix that toilet. I have paid the other plumber and the toilet is blocked, I want it fixed'.

**Mr ORMEROD** - 'We can't help you, sorry'.

**Ms ARCHER** - So even when you've employed your own expert to determine that Mr Plumber no 1 is responsible and you have two plumbers saying the one thing there is still nothing you can do about it for the consumer?

**Mr ORMEROD** - No, that's right.

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**CHAIR** - That situation that we have just got to that point with that line of questioning, which was a good line of questioning, where you said, 'Sorry, we can't enforce that', is that the same situation for electricians and gas fitters?

**Mr ORMEROD** - Yes.

**CHAIR** - Which is very interesting because we're also going to talk about dispute resolution in a moment because you put something out in the marketplace yesterday, before our meeting today. Is that also the same situation with a building project generally now?

**Mr ORMEROD** - Yes. Remember, at the end of the day it is important to understand the difference between complaint and contract disputation and overall conduct. If we get the same problem with the same plumber on a number of occasions, that plumber ultimately can be removed from the industry. That is the whole aim.

**Mr BOOTH** - How?

**Mr ORMEROD** - Ongoing poor conduct.

**Mr BOOTH** - So this is a moral judgment then?

**Mr ORMEROD** - No, it's not.

**Mr BOOTH** - Well, if you can't prove that the plumbing doesn't comply. If the plumbing work complies with the code, they are a licensed plumber, and unless you actually have some way of objectively assessing compliance and non-compliance how can you make a determination from Workplace Standards, no one of which has any expertise in plumbing?

**Mr ORMEROD** - You seek the expertise you need for that particular area. We do actually have a qualified plumber on board who has assisted in the past. His main aim is around putting input into the plumbing code.

**Mr BOOTH** - It runs through the authority then. I am really interested in the actual way you make them comply, not how you hope it will. It is a very good example here.

**Mr ORMEROD** - In simple terms because it is not a complaint resolution service, within the conduct of the business of plumbing, it is all about raising standards of plumbing, not individual complaints. Individual complaints become a sum total and of that sum total you might determine that there is a plumber engaging in poor practice and that plumber should move from the industry. It is all about that. It is all about raising the overall standard of the industry, it is not about individual consumer complaints. Remember there is already a very good dispute resolution process in place with the Small Claims jurisdiction that the consumer can go to seek a remedy to the contract dispute and can use the evidence already obtained and if necessary can potentially call us up, I guess, too.

**Mr BOOTH** - Does that require expert witness and so forth, so the consumer would actually take that through to Small Claims Court. They would get an expert to come and have a look at their toilet who would provide an expert report.

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**Mr ORMEROD** - That is right.

**Mr BOOTH** - And then there would be a judgment. On the basis of that it would be reasonable to then use that as a reference to remove a plumber's licence, wouldn't it.

**Mr ORMEROD** - That is correct.

**Mr BOOTH** - But not on the other. I mean you are talking about some nebulous thing about their conduct in general, like some moral -

**Mr ORMEROD** - It is not nebulous and moral, that would be wrong to say that because we have been involved in taking action against building consultants up until now, and there have been building practitioners who have had their licences suspended; we have had building practitioners who have been fined and we have had building practitioners who have been required to do further education. It is difficult to explain, but I can make it clear, it is not at all about moral judgment. We are not about morally judging anyone. It is all about conduct. There is a lot of law around what is meant by conduct and there are a lot of standards and codes, etcetera, used to judge against, to judge that conduct, the same as they do with lawyers and many other professions as well. I can assure you -

**CHAIR** - Is it not true, Mr Ormerod, that the prime indicator of a problem is the sheer number of complaints. Something has to come to your attention doesn't it?

**Mr ORMEROD** - That is right. The number of complaints is very important. It could be those complaints could be from a range of people, not necessarily an individual. You could have, for instance, a plumber complaining to us about unlicensed plumbing work. We also have the other side of the coin, those people who are out there unlicensed and doing unlicensed plumbing work now and who have been doing it for years and no one has pulled them up. They need to be removed from the industry.

**Mr BOOTH** - Why haven't they pulled them up? There has been a requirement for registration for 50-odd years.

**Mr ORMEROD** - Because it has not been enforced.

**Mr BOOTH** - But why?

**Mr ORMEROD** - I don't know, I wasn't involved.

**Mr BOOTH** - This act has only come in force since -

**Mr ORMEROD** - December 2010.

**Mr BOOTH** - But you have been in Workplace Standards -

**Mr ORMEROD** - We did not administer plumbing regulation, the licensed plumbers, until December 2010.

**Mr BOOTH** - So previous to that then there was some sort of administrative failure to -

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**Mr ORMEROD** - The Plumber's Registration Board. An independent statutory board who charged \$54 a year and issued a licence to plumbers.

**CHAIR** - With the scheme that you are putting in place, with a unit of four people in the office across three trades, 0.8 of one FTE allocated roughly, cost wise to the plumbers, do you consider that that will be the requirement going forward? Do you see any change in five years' time? What if, for instance, local government were to say, 'Actually we don't own sewer and water anymore and there is a compliance unit now within government, why are we employing these?' What if local government walked away from plumbing inspectors?

**Mr ORMEROD** - Firstly, the point I would make is that there are three audit and compliance officers. Of the three audit and compliance officers we want to employ to manage the issue around conduct and compliance with the OLA, of that 0.8 cost is a portion to plumbers based upon the number of licence fees.

**CHAIR** - So you have three audit and compliance officers, four people in the unit -

**Mr ORMEROD** - Plus four - it is total of seven.

**CHAIR** - So it is a total of seven in the unit?

**Mr ORMEROD** - Yes.

**CHAIR** - Seven people in one unit of which 0.8 will be working on -

**Mr ORMEROD** - No, 0.8 of an audit and compliance officer to do complaints against plumbers. The four administration staff process all -

**CHAIR** - So there are four admin?

**Mr ORMEROD** - Yes. They deal with licensing electricians, plumbers and gasfitters. The issue with the councils walking away: firstly, the councils charge a fee to issue a plumbing permit and then obviously there is a cost issue attached to that which they recover in relation to the fee charged. My view is that that is different to what we do and if they choose not to seek to enforce the plumbing code then there would be another issue for government to deal with.

**CHAIR** - That would be self-certification. Is there a degree of self-certification happening already, for instance, there are only 15 councils I think that have inspectors?

**Mr ORMEROD** - Yes, one would expect so. That is correct, there would be an element of self-certification and my understanding, from what I have been told, is even councils that employ plumbing inspectors do not have enough to do every job. They make their own judgment about certain plumbers and say, 'I am not going to bother checking the work for that particular plumber, I will get him signed off because I know he is a good plumber' because they cannot do it all.

**CHAIR** - Is this unit of seven people a new unit or is it under construction?



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**Mr ORMEROD** - The unit came about because we have been involved in licensing electricians for some time and automotive gasfitters and some other gas work in relation to natural gas, this was an element of administrative process there initially. I dragged it all together into one unit to manage this. The big growing area is of course gasfitters. That is an area that is going to keep us very busy and a lot of plumbers are gasfitters.

**CHAIR** - On the question of electricity inspections. The last time you were before us you talked about Aurora currently being the contracted inspectors in the field.

**Mr ORMEROD** - That is correct.

**CHAIR** - Where has that gone? Has Treasury made a decision on whether they will throw that open to the industry?

**Mr ORMEROD** - We are working at the moment on a tender document which would comprise a number of contracts which offer certain different services and that will be out to open tender. We are working through that at the moment and we will have to get that out pretty soon.

**CHAIR** - Any other questions of Mr Ormerod? With an eye on the clock we have just a few more minutes.

**Mr BOOTH** - I just want to put a couple of things to you, Roy, with regard to the reason that these changes are occurring is to ensure that the act functions within the design of the national occupational licensing system that was agreed to by COAG in 2008.

**Mr ORMEROD** - The act precedes that. The act was 2005.

**Mr BOOTH** - But the agreement was 2008, is that correct?

**Mr ORMEROD** - Correct.

**Mr BOOTH** - The aim of NOLS is to remove overlapping and inconsistent regulation between jurisdictions in a way that they licence occupational areas, so it is part of this seamless national economy approach?

**Mr ORMEROD** - That is correct.

**Mr BOOTH** - I am quoting a document here which I cannot give you the source of, but it refers to a number of aspects that are likely to impact on the commencement of the national system and uncertainty regarding some jurisdictions' participation in the national system and legislative variations, and raises the risk that the reform may not be achieved. To underpin that, Western Australia has not enacted the national licensing legislation and the ACT has continued to reserve the right not to implement the reforms and I quote:

'... due to concerns with the substantial costs associated with implementing the national licensing reform, including higher fixed costs, the loss of ongoing revenue and marginal benefits.'

That is the ACT. The Commonwealth agreed to and I quote:

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'Waive the ACT's per capita contribution to the national system.'

Even with that sweetener, to waive all fees, the ACT will not sign up. So you basically have a system that you are imposing in Tasmania that looks set to collapse and unlikely to be achieved at a national level given that the ACT effectively has dealt itself out of it. Western Australia has not enacted the legislation and I understand Victoria is having similar problems. What is going to happen if in fact it doesn't become a national system and we have put in place all these regulations and additional charges without, it seems to me, even achieving a reasonable regulatory regime?

**Mr ORMEROD** - Firstly, this is the 2005 National Occupational Licensing Act that we are talking about and therefore it is all about standardising qualifications for those occupation groupings and setting up a level of rigour around those licensing models. The part relating to NOLS is a COAG initiative and we are fulfilling our obligations under COAG to do what we are expected to do in relation to that. That has resulted in costs that the State has had to pay in relation to this matter.

**CHAIR** - Are you able to provide us with those costs?

**Mr ORMEROD** - Yes, I can. The obvious scenario is that if at the end of the day it all falls over then the licence fee structure would have to drop because we would no longer be paying into NOLS and there is no expectation for these occupation groupings to pay.

**Mr BOOTH** - Fair enough. The ACT is not paying anything, so already within the Commonwealth there is a State that has said, 'No, we're not going to deal with this. We're not going to pay'. To try to keep them in the tent they have given them an exemption and they have still said, 'No, we're not going ahead with it'. A pity Tasmania didn't say that.

**Mr ORMEROD** - The uniqueness of the ACT, as I understand it, is that most of the contractors in the ACT are registered in New South Wales and therefore they would no longer need to be licensed in the ACT.

**CHAIR** - Do you have documents that you are going to table now?

**Mr ORMEROD** - I do. I have a list of the compliance and audit statistics, a bit of a summary of what we have been involved in to now. I have a copy of the licence fee structure and I will provide the costing for you.

**Mr ORMEROD** - Just before you go, Mr Ormerod, we can read what was said in the paper but you are aware that this committee is going to look at the disputes resolution process within the building industry in Tasmania. Yesterday there was something put out in the marketplace, could you tell us what that's about? It will give us something to work to but perhaps you can tell us the thinking behind that.

**Mr ORMEROD** - The bill has now been released for public consultation. It is all about providing a speedy resolution system for building owners and consumers who have a dispute relating to a domestic building work contract. History has shown that these can often be complex and the process in the past is that people are often forced to go to the

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courts, which becomes very expensive and time consuming. The idea behind this model is to encourage early resolution and a cheap resolution. There is a substantial cost in relation to administering this, so the court will be covered by building practitioner accreditation fees.

**CHAIR** - It seems to me that we may well call you back on that particular bill, as your agency drafted it. Has it been based on any particular model or just what you see as best practice elsewhere?

**Mr ORMEROD** - It has been a combination of a number of other State models. We have picked out the eyes of the best of what has been operating in other States. It has been a case of picking what we think is the best for Tasmania from what is happening in other States.

**Mr BOOTH** - I look forward to that because it is definitely an area that needs fixing. Have you used the results of the securities of payment legislation, which is operating now in the building trade, as potentially a model for this?

**Mr ORMEROD** - Yes.

**Mr BOOTH** - That is like a justice-by-sundown-type model or as close to it as you can get.

**Mr ORMEROD** - It is quite good. The two are worked closely together; the idea is to complement each other.

**Mr BOOTH** - Have you any comments on how that is working at the moment?

**Mr ORMEROD** - It appears to be working very successfully. If a person withholds payment it brings on a dispute quickly and there isn't a need for the person withholding payment to please explain and come up with evidence why they are not paying very quickly and they can have a judgment against them.

**Mr BOOTH** - And it is an adjudication basically, isn't it, based on the bits outside the dispute?

**Mr ORMEROD** - Yes, that's right. It works well.

**CHAIR** - Thank you again for your appearance before this committee, Mr Ormerod. We look forward to your providing those documents this afternoon.

**THE WITNESS WITHDREW.**

**Mr ADRIAN COWIE**, EXECUTIVE OFFICER, AND **Mr FRANK HILL**, MASTER PLUMBERS ASSOCIATION OF TASMANIA, WERE CALLED, MADE THE STATUTORY DECLARATION AND WERE EXAMINED.

**CHAIR** - The committee hearing is a proceeding of Parliament and this means that it receives the protection of parliamentary privilege. This is an important legal protection that allows individuals giving evidence to a parliamentary committee to speak with complete freedom without fear of being sued or questioned in any court outside of Parliament. It applies to ensure that Parliament receives the very best information when conducting its inquiries. It is important to be aware that this protection is not accorded to you if statements that may be defamatory are repeated or referred to by you outside the confines of these proceedings. Finally, a reminder to you that this hearing is being recorded by Hansard.

Thank you very much for your time this morning in assisting this committee with its inquiry into a matter that has been referred to us by the Parliament in looking for a resolution to the imposition of a new range of fees for occupational licensing. You would be aware that the minister has communicated with the industry as to what his view is of the fee structure. We all are aware that over the last few months there have been various iterations and various plumbers in Tasmania have taken various positions on this so we would be really pleased to hear from you now as to what your position is on the current state of play.

**Mr COWIE** - Thank you very much, Chair. I am the executive officer for the Master Plumbers Association and have been for some 20 years so I have been following the progress of the review of the legislation for some time. I think it is important to just emphasise to you today that I received the invitation from the assistant secretary and asked any of our executive officers if they would like to attend today. Frank was in fact the only person on our executive who at the last minute could afford the time to do that. I just want to assure the committee and thank them for their indulgence and assure them that I speak not from a personal point of view but I will do my best to bring to the committee the deliberations of our association over the years to arrive at the position we are at today, so I speak for the Mater Plumbers Association.

**CHAIR** - I wonder if you could tell us how many plumbers you have on your register and whether they are mostly south or north?

**Mr COWIE** - It would be roughly 120 members and they are divided 50:50 north and south, and when I say north I mean across the north-west coast as well.

**Mr BOOTH** - With regard to the membership of 120, how many of them are just roof plumbers? Do you have a breakdown of the categories?

**Mr COWIE** - I do and unfortunately I do not have that precise number with me today, but it would be in the order of a dozen.

**CHAIR** - Roof plumbers?

**Mr COWIE** - Yes.

**Mr HILL** - Six majors and nine domestic.

**CHAIR** - In roof plumbers?

**Mr COWIE** - Yes.

**CHAIR** - I have been out of the industry for a little while. Does a plumbing contractor automatically become a roof plumber as well or is that a sub-licence?

**Mr COWIE** - No, that is not automatic anymore. Under the training package you can specialise in roof plumbing as a stand-alone trade. But the whole of the training package sets out the requirements and there are some common core skills and then a person who wishes to specialise would have various electives and options to do roof plumbing.

**CHAIR** - If I wanted a roof plumber, if I rang a plumbing contractor in Tasmania, would he be qualified?

**Mr COWIE** - Generally, yes, but not always. There would be some plumbers who are roof plumbers but not general plumbers and some general plumbers who need not necessarily be roof plumbers.

**Mr BOOTH** - So a builder who wanted to put a roof on would have to either use a roof plumber or have to be registered separately as a roof plumber themselves?

**Mr COWIE** - Yes.

**CHAIR** - Does that occur? Are there builders that are just roof plumbers?

**Mr HILL** - Very few. Roof plumbing is a specialised trade. Even though I say there are six commercial roofers, in that we employ probably 70 people.

**CHAIR** - Really?

**Mr HILL** - Just alone, I employ 12.

**CHAIR** - Are you a roof plumber?

**Mr HILL** - Yes.

**Mr BOOTH** - Are you only a roof plumber?

**Mr HILL** - Yes.

**CHAIR** - So this is because it is connected to storm water and there are specialist skills with guttering?

**Mr HILL** - No, roof plumbing is a specialised trade now because of the requirements in the legislation.

**CHAIR** - I remember the legislation coming through.

**Mr COWIE** - I remember it very well, a few years ago now.

**CHAIR** - That has cleared that up. So we now understand the Master Plumbers Association.

**Mr COWIE** - It has been a fairly long evolution to get to the point where we are at with occupational licensing. I have personally done a number of submissions about the plumbing industry, the discussions about deregulation, the development of the training package and it has been a work in progress for some 13 or 14 years. We have made a couple of voluminous submissions to Workplace Standards and others about that over the period. But if you wind back the clock to a long time ago, there have been some substantial reviews. Triggilis comes to mind, the Hossack report is another one, that all looked at the merits of the licensing of plumbers. In Tasmania we have been working with a 1951 act which our members see as a bit of a toothless tiger. It is a registration system, it is not a licensing system and it is not particularly good at dealing with consumer complaints. There is little disciplinary avenue in the old Plumbers and Gasfitters Registration Act.

We were fairly excited about the idea of a review and it started in 1989. It came out of the Federal Government's motivation to do with the competition policy and they looked pretty closely at the time at the old plumbers and gasfitters act. It taken from then until now to come up with a occupational licensing act, which I must say we are comfortable with.

**CHAIR** - When you say you are comfortable with it, setting aside money, which appears to be the issue, if you were to design a service provided from within a government agency to regulate your industry, is there any more that you would wish to build in, any more powers or any less powers? Is this a good thing that is being set up as it is?

**Mr COWIE** - A good thing.

**CHAIR** - You don't think it is missing anything? You don't say, 'We only wish they could go so far and do x.'?

**Mr COWIE** - I think something that is sadly lacking in the department that administers it is the advice they seek direct from the breadwinners who work in the plumbing industry, the plumbers themselves. The department hasn't employed or received specific advice from plumbers, to my knowledge, since a guy called Wayne Eastley left there. We see that it is a very important part of the construction industry but it is also part of people's day-to-day life and the maintenance of high rise and other buildings. I am not sure what it's annual turnover is, but it is a substantial amount of money. A lot of people are employed in the industry. There are more than 1 200 plumbers in Tasmania. Because of its impact on health, environmental issues and the like, there needs to be some government intervention. The department needs to be cautious not to keep marching ahead without taking on board advice specifically from plumbers and people who are employed in the industry. They have a big investment in the industry and they will advise to the best of their ability, not just as a self-interest but they will give you very good advice about the whole of industry and the consumers in particular.

**CHAIR** - Given that this new unit of seven people are mostly about ensuring that the participants in your industry are appropriately licensed and therefore also look at complaints in order to consider those licensing matters, how would a unit like that interact with the plumbing industry to not get in front of the game? Are you speaking more about the management level in that department?

**Mr COWIE** - No, specifically the advice that the administrator receives from industry participants. That includes the compliance officers that they have employed to date. They have no plumbing ability, skills or knowledge and it is something that we believe ought to happen. Also, under the act there is an ability on the part of the administrator to appoint a committee to advise the administrator. It would appear that the administrator is taking advice from within their department but they are not necessarily plumbers who are giving that advice. We believe that the administrator - and I have mentioned this to the administrator on previous occasions - would be well advised to encourage input from the industry participants, and I am sure they will get good, honest, down-to-earth advice.

**CHAIR** - That is strong input.

**Mr HILL** - From the members' point of view, it doesn't matter what bit of legislation you put in its place, it can always be refined; it doesn't matter what it is. From us at the coalface, our biggest problem - and no disrespect to these people - is that we are dealing with bureaucrats that have never been in our industry and have no idea what we are doing. I have been involved with the legislation for some 12-14 years as well. I have met with Roy Ormerod, Alan Humphries and Kerrie Crowder - and no disrespect to them - and not one of them is a plumber. Even Fiona Woods, who we have at the moment, is not a plumber. When you look through the whole of the Workplace Standards, you show me one plumber we have there who can really help us.

**CHAIR** - What about electricians, gasfitters and builders, for instance? Should they be represented as well in there?

**Mr HILL** - We have opened up a can of worms, haven't we? If you seek information from industry, take it on board. Just don't throw it in the paper basket and let bureaucrats go their own way.

**Mr BOOTH** - Thank you for that refreshing insight, Mr Hill. It is very useful and very insightful. Adrian, you mentioned in your evidence earlier on effectively that you are content with the current proposals. There will probably be some areas there that I would like to drill down into, but just to get the context of this, the reason that this is now before the committee is as a result of the 1 200 per cent fee increase that was ultimately disallowed by Parliament, so currently plumbers are paying no fee. The United Plumbers of Tasmania organised a meeting in Launceston at which 62 professionals turned up and you yourself sent an apology and were very good in terms of congratulating the holding of the meeting and so forth and expressed a number of concerns which I discussed with you with regard to matters that ultimately ended up being whiteboard resolutions, if you like, from that meeting. I don't recall them all exactly but some of the issues that have been now resolved which you now say you are happy with the result were removal of barriers to entering and retention in the trade, a single licence fee - in other words, you could be a practitioner and a contractor with a single licence fee - compulsory professional development be voluntary and a couple of

other matters. They have all been pretty well in the main resolved but the main thing at the moment under discussion is the level of fee, which has now gone back to \$390, and the committee is looking at the justification for that fee.

I and a lot of plumbers have expressed, as have other professionals - electrical contractors and so forth - serious concerns with regard to the implications of the proposal to move into the national system and the self-regulatory model as well without having some proper level of inspection. Frank, you touched on this with the fact that the compliance officers are not professionals, they don't actually understand what they are looking at if they go to look at a job. Can you suggest then a better system of regulation there with regard to requiring compliance and making sure that there is a well-regulated professional standard across the plumbing trades? I put it to you that the current proposal is that in fact there won't be any capacity to require a professional standard if you move away from the current inspection regime that is carried out by a number of councils but not by others, I agree.

**Mr HILL** - But isn't that the problem for Tasmania - there are too many castles, too many people trying to interact it and make the act work and then they are just not complying. It is not only the compliance officer that has the problem, the councils have got the problem because they also are not doing their job correctly. In my trade alone, we specialise mainly in commercial work because I have been in the trade some 40-odd years and we also attend to other people's problems as well. It absolutely astounds me even this week where some poor resident is going to have to spend \$15 000 to fix their roof which cost them \$25 000. Even though we give people the powers they don't use the powers.

**Mr BOOTH** - Do you think then that a self-regulatory model which effectively the NOLS system ultimately will bring in with a compliance officer simply checking registration numbers on car doors and making sure they are in the phone book and those sorts of things, is it actually not going to work?

**Mr HILL** - It will work to a certain extent but that is not the answer.

**Mr BOOTH** - Do you believe that all work should be inspected before it is paid; in other words, there could be a linkage to a payment for a contract to make sure it complies?

**Mr HILL** - Before you get a certificate of occupancy in a residence or a commercial building it has to be certified. If the certifier signs off he takes the responsibility that it is all correct in accordance with the law, the by-laws and the regulations, so somebody has to sign off. Now whether it is self-certification or a person that does it they have to take the responsibility. The consumer has somebody that he can turn to if it turns sour.

**Mr BOOTH** - You mentioned the compliance officers not being qualified. If you could paint a picture on a fresh canvas and construct a regime that ensured compliance, ensured consumer protection, ensured that we didn't have unlicensed plumbers doing work, for example, how would you paint that picture?

**Mr HILL** - In an ideal world it would be great if we had people that knew what was going on with our industry but at the same time it costs money and, as with everything else, people don't want to pay money. In my business alone, I am not a registered roof plumber; I am



an academic. I am not a qualified architect or quantity surveyor, but I employ people and I employ people who have licences. I have an obligation to employ the correct people so therefore it is up to me to provide the service to you. If I am doing a job with the right amount of people, then I comply with the laws. Every one of the jobs I do and finish I have to sign off at the council, or my person who is representing the company has to sign it, to say it is done in accordance with the bylaws and the regulations. I have a responsibility and so has everybody else. When we have these compliance officers, it would be good if we could have a dozen or so that would be fine, but at the end of the day someone has to pay for them.

**Mr BOOTH** - Who regulates you then?

**Mr HILL** - The council inspectors.

**Mr BOOTH** - Were you here earlier when we were discussing the issue of the blocked toilet, how the consumer would be protected in the event of a blocked toilet that wasn't working, but done by a registered plumber? Under the system that is currently in place all they can do is ring up a compliance officer who comes around and checks that the practitioner has a licence.

**Mr HILL** - If he's got a blocked toilet he won't ring the compliance officer, he will ring a plumber to get it unblocked.

**Mr BOOTH** - And pay twice?

**Mr HILL** - If that's what happens, that's what happens.

**Mr COWIE** - Sometimes that does happen, that a blockage is more complex. The plumber's first incentive is to try to fix it at a minimum price. They don't want to rock up and charge someone \$4 000 for having all the appearance of fixing a blockage that doesn't exist.

**Mr BOOTH** - No, nor should they.

**Mr COWIE** - If it doesn't work, sometimes they have to go back because the blockage is more involved. There are many instances of blockages having to be revisited and nine times out of 10 the plumber and the client sort it out. No-one's ever happy because the poor old client has had to pay a bit more and the plumber has had to forgo some of his margin, but between the two of them, in the interest of their relationship, they generally sort it out. Ever so often one of them will go pear-shaped.

**Ms ARCHER** - I think the example we used was where the plumber caused the blockage through work he had done in a bathroom. The issue became one of causation and then another plumber coming in and saying that the other plumber caused the problem and then there is that whole dispute happening.

**Mr COWIE** - That sort of situation wouldn't be the first time I have heard of it.

**Mr BEST** - I want to ask about the matter of compliance because there has been quite a lengthy discussion and a lot of questions around this with Workplace Standards and the

previous witness. If there were to be some additional process, what do you think the cost of that might be - that is, some additional inspection of work where a complaint is raised, if there were to be some sort of qualified compliance inspectors who would come out either after a job is completed, it could be a new installation or something like that, what do you think that added cost might be?

**Mr HILL** - How big is your bucket of money?

**Mr COWIE** - If it was a plumber called on to inspect the plumbing job, the rate could range between \$50 and \$120, depending on -

**Mr BEST** - Are you really saying that is the most efficient process? There had been quite a lot of questioning about the fact that if there was something that was faulty and there was a complaint, they went to Workplace Standards and they would say to the consumer, 'You need to get someone else to come and have a look at it', particularly if it was urgent, and then there was some discussion around it being a fairly unfair process. The alternative would probably be more expensive across the whole industry, wouldn't it, if you were going to have some sort of compliance inspectors who are racing around trying to look at every single piece of work?

**Mr COWIE** - I don't know where all that came from. That possibility is alien to my senses. I think there are models that exist in other places in Australia that deal with exactly these sorts of issues. In essence, the plumber does a job for a client. Now, 99 per cent of the time it is fine. In Tasmania we have certain councils that inspect at least a proportion of the work; underground plumbing work, for example, they like to inspect that, but not in all municipalities. In those other municipalities, they rely on a self-certifying system where the plumbers provides the council with a document but it is actually the council that certifies the work. So they then certify. They have a document and they certify the work is a good job.

**CHAIR** - That is how it works?

**Mr COWIE** - Yes. In the event that there is an issue or a problem, the client goes back normally to the plumber and then if there is a breakdown in communications and personalities or for whatever reason they then start looking at whatever avenues may be available to them. Quite often they ring me and if they are a member of ours we talk to that contractor. Another alternative is to refer them to Workplace Standards and they have this motivation now for compliance officers who seem to be wedded to the whole idea of the licence. But that is not necessarily our industry stance on it. I did discuss this very briefly, if you recall, in Launceston, Mr Booth, that we would like to see plumbers find their way into that role and perhaps be trained in the compliance issues. So they are first of all a plumber who can look at the technical and quality compliance because they are either contractual, technical or regulatory matters and they are quite often financial. All in all, that ought to be the modus operandi, so plumbers are looking first at the job.

If it is licensing issue, even under Workplace Standards now, my understanding of the way the electricians work is that if a person is, let us say, caught putting their own powerpoint in the house, the electrical inspector, who is an electrician, normally has to uncover the problem. Once that happens, they refer it to their compliance officers who, as I understand, has a legal background over there and he then looks to prosecute the

offending party. That is my understanding of it and I think that system is essentially what would work and work very well in the plumbing industry.

**Mr HILL** - You are all fully aware of what goes on with a set of drawings, whether it be commercial or residential. You get your drawings submitted and you have to provide them to a consultant who will survey them and then you submit them to the council; then you wait five weeks for them to approve them. That is what happens. Then, when you finish the building, that consultant has to come along and sign off before the council will give you a certificate of occupancy. What I cannot understand is why, when the surveyor is doing it, can't he sign off to be the compliance officer? You have to lodge your registration for your plumbing, your electrician or your builder or whoever it is and at the end, when he has to sign off, he has to provide the certificates that it is done.

**CHAIR** - Mr Hill, you will be pleased to know that this committee made a interim report to Parliament which proposes precisely that.

**Mr HILL** - I am not having a shot at Fiona Wood here. Fiona Wood is a very competent lady, do not get me wrong, and what she has done she has done correctly. At least she is checking to see whether they have licences. The point that I am trying to make is that it would be better if somebody within our industry was doing it.

**Mr BOOTH** - That was very interesting with regard to the need to have the inspections of the work done by somebody who is qualified. If we go back to the toilet being blocked, we have gone through this outside this committee as well. Nobody from Workplace Standards seems to be able to tell us how that toilet is going to get unblocked under this new system. In fact it can sit there for months, full, whilst there are all sorts of other things occurring outside that do not fix the problem. From what you are saying, a situation like that ought to be referred to a person who is qualified and competent and given the authority to make an adjudication. So the toilet is full. The plumber won't come back and fix it because he said, 'No, I've done it by the book. It's not my problem.' You get somebody else who comes in who is qualified and says, 'I've had a look at this, it doesn't comply with the act and you haven't done this in accordance with the plumbing regulations'. They then have the authority to make an order with regard to rectification and immediate fixing or get somebody else to do it, and then some form of disciplinary action against that registered licensed plumber. In other words, that would be a step towards ultimately removing their licence so people are not going to keep on having those problems. Would something along that basis would suit the MPA?

**Mr HILL** - It should apply as with drink-driving; if you are caught drink-driving you lose your licence. If you block a toilet you lose your licence because it is a health hazard.

**Mr COWIE** - Often these sorts of issues turn on the cost, too. I think there is a better example and that is tap hammer or pipe hammer in the walls. The plumber goes along and with all the best will in the world they turn the water on and off and put a thing on it and maybe adjust the arrestor and all the rest of it and then they go away. When they leave it is all fantastic, then overnight it all starts up again - bang, bang, bang. The customer is immediately offside. They think, 'I have just paid \$180 to get all this sorted out. They have put brackets on, they have charged me for an arrestor and it is not fixed. What am I going to do about it?'. That sort of issue is a problem in the industry. How do we sort that out? I personally don't think it is necessarily even an issue for the

compliance officer until the plumber refuses to go back and attempt to fix it or comply with what is accepted trade practice.

**Mr BOOTH** - Or until there is a real dispute here.

**Mr COWIE** - Yes, basically. Then the compliance person needs to be a person with knowledge so that they can at least offer technical advice about that issue.

**Mr BOOTH** - Like an inspector.

**Mr COWIE** - Like an inspector.

**CHAIR** - Are you providing this committee then with evidence that your association that represents  $x$  number of practitioners accepts the fee structure as proposed by the Government for the services that are proposed by the Government?

**Mr COWIE** - I should say from the outset that we, just as the United Plumbers people, were very uncomfortable with the fee structure.

**CHAIR** - Do you mean the quantum?

**Mr COWIE** - The value of the fee structure and the level of increase. Despite supporting it from day one we have been through a painful exercise in getting this act from where it came from, because we think regardless of NOLS or anything else the act is pretty robust. It is well considered and does the job. So when the fees came out we said, yes, let us support it - fees and all, warts and all, if there are any problems - and get it up on the basis of what Frank was saying; at least you can review it and finetune it. All our guys were spitting chips about the fee, I can assure you of that, and we had an urgent meeting and decided that we wouldn't, if you like, rock the boat. We would let the legislation go through and then soon after that we had another meeting and considered the fees. Very clearly the increase and level of expectation were not synchronising. That is when I met you in Launceston and realised that there was a lot of disquiet, particularly coming from the north of the State. We have made submissions and with others that the fees be reviewed.

I should emphasise that in reducing the fees we would like to see the integrity of the act maintained with compliance officers, with the proviso that the compliance officers are plumbers and not non-plumbers. We would like to see plumbers with retraining if necessary or the wherewithal to at least check licence numbers and ensure that a person is a bona fide plumber. Apart from that there may be other issues within the act that may or may not sit comfortably with the wider plumbing community, such as the number on the vehicle and that sort of thing. We do not see that as being particularly troublesome to the industry. As to the current fee, our only comment is that provided it maintains the integrity of the act we would be happy with it. If it didn't maintain the integrity of the act we would be very disappointed.

**Mr BOOTH** - If it was more than the cost of maintaining the act, then you would be equally disappointed if you were paying too much, I presume?

**Mr COWIE** - Absolutely.

**CHAIR** - What has been put to us is that the unit required to run the audit and compliance office for electrical, gasfitters and plumbers is in fact seven people, four in administration and three audit and compliance officers. Of those audit and compliance officers, 0.8 of one FTE has been notionally costed towards plumbers and then of course a share of the admin, one would have thought, on the same split-up. This committee has sought documents and needs to make a judgment as to whether that is a fair allocation of costs and overall whether there is too much administration or whatever; I guess it has to make that judgment. What you are saying is that you are happy with the intent of this unit to police your industry and then if it is proven to us that the share of that cost is \$390, then you would agree to that amount of money for that service?

**Mr COWIE** - Yes, and not reluctantly. You are obviously privy to information that we are not with the 0.8, et cetera; we have not learned anything of that.

**CHAIR** - We just got that this morning.

**Mr COWIE** - Our first impression would be that it is not even one full-time officer; it is if anything a bit underdone. The real issue that we have is the way councils are tending to talk about amalgamations, cutting costs, economies of scale, all those sorts of issues. They are likely to do fewer and fewer plumbing inspections and if they have no proper follow-up then I think it will bring about problems for our community at large. I think that every citizen in Tasmania should be entitled to the same expectation with their plumbing. It is all very well to say, 'Well, we've not had a problem here or there's a problem there', but at the end of the day it can from time to time be troublesome. Let's hope it doesn't happen.

**Ms ARCHER** - We don't have consistency across councils at the moment, though, do we?

**Mr COWIE** - No, we don't. So if there were, for example, three officers who were plumbers working for the State Government who could assist Huonville or Smithton -

**Ms ARCHER** - That didn't, for example, have one themselves; is that what you mean, to supplement them?

**Mr COWIE** - Yes. It actually sets the basis and a foundation for a very good and economical regulatory system.

**CHAIR** - In electrical we are aware that Aurora has been - because they took it over from when they were the Hydro - that certifying body. They don't inspect every job but electricians never know when one is going to drop in. They are currently looking at contracting that compliance to someone else. That, I suppose, is what could happen with local government. Local government as a body could say, 'We're not going to do it anymore', so there could still be an opportunity for a compliance regime - as you say, either for the government or someone to set up. I take your evidence to say that a compliance regime is very important in the structure of your industry.

**Mr COWIE** - Yes, it is, and it is something that has a proven track record in Victoria and New Zealand, where at one of the universities, Casey Inspection Services carry out that very function for gasfitters in Victoria and New Zealand.

**CHAIR** - Thank you for your evidence; it was very well presented.

**Mr COWIE** - Thank you for the opportunity.

**THE WITNESSES WITHDREW,**

**Mr TIM WATSON**, UNITED PLUMBERS OF TASMANIA, WAS CALLED, MADE THE STATUTORY DECLARATION AND WAS EXAMINED. **Mr ANDREW FOLEY**, **Mr JOHN OLDENHOF**, **Mr DWAYNE GRIFFIN** AND **Mr ALAN ATKINS**, UNITED PLUMBERS OF TASMANIA, WERE RE-CALLED AND RE-EXAMINED.

**CHAIR** - Since we last met the Government has circulated a proposed new fee schedule for electrical plumbing and gasfitting. We learned this morning that that will fund - and we are getting advice on numbers et cetera - a unit of some seven people: four in administration and three audit and compliance officers. That department has calculated that, for costing purposes, 0.8 of one compliance officer has been costed into the model. We are providing that information to you because the previous witness suggested that was new information.

**Mr FOLEY** - I will make the introductions. John Oldenhof has had 50-odd years in the plumbing trade and is the chairman of United Plumbers of Tasmania. I am Andrew Foley and I have had 40-too many years in the plumbing trade and I am treasurer and public officer for the United Plumbers of Tasmania. Tim Watson is the director of Development Services with the Meander Valley Council. Tim has been helping us with some local governance things and has made himself available today. Dwayne Griffin has had 20 years in the industry and is currently the Plumbing Surveyor with the Meander Valley Council and Alan Atkins is a retired plumber he tells me and a plumbing inspector and Secretary of the United Plumbers of Tasmania.

**CHAIR** - Thank you and I invite you to make your submission now.

**Mr FOLEY** - Thanks Mr Chairman.

I would like to thank you for the opportunity to address your committee this afternoon. Our group was formed in response to a meeting held at Henty House in Launceston early in 2011. We represent 62 plumbers who attended that meeting and are the voice for many single operators and small business plumbing contractors statewide.

Since the last committee meeting in June 2011 we at UPT have been inundated with calls from contractors, plumbers, apprentices and consumers alike voicing their concerns and in many cases their vehement disapproval of the National Occupational Licensing Bill 2011, the Occupational Licensing Act of 2005 and the fee structures associated with both pieces of legislation. When listening to the concerns expressed to us and reading correspondence from the COAG taskforce staffers and reviewing the COAG reform agenda, there is a clear indication that the NOLA objectives will not achieve the purposes they were designed for, namely portability and harmonisation of licences between State jurisdictions.

Furthermore, within the COAG report when the Australian Capital Territory was offered a sweetener by not having to deliver on funding to the NOLA it did not sign up anyway, thus indicating to us that there are many grey areas, smokescreens and rabbits in hats associated with this proposed system. We at UPT implore the minister and the Parliament to give greater consideration to the proposal before signing off on any part of it, before a full impact study, a cost and funding analysis and a general community benefit information report is made available. Again, after discussions with our members

and interested others, we have formed the opinion that even the Occupational Licensing Act 2005 is a complete waste of time and money and should never have embraced the plumbing and electrical trades, particularly, when local ratepayers are already paying for inspectors to administer all aspects of the plumbing trade including essential third person verification inspections by those who have the expertise to make judgments on plumbing and licensed compliance issues without the need for additional compliance officers. Electricians have a very different verification and inspection regime.

As an aside to these comments, the compliance investigation lists provides us with interesting figures in that of the 40 investigations by compliance officers some 14 were electrical and 26 which could be loosely described as plumbing complaints. If you break this list down further there are seven roofing complaints with one of these, interestingly enough, a roof that had started to leak after five years. Some complaints have manufacturing issues, warranty claims, two cases are currently before the courts. The majority of complaints regard the filling out of workers lists with incorrect contractor/practitioner licence numbers, advertising without licence numbers et cetera. In fairness there appear to be only two complaints that could be deemed as dodgy plumbing which raises the question: do we need compliance officers when we have existing plumbing inspectors in place as already outlined? Compliance officers as defined by the OLA of 2005 do not and will not have trade backgrounds or experience.

Please note that the UPT fee proposal is 100 per cent more than the previous registration/licence fee at \$110 per plumber per annum. We are quite prepared to pay this amount and feel it is adequate to maintain a licence register. In turn, we may ask how many industries are there that would be happy to pay 100 per cent more to have, say, their heavy rigid drivers licence or their union card. We are not against licensing or registration and we would not agree to deregulation of the industry in Tasmania or Australia. We have had an accurate and clearly-defined registration system in place for 50-plus years, along with regulations and Australian standards et cetera, plus municipal plumbing and drainage inspectors, to ensure public health and safety are the prime issues, along with the protection of the public infrastructure assets.

In conclusion, we submit to you for your consideration these words, plus a copy of a letter from the United Plumbers of Tasmania to the current Minister for Workplace Relations, Mr David O'Byrne MP, which we feel sums up our position and frustrations and why we feel that current proposals are totally unnecessary.

**CHAIR** - Thank you. That is a comprehensive opening statement.

**Mr BOOTH** - You said you are tabling that?

**Mr FOLEY** - Yes, I can table it.

**Mr BOOTH** - I wonder if it would be worthwhile Mr Foley reading that into the evidence because he said it details of why they are against it?

**CHAIR** - The letter to Mr O'Byrne, that you are about to table, how long is it?

**Mr FOLEY** - It is a couple of pages.



**CHAIR** - If you could read that into *Hansard*, we can use it for some questions.

**Mr FOLEY** - It reads:

'Dear Sir

Re: Plumbing licence fee structures

In response to your letter dated 6 February 2012 to presumably all plumbing licence holders regarding the proposed fee structures, we, the United Plumbers of Tasmania, plus the many plumbers who have contacted us, are incensed by your letter and its implications and consider it to be simply an ill-considered smokescreen for the total inappropriateness of an occupational licensing national law bill of 2011 and by implication the Occupational Licensing Act 2005. While not speaking for electricians, we consider the Occupational Licensing Act 2005 a total over-reaction to a non-verified or perceived problem of the Plumbers and Gasfitters Registration Act 1951, where we had a State-run plumbing register which readily determined who was and who wasn't registered. Local council inspectors did and still do administer and control the National Plumbing Code of Practices issues, Australian Standards 3005, applicable to all plumbers Australia-wide. Paperwork issues like start-of-work notices, completion certificates, illegal work, public health and safety, as well as damage to property and/or infrastructure are all funded by local council ratepayers.

This is only now complicated by having a separate water and sewerage authority -

who do not employ plumbing inspectors for some reason.

The Occupational Licensing Act 2005 calls for an administrator, an advisory board of up to nine members and several authorised officers, who presumably will not necessarily be licensed plumbers, or persons experienced in business or plumbing and other trade practices. Complicate this with issues of non-skilled base contractor licences who might define whether such a licence is being properly managed or whether a nominated manager might perform completely under the control of a non-skilled business owner and whether a practitioner only worked within the relative class. All very unnecessary for administering approximately 1 031 plumbers in a State the size of Tasmania.

Now you wish to complicate the issue further by accepting the COAG proposal for the intergovernmental agreement for a national licensing system for specified occupations, signed in 2009, without legislation in place and no cost-benefit analysis forthcoming. So you accept the National Occupational Licence Law Act 2010 of Victoria and rebadge it 'the National Occupational Licensing Law Bill 2011, regardless it seems as to whether such legislation prepared in and for Victoria might be suitable for Tasmania or in Tasmania's best interests and whether Tasmania can afford

to support the administration of a national scheme as well as a State structure required by OLA of 2005.

At a time when we are cutting back on health services, nurses, teachers, police and public services generally on the basis of non-affordability, we are asked to support a national structure of licensing based in Sydney with a staff of up to 40 who will only be involved in policy and administration, when we do not even need or can afford the structure outlined in OLA of 2005, let alone doubling up on a national scheme of occupational licensing.

It is worth noting that the OLA of 2005 does not affect the laws relating to mutual recognition which have worked well for over 40 years, thus there is no problem for plumbers moving interstate to work which negates the prime claim for national licensing scheme. Western Australia has questioned the need, why doesn't Tasmania?

No, Mr O'Byrne, it is not a matter of deregulation of the plumbing industry in Tasmania, but having a simple and affordable scheme of licensing, utilising the existing and qualified system of municipal plumbing inspectors who are already being paid for by the ratepayers, not doubling on costly, unnecessary administration structures. The National Occupational Licensing Law Bill of 2011 is just 147 pages of unnecessary, bureaucratic overkill red tape and should be exposed as such.

Yours truly, '

John Oldenhof , Alan Atkins and I have signed that.

**CHAIR** - Thank you for that. That is useful. We can understand precisely what you -

**Mr OLDENHOF** - Mr Chairman, just to add to that, I do not know whether you realise it but that authority, the National Occupation Licensing Authority that they have set up today, when we are cutting costs on health and education and the police force, will cost \$14.9 million over two years, just to set this up with no guarantee that it is ever going to be achieved because already Western Australia and the ACT are wavering about this?

I have been a plumber for 50 years. All these papers here are what we work to. They are our national code and all the rules and regulations that we have to abide by. As an ordinary plumber you have to abide by all this. At present we have our inspectors. We put our start work forms in and there are some 29 different forms that councils at present have at their hands, whether they want you to uncover a drain that has been covered in or that they refuse a start work permit, all the necessary papers and regulations are in place in amongst all this. So I fail to see why we need all these extra regulations and paperwork. There is enough pressure on small business now with the paperwork we have to fill in and the regulations we have to abide by.

If you want a plumber, you want a job done that is efficient, works properly and has been done correctly. We plumbers put the drains in, we ring the local council and they inspect it and by doing so we have a guarantee that the work has been completed to these standards and the customer can be satisfied that it has been done correctly. I fail to see

why we have to spend millions of dollars to get new rules and regulations. We have 1 030 plumbers in Tasmania - how many of those thousand want to travel interstate? If they do so, surely it is a responsibility to pay our users. So if I want to work interstate, all right I look at it and say, 'All right, I want to do this job over there and it is going to cost me another \$200 to upgrade my registration to a Victorian licence to allow me to work there.' I feel it is the responsibility of the individual, not the elected people of Tasmania, for me to conduct business in another State. If we are looking at costs, this \$14.9 million is only the start because then we are going to have 40 people working in Sydney and we are still going to have to maintain all our people here to run our State one because that is not going to change and we are still going to employ seven, I think you mentioned this morning. We are still going to have to employ those people so if this committee is talking about costs and investigating cost cutting, I think you seriously should look at this.

**CHAIR** - Any questions?

**Mr BOOTH** - Thank you, that was very interesting there, John. I am interested in talking to Dwayne, Tim and Alan and you all have inspection roles and are qualified as inspectors. Tim, with your expertise on council, I would be interested in all three of you really. What are the deficiencies in the old system that need correction?

**Mr WATSON** - I could probably answer that from a local government perspective as the regulator. I have to say I am perplexed about this whole issue. I heard the gentleman from the MPA suggesting that local government is perhaps not regulating to the required standard. I have been in this position for seven years and I am not aware of any issues with local government as the regulator not performing that role to the required standard. I meet regularly with my counterparts at the other greater Launceston councils. It is not an issue that we have ever raised or had raised with us so I really don't know where that side of things is coming from.

In terms of deficiencies, it is no different to building regulation. Plumbing doesn't give us any headaches at all. I am not even sure why it is on the radar, to be quite honest.

**CHAIR** - Could I ask this as it is an important question for us. This legislation is also for electricians.

**Mr WATSON** - I understand that.

**CHAIR** - Electricians have compliance officers out in the field employed by Aurora who is paid an amount of money to look after that, the same as local government. Not every job is inspected. An electrician doesn't know when an inspector is going to drop on him or check the job later or whatever. There is a compliance thing out there. But there doesn't seem to be any question from electricians about having audit and compliance officers in the department. Why is it that the plumbing industry should be different in this case? It appears from what you are saying you are happy with the compliance officers out in the field and you don't need audit and compliance officers in the State?

**Mr WATSON** - The sort of numbers that I am hearing is that you are talking about one to two compliance officers maximum to be spread across the State. I am not sure what is going to be achieved in that respect if you are trying to increase the level of audit and

compliance. I suspect what that role will probably focus on is auditing councils as the permit authority and focusing on process rather than what is actually happening on the ground. That is our experience with -

**CHAIR** - Building.

**Mr WATSON** - Yes, and my experience talking to my counterparts who have been subject to audits is that they focus on trivial process matters as opposed to council actually carrying out its regulatory obligations. Does that make sense?

**CHAIR** - I am giving no credence to the claim that the Director of Building Control's audits are trivial because -

**Mr WATSON** - That has been the findings that I have found in talking to my counterparts.

**CHAIR** - I accept your evidence that you have been told that and it is from another field in any case. Another bit of information we got today was that it was the view of the department, which is not the minister of course, that if NOLS did fall over - and there is some suggestion that it might - then the fee in Tasmania should drop by the amount of money it is paid and we are today getting advice from the department of precisely the cost of that office but also how much money is paid annually into this NOLS process towards the \$14.9 million.

**Mr OLDENHOF** - That is just for two years to set it up.

**CHAIR** - Yes, that is a set-up fee. We are going to be informed of that so it is probably a little secondary today as to whether we should be in NOLS or not because that will resolve itself one way or the other and in any event was a policy decision taken by the Government of the day to agree at COAG for that. That will be what it is going to be, so let us talk occupational licensing in Tasmania. Is it your submission that we shouldn't have audit and compliance officers at all? Is that what you are saying?

**Mr FOLEY** - Yes, that is correct - right to the letter, Mr Chairman. Again, we can't see the justification for even 0.8 of a compliance officer. We have the people on the ground.

**CHAIR** - But you're offering to pay \$110, which is twice what you're paying now, towards what?

**Mr FOLEY** - For no more than the formulation of a licence with our photo on it that we can present to the inspector when he asks for it, or when the consumer asks, 'Are you a licensed plumber?' 'Yes, there is my card; there is my ugly dial on it - thank you very much.'

**Ms ARCHER** - So that's self-regulation that you're talking about?

**Mr FOLEY** - It is, it is self-regulation in a way. If I can digress, I will give you a scenario situation with compliance officers as opposed to plumbing inspectors. If I am on the job as a contractor and I have a third-year apprentice with me and we're putting the copper pipes in the wall. I ring the local plumbing inspector and say, 'I need you there at three o'clock tomorrow afternoon to inspect this job' and the inspector says, 'Yes, no

problem at all. See you at three o'clock'. At two o'clock the next day I am busily working away and the phone rings and I have to dart away to a burst fire main emergency. I leave the young apprentice, who is quite capable of clipping off pipework, and the plumbing inspector turns up to the job and says, 'Have you got it under pressure and tested?' 'Yes, everything's fine'. 'What are you doing?' 'Clipping these pipes off'. The plumbing inspector has a look at that and at the bottom of the bucket are some galvanised clips and the apprentice has put them on the copper pipe. The plumbing inspector, by being there, sees that and says, 'Mate, I think we need to change this'. 'Why's that, Mr Plumbing Inspector?' 'In case you didn't know, galvanised will cut through copper and it will rust.' The plumbing inspector comes back the next day and checks that it has been fixed.

**CHAIR** - That's what happens now?

**Mr FOLEY** - Yes. If we go to the compliance officer scenario and we do away with the plumbing inspectors -

**CHAIR** - There's no suggestion of that.

**Mr FOLEY** - No. If there is no plumbing inspection done by the plumbing inspector and the compliance officer does -

**Mr GRIFFIN** - If they do that anyway, if they do it as well.

**Mr FOLEY** - Yes. If in the course of the job - I go back to the scenario again that the apprentice is working on the job and he is putting the clips on and the compliance person turns up to do a random check, by the letter of the law in the act I have left that boy unsupervised. I am then liable, I have broken part of that legislation by doing that. The compliance officer will then say, 'Andrew, you've left this bloke on the job. You shouldn't have done that. We are going to fine you. There will be penalty points or some sort of retribution will come back to you'.

**CHAIR** - What legislation is that in, Andrew?

**Mr FOLEY** - In the 2005 act.

**CHAIR** - You can't have the apprentice continuing to clip off some pipe?

**Mr FOLEY** - No, that's right. Some of the complaints on the compliance officer list are unsupervised apprentices. The compliance officer says, 'Andrew, we've got you for this'. I accept that - no problems. I come back and I'm not real happy because all this has gone on. The apprentice has still left the galvanised clips on the pipe and that compliance officer does not see that. The core of our business is not being policed correctly in that respect. The compliance officer is the one who would be looking to see that I have the licence and supervised the apprentice on the job. I think what we have in front of us with all this paperwork is exactly that - paperwork. We are not looking after the core of our industry and the minute we let outside influences like compliance officers start to run that part of industry, we are in trouble. I have said this before that plumbing inspectors are great mentors for tradesmen, let alone apprentices, and the minute we lose them our industry will be down the gurgler.

**CHAIR** - It appears from your statements that you are presupposing that there is a grave threat to the current structure -

**Mr FOLEY** - Yes.

**CHAIR** - by having State government-based audit and compliance officers and that that might take over the current local government-based ones.

**Mr FOLEY** - I would suggest that's where it is heading.

**Mr OLDENHOF** - Mr Hidding, at the moment there are building levies et cetera charged on various buildings in progress. I was wondering whether it would be possible to look at some of that money being put into local government. I believe that some councils don't have plumbing inspectors but nearly all of them have health inspectors. I am wondering whether that levy or some of the money from that levy could be put into plumbing inspectors, maybe shared between one or two councils, so both the plumbers and customers could be protected even further than they are now if there is a problem. So maybe that money, which at the moment is sitting there doing very little, I believe, or none at all -

**CHAIR** - No, it is.

**Mr OLDENHOF** - I am not really aware of it but I just wonder if some of that money could be directed. If people feel there is a problem in the industry, could it be directed that way to make it more efficient?

**Mr BOOTH** - I was trying to drill down to see if there are any deficiencies. Tim, you have answered that from the council's perspective. Dwayne, do you have any comments?

**Mr GRIFFIN** - As far as we know there's not. Everything works well; it has been working for a long time in the same way. Everyone knows how it works and for the problems we do have we join forces and sort it out. All in all we don't have any major problems.

**Mr BOOTH** - So if you operated on the system as it was, under that system that has been in place for 50-odd years prior to this coming in, there weren't any problems that the system couldn't fix?

**Mr GRIFFIN** - That's right; it's not broken, it works fine.

**Mr BOOTH** - If we then move onto a scenario when there was no professional inspection at all and it just simply relied on compliance officers, what would the situation be there in your view, specifically inspections by properly qualified inspectors as opposed to a compliance officer who simply checks that you have a number on your door or a licence? Does a proper inspection provide protection for the consumer and the plumber?

**Mr GRIFFIN** - No. I would think you would need to be qualified and have some technical knowledge of plumbing.

**Mr BOOTH** - So if you have a compliance officer who comes along and inspects, as opposed to a properly qualified plumbing inspector, does the properly qualified plumbing inspection regime provide consumer protection beyond that of a compliance officer?

**Mr WATSON** - Absolutely. If I could answer it this way, council as a permit authority - a planning authority, building permit authority or plumbing permit authority - has to manage risk. For example, when council signs off, council is potentially liable if things go wrong. That is the reason we have a series of inspections, be it building or plumbing work. For example, you get to the end, we issue completion, and issues arise three or five years down the track, then council is liable if someone wants to take us on and council needs to rectify those situations. So council has very much a vested interest to ensure that standards are met and in that sense we believe that the consumer is adequately protected.

**Ms ARCHER** - In your council's situation you have active inspections?

**Mr WATSON** - Absolutely.

**Ms ARCHER** - Others would not. So the ones that don't are relying on self-regulation?

**Mr WATSON** - Yes.

**CHAIR** - But in all events it is user pays because if there is going to be an inspection on a job at my place then I have got to pay the fee to the council for that to happen, so it is user pays. I would like to take off the table any threat to the current inspection regime because I think, through conversations I have certainly been in, and yourself, it might go there. Let's just say it doesn't because, after all, it will only go there if the Parliament wants it to go there or if local government wants to walk away from it and like the electricians it could well be replaced by a commercial one. Either way there will be an inspectorate for the galvanised clips. So if we can put the problem of the galvanised clips and the standard of the work aside, to say that it is going to be taken care of one way or the other, is there not a case for an audit and compliance officer for your industry to make sure that it is protected from dodgy operators and that its standards are the same as every other State and that 0.8 of one compliance officer with some admin costs is a reasonable cost to your industry?

**Mr OLDENHOF** - I fail to see what he is going to achieve.

**Mr ATKINS** - It is an absolute waste of time.

**CHAIR** - I am just testing you here because we have certain advice again this morning from a senior officer who said that that the 0.8 officer already in place is in fact very, very busy. There is so much work it is falling off the table. I suggested that there is actually a tail of work that they are working on, and once they have cleared that it is likely to be a lot less. So if we remove off the table any threat to your current inspectorate process, because frankly no-one is aware of any threat to it. In our minds it might go there but no-one is saying it is going to go there. This committee is tasked with now determining whether it is fair that there be an audit and compliance officer for your industry with admin and what that cost should be.

**Mr OLDENHOF** - I see it as a doubling up of costs. If you work under the present regime everything should be done in a proper manner, as it was supposed to be, so to me it is just a doubling up. You are paying for something that has already been paid for once.

**CHAIR** - To whom?

**Mr OLDENHOF** - To your local council. You have paid building and plumbing fees to have things inspected so it is done in a proper and correct manner, so what is the compliance officer meant to do?

**Mr BOOTH** - For clarification, is there a role that the compliance officer will do that is useful that a plumbing inspector and a council is not already doing? Is there an additional role that is required?

**Mr ATKINS** - I would not say definitely not. The councils have control of the situation. I would say they could deal with any compliance matters.

**CHAIR** - Is that true? We have an officer who is working his or her tail off at the moment on something that you are saying councils do now. What is that?

**Mr OLDENHOF** - One plumber I know got very incensed because he failed to have his number on the side of his van. I do not have anything on my van and then I don't have to have a number on it, but this fellow got a letter to say he did not have a plumber's registration number painted on his van. So maybe she is busy chasing those sorts of things.

**Mr FOLEY** - I have a list here for the compliance and audit investigation stats for 2011.

**Mr BOOTH** - They are from Workplace Stands.

**Mr FOLEY** - Workplace Standards, yes. I think this is fairly relevant to the point. While the compliance officer may be busy, from 12 August 2011 a complaint was, 'advertising plumbing work without detailing contractor licence number. From 16 August, 'advertising plumbing work without detailing contractor licence number'. From 18 August, 'unlicensed practitioner on employee register.' 18 August, 'unlicensed practitioner on employee register and contractor unlicensed.' 18 August, 'unsupervised apprentice.' 18 August again, 'unlicensed practitioner on employee register.' 18 August, 'unlicensed practitioner on employee register.' 18 August, 'unlicensed practitioner on employee register.' 22 August, 'unsupervised apprentice.'

Mr Chairman, there are 10 complaints that the compliance officer has looked at and that is on the last page and that is very rough counting, that in my mind are not plumbing issues, they are paperwork issues. Please understand -

**CHAIR** - What does that mean, a paperwork issue?

**Mr FOLEY** - Like not advertising -

**CHAIR** - Is there no protection for consumers in that?



**Mr BEST** - If they are not licensed why are they operating?

**Mr OLDENHOF** - You can be licensed and have someone employed and work for you and if you do not have them on your register, written down -

**Mr BEST** - What if it is faulty work though and then they have found out they are not?

**Mr OLDENHOF** - No, if he is working for me, I am with him. But if he is there and he does not have his -

**Mr BEST** - No, I am not talking about the apprentice, I am saying non-compliance.

**Mr OLDENHOF** - No, but even a tradesman, if he has not gone through and filled all the forms in and paid the fees, he might be a qualified, but if you do not have him on your register you can be fined.

**Mr BEST** - Mr Chairman, we might want to find out what was not on compliance because of a complaint -

**CHAIR** - The document was just tabled this morning and it has a fair bit in it.

**Mr FOLEY** - I would appreciate that because through this compliance list here there are a number of questionable things - warranty claims that are in court, a civil dispute between client and plumber that really are not related to a compliance officer's area, I believe anyway.

**CHAIR** - What about this one. 'Builder believed to have undertaken plumbing work including roof plumbing on a premises in Moonah.' So a builder has done the job that he has not supposed to have done. Does that not protect your industry?

**Mr ATKINS** - Where is the council?

**Mr BOOTH** - Sorry, Chair, just for clarification. I would to hear from inspectors who do this work, you would pick that anyway, wouldn't you?

**Mr GRIFFIN** - Yes, if it has a permit, we will pick it up.

**CHAIR** - If the job has a permit?

**Mr GRIFFIN** - Yes. It may be illegal work.

**Mr FOLEY** - Again, Mr Chairman, if the householder at Moonah has a problem, I believe that whoever the council is that looks after the Moonah suburb - I am not sure, I think it is Glenorchy - that if that home owner went to the Glenorchy Council and spoke to the building inspectors that they would react accordingly by -

**Mr WATSON** - Council would have to issue an order and a notice under the Building Act, just as it does for illegal building works. If it is an issue about people operating without accreditation, currently under the building system and it is the same act, the Building

Act, the council would report that to Workplace Standards. I am assuming we would do the same with plumbing.

**Mr BEST** - Sorry to interrupt, but that is what we heard this morning, that was that with an individual circumstance or event, what you say is perfectly true, people go to the council but that does not necessarily prevent someone who is dodgy or is not really qualified or whatever the case may be, continuing to repeat the same events unless there is a compliance and that would mean removal of that person from the industry.

**Mr WATSON** - I would have no issue if council had to report or a consumer could report to Workplace Standards. If someone is out there doing work without accreditation, I have no issue with that. Although I will say that our experience with Workplace Standards with following that through with certainly the building surveying side has been disappointing. From a council perspective we raise a lot of concerns with Workplace Standards over questionable building surveying practices and there is a real reluctance to enforce the law in that respect.

**CHAIR** - That is interesting. We need to keep an eye on that.

**Mr BEST** - Can we ask for some information on that or is it inappropriate?

**CHAIR** - No. It is not an area of current interest, but that fits with some of the information we've had that led up to our interim report that we have already made. It is interesting that it's on the record now, you have said it.

**Mr OLDENHOF** - Roofing is probably a bit of a grey area because traditionally in Tasmania builders have been putting roofs on houses for ever. They weren't necessarily roof plumbers but they would put a better roof on than some roof plumbers would. It has been a traditional part of a builder's skill set that he put the roof on. He's got a ticket now, or he hasn't got a ticket now. The compliance officer could be very busy if he's going to pick all those up because I am sure there are thousands of them.

**Mr GRIFFIN** - There is only one compliance officer. How much work does it take to keep one person busy?

**Mr BOOTH** - The other point, and it is getting back to this question of whether there is any authority that needs to be given to make the work of the regulators achieve the results you want in terms of being able to discipline plumbers or refer builders, plumbers, electricians or any of them when there is non-compliant work done or you pick up illegal building works. You have said that at the moment you deal with that under the act, so is there a need for some additional clarification in the act in terms of the roles and responsibilities of council?

**Mr GRIFFIN** - Obviously we don't handle accreditation; we have no jurisdiction over that course. All we can do is report that to whoever has jurisdiction over that area.

**CHAIR** - Should someone have accreditation powers?

**Mr GRIFFIN** - I don't have an issue with that. Clearly you have to do something with operators who aren't complying with their accreditation rates. Whether that is through self-regulation, through working with the industry bodies, that is an option.

**Mr BOOTH** - That isn't the issue. For consumer protection and to protect the trades to make sure that properly-qualified people are doing the work, isn't the key to all this the standard of the work, not whether someone has a number on their door? Isn't the key that the toilet flushes and the taps don't leak and the pipes don't rattle and the sewer is connected to the appropriate pipes in the house? Isn't that the key here?

**Mr OLDENHOF** - That is right.

**CHAIR** - I could argue that they mightn't rattle for two years but then for the next 20 years they might. Are you arguing that it could be unqualified people doing it so long as they know what they're doing?

**Mr BOOTH** - No, no, that is not what I am arguing. I am saying that the key to what we need to be doing with the regulatory regime is to make sure that the work is done to the Australian standard. The inspectors presumably are qualified people who inspect it to the standard so you have a look and sign off with your professional name on the line that this work complies with the relevant acts. Isn't that the key to it? Therefore, if somebody is doing illegal work, that is another issue. They shouldn't be able to get their work ticked off to comply with the standard unless they get a practitioner to come in and certify it, but that is a different area. In terms of whether or not you appoint another inspectorate to check whether people have numbers on their door is not going to achieve compliance to the standard.

**Mr OLDENHOF** - In my 50 years' experience the majority of plumbing problems occur from homeowners going to the local hardware store, purchasing the toilet and basin and doing it themselves. Andrew had trouble with people who complained about a blocked drain. After much investigation he found the problem - the homeowner had a bit of water lying in the backyard that he wanted to get rid of so he drilled a hole into a sewer pipe and poked the pipe inside it, which went three-quarters of the way into the sewer pipe and, consequently, they continued to have the problem. Andrew said that on the surface it looked wonderful.

**CHAIR** - But that is against the law, isn't it?

**Mr OLDENHOF** - That's right. Most of the plumbing problems we find are homeowners doing their own plumbing.

**CHAIR** - You are looking at August there; we have a document tabled here for all of 2011 and for both plumbing contractors and plumbing practitioners there is a total of 58 complaints, some of which were found unfounded - allegations of unlicensed contracting, unfounded - so there are issues that they looked at. We know of one more because Mr Oldenhof doesn't have a number on his door, he tells us.

**Mr OLDENHOF** - If you don't put any signwriting on it you don't have to have one on your door.

**CHAIR** - Everyone recognises your big Dutch head.

*Laughter.*

**CHAIR** - With 58, I would have thought that once you tidy up the tail and once people start behaving themselves by putting numbers on their doors, once it is on the door it is going to be there forever, isn't it? I would have thought that that will go down to 20 or 30 complaints a year, but it is being argued by Workplace Standards - and when you read the *Hansard* of this committee and you will see what the director says - that this is all about consumer protection, to make sure that a person who says he is registered plumber is a registered plumber and is accredited, knows his stuff and hasn't, as a lot of these complaints say, suggested that he was a licensed practitioner when he wasn't. Can we just talk about consumer protection because a fair bit of what we have been talking about is protection for your industry, too, because it is about cost, isn't it? You people currently pay \$50 and you don't want to pay \$400.

**Mr OLDENHOF** - It is the consumer who ultimately pays, isn't it?

**CHAIR** - Yes.

**Mr OLDENHOF** - Regardless of whatever Workplace Standards or anybody charges us, eventually you pass on the cost.

**CHAIR** - And that is what this committee is about - the cost of building and housing construction. Can we just focus, though, on consumer protection. Is it not fair and reasonable that an industry such as plumbing has a 0.8 audit and compliance officer in at the government inspectorate to do things that the council doesn't do? If there is a double-up we need to look at that.

**Mr OLDENHOF** - I believe the council does all the things that are -

**CHAIR** - Tim said that they don't look at accreditation.

**Mr WATSON** - No, I didn't say that. I said we don't have jurisdiction over accreditation. I wouldn't argue with what you are proposing there. I would say, based on our experience, how could you justify a team of seven people to regulate accreditation or whatever. I just find that ludicrous.

**CHAIR** - That is electrical and gasfitters.

**Mr WATSON** - Okay.

**CHAIR** - The whole electrical industry, gasfitters who are now fitting LPG to cars as well, and plumbers - seven people. We don't have the Director of Workplace Standards before us so I am putting his views to you.

**Mr WATSON** - They could possibly absorb the accreditation issues with the building side of it and get economies of scale that way. That is what I would be advocating. I haven't had the discussion with Workplace Standards. Local government, unless they have been talking to LGAT, certainly haven't had a conversation with us at an operational level.

**HOUSE OF ASSEMBLY SELECT COMMITTEE ON COSTS OF HOUSING, 44**  
**BUILDING AND CONSTRUCTION, HOBART 23/2/12**  
**(WATSON/FOLEY/OLDENHOF/GRIFFIN/ATKINS)**

**Mr BOOTH** - If you have an unlicensed operator, in other words someone who has not got a licence, an unregistered plumber -

**Mr ATKINS** - Do you mean a home owner?

**CHAIR** - Turns up in a van with a ladder on the roof.

**Mr BOOTH** - Yes, and starts doing plumbing work. Then the council comes along and you don't just look at the work and say, 'This complies'. You say, 'Who did it?', don't you?

**Mr GRIFFIN** - Absolutely, yes. They have to put their name and their licence number and everything down.

**Mr BOOTH** - So therefore all work that is done currently with a permit and so forth is associated with a permit and is inspected for the fact that the person has to be accredited and the quality of the work and its compliance is inspected now.

**Mr GRIFFIN** - Correct.

**CHAIR** - Now we go to the next step. Mr Oldenhof turns up for work and you make sure he puts his name and number down and you sign it and you know who and what he is. What about down the street where you see a guy with a white van with a ladder on top and he is down there at another job that hasn't got local government approval, hasn't got a DA or a plumbing permit, and he is doing the job. Can you as a council inspector go in and say, 'What are you guys up to here?'.

**Mr GRIFFIN** - We do, yes. We talk to the home owner and investigate what is going on.

**CHAIR** - Have you the power to do that?

**Mr WATSON** - Yes, we have entry powers. It is no different to your local builder. Council has entry powers. The plumbing or building inspector would determine whether a building or plumbing permit was required. If that was the case then we would speak to the home owner and walk them through the process and then we would legalise the works.

**CHAIR** - Have you got any powers to force whatever.

**Mr WATSON** - Absolutely. Under the Building Act we are required to issue a notice and then follow up with an order. If they do not comply with the order we can go to prosecution and issue infringement notices which in effect fines the person. So we certainly have enough of a stick there to require compliance with the act.

**CHAIR** - The job is finished down the road and you are leaving the job. You have signed off John's work and somebody says to you that three doors down there's a pretty big job down there. There was a guy with a white van and a ladder. Not a plumber. Did not recognise him at all. The job is finished. Have you got powers to go in afterwards and see whether there was -

**Mr WATSON** - Absolutely. It does not matter whether the work is finished or in progress. The circumstances are the same. It is just different types of permit that we would issue. One is after the fact. One is before the fact. There is a regimented process that you have got to follow under the Building Act, which also covers plumbing.

**Ms ARCHER** - You could hold off on occupancy too, couldn't you?

**Mr WATSON** - Absolutely.

**Mr OLDENHOF** - They could make you dig up that whole drain, uncover it all.

**Mr WATSON** - We can issue inspection directions. The act is not deficient in dealing with non-compliance.

**CHAIR** - I have had complaints by building owner against plumbing and work performance.

**Mr WATSON** - We do not get involved in the quality of work. We had the same issue with building.

**CHAIR** - Now we are down to what this compliance and audit officer could be doing.

**Mr WATSON** - Possibly. I have heard that some of the other States do that. Our jurisdiction is limited to compliance with the legislation, the regulations and codes. Whether it is good quality work or lower end quality work, we do not get involved in that. We just tick off on does it comply.

**Mr BEST** - Tim, you are with the Meander Valley Council?

**Mr WATSON** - That is right.

**Mr BEST** - Is it the same for all councils? Do they all have the same level of inspection and so forth? We heard that some councils might not have the same level of skilled people. I do not know if that is right.

**Mr WATSON** - Under plumbing you can have self-certification and some of the smaller councils who struggle to get the skilled people required for that would opt for self-certification. That is out there.

**Mr BEST** - What does that mean exactly.

**Mr GRIFFIN** - It means there are no inspections done on the new house. At the end of the job the plumber will submit a form 33, self-certifying that the work complies with AS3500 and that the drains have been laid.

**Mr BEST** - So does that mean that that plumber in that local government area would then take responsibility if there was some ongoing thing?

**Ms ARCHER** - Doesn't liability transfer to councils that rely on that?

**Mr WATSON** - Absolutely. You cannot walk away from your legal liability as a permit authority.

**Mr BEST** - Even if the contractor has signed it?

**Mr WATSON** - Absolutely.

**Mr BEST** - You might end up wearing that contractor's work.

**Mr WATSON** - Yes. One of the planning lawyers, Shaun McElwaine has made it very clear to the northern councils that our obligations as a permit authority are not extinguished just because someone has done private certification.

**Ms WHITE** - It might be useful for us as a committee to get a list of the councils across Tasmania that allow self-certification.

**CHAIR** - Yes, we can get that LGAT.

**Ms WHITE** - We can then see where they are under-resourced.

**Ms ARCHER** - It then becomes a legal liability issue as to whether the council recovers from a plumber if they are wholly and solely responsible for a fault.

**Mr WATSON** - Correct.

**Mr BEST** - I see. I was going to ask whether you are you aware of local government having to foot the bill for some faulty work by a plumber.

**Mr WATSON** - I am not aware of too many circumstances.

**Mr OLDENHOF** - I know of cases where they have refused a work permit for the next job.

**Mr BEST** - In that municipality?

**Mr OLDENHOF** - Yes.

**Mr BEST** - What about where local government has then recovered the costs from a plumber of a faulty job? Are you aware of any cases?

**Mr WATSON** - I am not aware of any individual circumstances.

**Mr BOOTH** - Getting back to that example of self-certification, it would still not be possible under self-certification to approve a dwelling unless all of the required licences have been obtained, the permits, and the practitioners were duly qualified and registered correctly.

**Mr GRIFFIN** - They would still get a plumbing permit so all that is still checked.

**Mr BOOTH** - You couldn't have the local milkman acting as a plumber, doing the work for an approved dwelling and self-certifying -

**Mr GRIFFIN** - No.

**CHAIR** - It is only the on-site thing that doesn't happen.

**Mr BOOTH** - So it is only an inspection; everything else is identified.

**CHAIR** - So it is a fairly limited self-certification; it is not like we were talking about for building -

**Mr WATSON** - It's not that much different, though. Only council can issue permits so if you have private certification for the building, the council still has to issue the permit as the permit authority, the same as with self-certification for plumbing.

**Mr BOOTH** - And you will not issue the permit unless the practitioner has an accreditation?

**Mr WATSON** - Absolutely.

**Mr BEST** - Andrew gave us an example about the galvanised clips on copper pipes. As you say, it is about administering the act with council inspectors. Would a council inspector comment if they thought there was something unsafe about the work site or would they say they wouldn't go there because it is not really their role? I think you said there is some mentoring that goes on with inspectors and it does create quality? I thought that was what you were trying to convey. Is it really just about the quality of the work or are there are things that might occur, like with an inspector on a work site?

**Mr GRIFFIN** - We have a duty of care. If something is unsafe then obviously we will bring it to their attention and try to get it fixed.

**Mr BEST** - They are not on there for safety, necessarily; they are on there to look at the work and make sure things -

**Mr OLDENHOF** - They inspect the work to see if it meets the standards required. If it's not they will ask you to fix it; if not they will issue a notice to say, 'Remedy this'.

**Mr GRIFFIN** - We do mentor. If the work quality is not quite there, we work with them and try to lift the quality to an acceptable level. There is a fair bit of mentoring involved, especially with young blokes straight out of the trade; we hold their hand a bit.

**Mr BEST** - I know it is about policing, so to speak, but what of the relationship between, say, the council inspectors, plumbing contractors and the workers who are plumbers?

**Mr GRIFFIN** - We wear two hats; we wear the police hat and the regulatory hat. Sometimes it is a fine line but we try to focus on the customer service. I like to think of most of the plumbers as my mate; they can ring me 10 times a day, I am not fussed. I normally allow five inspections per new dwelling but if I have to go there six, seven or 10 times it doesn't really matter, as long as the job is done right. I think we have a good rapport with all the plumbers.



**Ms WHITE** - We talked about the fact that you, as an inspector, pick up on jobs that are lodged with the council -

**Mr GRIFFIN** - Yes.

**Ms WHITE** - but if you see illegal works you can also inspect those. Some of the complaints that Workplace Standards receive are of course about those illegal building works. Can you then pursue that plumber and address the fact that they are conducting illegal works? I understand you can address the works themselves but the plumber can continue on. How does council address that?

**Mr WATSON** - We do have the ability to issue infringements against the plumber, just as we do against the builder.

**CHAIR** - Per job?

**Mr WATSON** - Yes.

**CHAIR** - The question is: can you rub him out of the industry?

**Mr WATSON** - No, we don't have jurisdiction over accreditation.

**Ms WHITE** - So that would be where an operational licensing for plumbers could fund a compliance officer who would have the power to do that?

**Mr WATSON** - Correct.

**Ms WHITE** - To protect your industry and protect consumers down the track?

**Mr WATSON** - But do we have that problem?

**Ms WHITE** - Apparently we do, according to Workplace Standards. They have received numerous complaints about illegal building works or plumbing works by unlicensed plumbers.

**Mr BOOTH** - Just for clarification, they are two different issues. There is the illegal work done by someone who is not a plumber and then there is legal work done by a plumber but not being compliant.

**Mr ATKINS** - That is an important distinction.

**Mr BOOTH** - The question then is: do you as council inspectors and regulators see that there is in fact a problem with illegal works occurring under your jurisdiction that you are not able to deal with and aren't dealing with?

**Mr GRIFFIN** - I think every municipality has illegal works; they are quite common. We deal with it through the ordinary way at this stage.

**Mr WATSON** - In your experience are you finding that a substantial component of local work is being done by unaccredited individuals?

**Mr GRIFFIN** - They are being done by the home owner 90 per cent of the time.

**Mr OLDENHOF** - There was a guy acting as a plumber in Launceston, advertising on billboards, but he ceased operating basically because three plumbing inspectors from three different councils put a stop to him.

**Ms WHITE** - But he could have moved elsewhere in the State.

**Mr OLDENHOF** - No, he's still there but he's no longer -

**Ms WHITE** - But hypothetically speaking he could have, whereas if Workplace Standards had someone who could rub him out completely, it would protect everyone.

**Mr FOLEY** - This is one case.

**Ms WHITE** - I realise that.

**Mr FOLEY** - I think at the last committee meeting we had - and I had some figures then but I'll go from the top of my head here - Les Curtis, one of the plumbing inspectors from Launceston, in 22 years had heard of two or three of those cases like this guy that John is talking about. So two or three over 22 years have got to the stage where he has said, 'We're not going to accept your start-work forms or permits because you are playing up big time'. As a generalisation, both the 2005 and 2011 legislation, are being driven by mainland forces and Tasmania is so much different in the tradesman's mindset. We are an enclosed community, for want of a better phrase. They talk about Tasmanians with two heads; well, we have two-headed plumbers too, but we in effect look after our own, if that makes sense. John can tell you what is going on down the road with so and so, and at times we don't need the plumbing inspectors to give you a clip under the ear verbally, you'll know. I think we had 1 031 plumbers in the State as at September 2010 and I think in Melbourne alone there are 23 000 plumbers. It is driven by numbers and that is what worries me, the fact that we are being drawn into a structure that we don't need.

**CHAIR** - It would be much easier to make a case for an audit and compliance officer in Sydney, wouldn't it?

**Mr FOLEY** - Exactly, because you can go from one side of Sydney to the other but here it is a different kettle of fish.

**Mr BOOTH** - The point that Rebecca made was pretty relevant or pertinent to this. She said if there are jobs that require an audit and compliance officer through Workplace Standards - setting aside whether you really need that or not; I personally have doubts that there's any justification for it - were there to be a justification for an audit and compliance officer, could that work be done by the current council structure or would you require some other additional powers to amend the act to give that to councils to be able to do it if you found it necessary?

**CHAIR** - Could the State Government contract this job out to you guys?

**Mr WATSON** - Certainly in the north; I am sure that we could sort it out at a northern level. I can't speak for the other parts of the State. We have a very good working relationship in greater Launceston and we would definitely be capable.

**Mr BOOTH** - And is there some deficiency in the law that prevents your doing it?

**Mr WATSON** - I suppose, because we don't have jurisdiction, the answer to that is yes.

**Mr BOOTH** - And the jurisdiction would be what? It would just be whether somebody is carrying out work as an unlicensed practitioner?

**Mr WATSON** - That's right.

**Mr BEST** - The move would be that the council inspector could be a compliance officer in the act.

**Mr BOOTH** - Where you catch a person who is working illegally you can prosecute now anyway.

**Mr WATSON** - Yes.

**CHAIR** - On that job? You can't prevent him from doing further jobs.

**Mr ATKINS** - Where does it sit at the moment regarding the occupational national law legislation you passed last year? Is that going ahead or can it be knocked on the head; what's happening?

**CHAIR** - That is legislation that has been passed by the Parliament. We are looking at a matter that has been stalled by the Parliament. A fee has been disallowed and so therefore there is a stand-off. Currently there are some people not paying anything, there are others paying something, so clearly that is not sustainable. That needs to be resolved and it has been referred to this committee for a recommendation to the Parliament, to the House of Assembly, to seek to de-stall that process. But that bill is in play, although we have been informed today that there will be a new bill coming before the Parliament to amend that bill to allow for the over 65s and the bits and pieces that have been negotiated along the way.

**Mr ATKINS** - So we are potentially stuck with it.

**CHAIR** - Like all legislation, it could be repealed on the first week of parliament, if parliament was of a mind.

**Ms ARCHER** - Has it yet got royal assent?

**CHAIR** - It must have if they're doing the regulations.

**Mr BOOTH** - It hasn't been enacted at a Federal level.

**CHAIR** - No, but the COAG agreement between States was that each State would set it up. As always, Tasmania is often usually the last. We are about fourth in the ranking; WA is

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looking at it and the rest of them. NOLS will fall over or won't. What I understand from the evidence this morning, if NOLS falls over there will be 'TOLS' - the Tasmanian version. That is the Government's policy.

**Ms WHITE** - With a lesser fee.

**CHAIR** - With a lesser fee because you wouldn't be contributing to the secretariat based in Sydney. That's where we are at with the legislation. This committee is confined to a certain element of it but it has been a very broad-ranging discussion with you people and it is been a good eye-opener to lead us through this process.

**Mr BOOTH** - Apparently delays to a number of aspects are likely to impact on the commencement of the national system, and uncertainty regarding some jurisdictions' participation. In the national system, legislative variations raise a risk that the reform may not be achieved. Victoria is the host jurisdiction of NOLS legislation - the National Occupational Licensing Law Act 2011. Victoria received assent on 28 September. In January 2012, the architect of the Victorian system, the Building and Plumbing Industry Commissioner, Tony Arnel, resigned just weeks after a damning report found the building industry was not properly regulated and minimum standards were not being met.

**Mr ATKINS** - There are some issues then.

**Mr BOOTH** - There are some serious issues at a national level.

**CHAIR** - Which members of parliament may or may not activate through their parties, or individually, but for now the environment we are working in is as I told you.

Gentlemen, thank you very much for your time and your very substantial effort in getting here today.

**THE WITNESSES WITHDREW.**