Q1: Are the current regulatory arrangements in NSW effective in minimising the risks associated with plumbing and drainage?

Albury City believes that the current regulatory requirements in NSW for plumbing and drainage are effective at minimising risks. The strength of the current system within the Albury LGA is reliant on an independent authority inspecting the works undertaken by private contractors.

Q2: What is your view of the role and effectiveness of on-site regulators and the administrative costs incurred by the on-site regulators?

The role of on-site regulators is crucial in the control of plumbing and drainage in NSW and are traditionally viewed by the public as service providers to the community. From a customer perspective, the final 'sign-off' by the regulator is a form of insurance that the work has been completed by the plumbing contractor to an appropriate standard (i.e. 'check and balance').

The cost of the service is borne by the plumbing contractor, although one assumes that it is ultimately passed to the customer. From AlburyCity's perspective we are unaware that the administrative costs in Albury are an issue although one could assume it would be if the costs are exorbitant.

With regard to the effectiveness of on-site regulators there could be some more specific training for inspectional staff. The 2 major issues with on-site regulators are:

- Regulators are not consistently interpreting the requirements (and thus frustrating the plumbing industry), and
- Not all of the plumbing industry (ie the plumbers) are aware of the various plumbing requirements (ie they don't know what is actually required) and this leads to dissension when their work is rejected by the regulators. Linked with this is the declining standard of workmanship due to the training/education system (ie the education/training system for plumbers is letting them down)

Q3: What costs are associated with meeting the current technical requirements framework? Are there any specific costs that arise as a result of local variations? Please provide quantified costs where possible.

The costs associated with meeting current technical requirements are static regardless of the technical requirements. The costs associated with plumbing regulation at AlburyCity allows for wages and cost overheads for employees. The costs for service and surety are not considered unreasonable or unfair by industry.

With regard to specific costs that arise as a result of local variations these are very minimal. The costs associated are usually only the costs of the material as the costs associated with the installation are generally the same.
Q4: In your view is the potential conflict of interest likely to have a significant impact on regulators, users or the community? Please provide examples.

Where a reasonable and transparent pricing mechanism exists there should be little or no opportunity for a conflict of interest for regulators. This will be reliant on administrative regulation mechanisms which should be developed and reviewed periodically to reflect the changing nature of supply bodies.

Q5: What are the strength and weaknesses of institutional models applied in other jurisdictions in the context of NSW and national plumbing industries?

Each state and territory’s system has its own strengths and weaknesses. It’s the education, application and interpretation of the various plumbing and drainage requirements that is the issue with all of them.

Rather than consider in detail each of the institutional models applied in other jurisdictions the key or core characteristics of an ideal model are listed below:

- Adoption of the (National) Plumbing Code of Australia;
- A State Plumbing Authority/Advisory Board;
- Councils/Local Water Utilities perform the regulatory functions, thereby providing a ‘local contact’ and interface for community and industry;
- Legislation to support administration and compliance with the relevant requirements;
- A common inspection regime and standards; and
- Regional variations permitted where appropriate based on geographical, topographical and climatic conditions.

The aim of the arrangement should be to:

- Limit the risk to the customer, the community’s health and the environment;
- Limit the on-going responsibilities to Council regarding health, engineering and trade waste issues;
- Minimise insurance costs to industry;
- Ensure consistency of interpretation and application of the relevant requirements;
- Minimise separate approval processes;
- Promote education and training in the industry to ensure that competent trades people are trained adequately and that suitably qualified staff are employed in the regulatory area; and
- Provide an opportunity for more, rather than less, people to become interested and involved in the industry including the regulatory aspect.
Q6: What are the strengths and weaknesses of the different approaches to technical requirements in the context of the NSW and national plumbing industries?

There is strength in having a national approach. A national code would provide consistency and eliminate potential cross-border anomalies, as currently exist in Albury (with Wodonga (Victoria) on the southern side of the Murray River). If there is a weakness to the national approach it would be the inability to cover all situations, climates, etc across the country. A national approach should recognise and allow for regional issues and concerns.

The main difference in technical requirements in the context of the NSW and national plumbing industries is the matter of inspections by an authority versus the self-certification model. Whilst self-certification may allow works to continue uninterrupted and relieve the responsibility of works from authorities to the plumbing contractor, it is not in the interest of public health or the consumer. The potential conflict of interest for self certification is significant and poses a threat to public health and community members.

The most significant weakness in any system is education, information and trained front-line officers no matter what system is in place. A national approach, with regional variations, would assist in providing training and consistency across regional and state areas.

Q7: What are your views on how appropriate each option is in terms of cost effectiveness, efficiency and policy effectiveness? What are the implications of the models for industry, consumers, government and regulators?

Some of the models mentioned, namely Victoria, SA, WA and ACT, if adopted, will result in a significant cost to the community due to increased risks to community health and the environment, the loss of the ‘local contact’ and create a knowledge drain from local water utilities through staff leaving and/or redundancies. The plumbing approval process will suffer a fragmentation which will incur additional costs to plumbing contractors (and ultimately their customers).

AlburyCity believes the most cost effective model is one where a central authority controls the training requirements and licensing of plumbers and the regulation/inspection of works on site is performed by local Water Authorities with self-certification to be avoided.

Anecdotal comments suggest that the current inspectoral arrangements in Victoria are not supported by ‘responsible’ plumbing contractors and they prefer the model where their work has to be inspected by an independent authority. This provides the contractor, industry and community with certainty over the work upon completion.

Of the four options proposed, AlburyCity is strongly opposed to option 4, and Option 2. Option 1 is considered the most suitable and appropriate due to certainty for industry and community and minimisation of risk, followed by Option 3, although we would have to disagree with some of the disadvantages quoted in Option 3.
Q8:  Do you have any alternative proposals for reforming the institutional arrangements for plumbing in NSW? Please provide details.

AlburyCity are satisfied that the existing arrangements are appropriate and they provide certainty for industry and consumers alike. The adoption of a national Plumbing Code of Australia would minimise conflict and confusion but there needs to be opportunity for regional variations.

The establishment of a state Plumbing Authority/Advisory Board would be highly desirable and offer a number of advantages including:
- access to technical resources;
- coordination, provision and regulation of training and education; and
- resolution of technical issues and disputes.

The main areas that require addressing are education (of plumbers and regulators), interpretation of the adopted requirements (to get a consistent answer) and their application. This could be achieved through the adoption of a National Code.

Q9:  What is the most appropriate approach to implementation of the reformed institutional arrangements?

A staged roll out would be required to minimise potential conflict and facilitate education and training for all members and participants in the industry. There are numerous examples of mechanisms for the phasing in of legislation such as this including the Building Code of Australia however the level of variation should be minimised and timelines for alignment with National Standards should be tougher and shorter than those adopted in the BCA example where State Variations were retained ad infinitum.

No matter what option/model is adopted it needs to be legislated and for this to occur all involved in the plumbing industry from the contractors, builders and designers through to the authorities and on-site regulators need to be consulted.

Q10:  What are your views of the current operation of the NSW administrative framework for plumbing and drainage?

The current administrative framework can be confusing and misleading at times, especially for industry participants. The NSW Code of Practice for Plumbing and Drainage generally provides for the administration aspects while the National Plumbing and Drainage Code (AS3500) cover the technical requirements.

A significant improvement would be the amalgamation of administrative requirements under the NSW Local Government Act, the Local Government (General) Regulations and the NSW Code of Practice for Plumbing and Drainage and the various 'local' variations. This could facilitated by a national approach and more importantly under the control of one state body. This would encourage greater technical and legal support for industry and regulators.
Q11: What are the costs and benefits of local variations?

The benefits of local variations are that, provided they do comply with the code, they may best fit the operation of the local water/sewer authority, the local conditions such as climate or geological conditions and the local contractors in the area.

The costs involved with local variations are those associated with inconsistency across the boundaries of the authority where time may be lost with contractors coming up to speed with such variations and, in some cases, the costs of remedial works. There can be some confusion or misinformation due to variations and lack of awareness by some industry participants where they are unfamiliar with local requirements or variations. This could be minimised by regional variations that cover a broader area and are based on climate or geological conditions.

Q12: What are the likely costs and benefits of a NSW-specific approach for technical requirements compared to adopting the national approach?

There is the possibility of additional costs should a NSW-specific approach for technical requirements be adopted compared to adopting the national approach. However, this would generally be isolated to state borders where there is a the possibility of plumbing contractors working in both states, and even more so if there are ‘local’ variations in one state and not the other. This additional cost would be minimal, especially when the plumbing contractor was new to the area and had not bothered to ascertain if there was any ‘local’ variations in-place. This is quite common in Albury especially when Victoria plumbing contractors not from the local area (ie from Melbourne) begin working in area.

Q13: Do you have any alternative proposals for applying technical standards to plumbing in NSW? Please provide details.

Council does not seek to proposed any alternatives. This is based on the current National Plumbing and Drainage Code (AS3500) being acceptable as a minimum standards document. However the (National) Plumbing Code of Australia should be adopted in its entirety in the foreseeable future. This will eventually be more cost effective.

Q14: How practical would implementing a national technical requirements framework be in NSW? What would the potential costs be?

Introducing a national technical standard would go a long way towards achieving consistency. But the critical thing will be bringing everybody (regulators and plumbers) up to speed with the requirements of the standards through seminars, etc. and then getting everybody to use and interpret them. The costs to regulators would not be significant and compared with long term benefits to community and industry. Any training should be seen as professional development, and should be occurring regardless.
Q15: Have you experienced any unnecessary delays caused by the current arrangements for making new connections to any water utility's water services network? If so please provide details of the problems you have faced plus any solutions that you propose.

In regards to local circumstances and conditions this issue has not been a major or significant concern in Albury City. Based on past experience and knowledge the only delays that have occurred are due to the customer not being aware of procedures and requirements relating to proposed works. In some instances, particularly when 'out-of town' plumbers are used, there are delays but this is because the plumber has not sought the correct information especially where 'local' requirements may exist.

Delays have occurred where external contractors are not aware of local requirements. This issue could be resolved through better education and implementation of national administration standards. However each authority will undoubtedly have their own administrative systems and requirements. It is not practical to implement a national standard. Therefore, more emphasis is required on the provision and awareness of information regarding processes and local requirements.
INSTITUTIONAL FRAMEWORK

Option 1: Maintain current arrangements with improvements

AlburyCity believes that Councils/Local Water Utilities are best placed to perform regulatory functions and provide an important service for ‘local’ contact. Improvements needed include:-
- Adoption of the (national) Plumbing Code of Australia
- A future national plumbing licensing system
- The creation of a stat plumbing authority/board

Option 2: Single on-site regulator with a separate licensing regulator
No comment

Option 3: Ministerial Advisory Committee plus separate licensing body plus on-site regulation by local councils.
No comment

Option 4: All regulatory functions managed by a single agency
No comment

TECHNICAL REQUIREMENTS FRAMEWORK

Option 1: Maintain current arrangements

Albury City Councils preference is for this Option, but with the adoption of the (National) plumbing Code of Australia

Option 2: Maintain current arrangements without local variations
No comment

Option 3: NSW specific performance-based approach
No comment

Option 4: Plumbing Code of Australia performance-based approach

As an alternative to the current system Albury City supports the adoption of the Plumbing Code of Australia due to the potential benefits to industry and regulators and the flow on effects of these benefits to the community at large. Greater consistency and hopefully more legible and clearly understood standards and requirements will provide greater surety and understanding for all participants and affected parties.
Please add any further comment below

The discussion paper seems to be business focussed and emphasises cost and efficiency gains in the proposed changes to ‘meet Government objective and community expectations.’ The primary purpose of reticulated waste and sewerage services is to protect the community from outbreaks of disease and reduce the potential for environmental degradation. Some of the proposed changes in this paper potentially increase the risk to community health and the environment. Before any of these changes are implemented it is recommended that the Government seek information on the ‘economic factors’ of the outbreak of disease through the potable water supply in 2000 in Walkerton Canada. (JM)

This additional option provided by AlburyCity is the most economical of all models with minimal disruptions to staff and customers and is based on a national approach. (JC)

Albury City supports the adoption of the Plumbing Code of Australia due to the potential benefits to industry and regulators and the flow on effects of these benefits to the community at large. Greater consistency and hopefully more legible and clearly understood standards and requirements will provide greater surety and understanding for all participants and affected parties.

Council recognise and supports the establishment of a national plumbing licence based on the implementation and operation of a National Plumbing Code and Regulations(with regional variations).

Albury City still retains a firm belief that as the local Water Authority Council has an impartial role in the regulation of water and plumbing regulations. Managing the local assets including records and registers facilitates the dissemination or information and education of industry and community representatives. A commercial enterprise does not have the same incentives to provide quality service at low cost in this environment.

There needs to be a greater emphasis on the education, dissemination of information and training of industry participants including plumbers and regulators (i.e. Plumbing Inspectors) to ensure consistent interpretation of the various technical requirements and that all parties are aware of and appreciate the requirements and standards.

AlburyCity is definitely against the comment on page 17 of the Discussion paper, quote: ‘As previously mentioned the Gov’t is in the process if implementing legislation to allow new water suppliers and water regulators to gain access to existing infrastructure such as trunk mains, sewerage and reticulation mains.’ Comments from a NSW Dept of Water and Energy workshop held in May 2008 at the Wonga Wetlands on this very issue raised a concern: if such a scheme proceeds and then the private supplier/recycler pulls out of the service provision/delivery then the responsibility of the service reverts to the local authority. There needs to be a mechanism to protect against or prevent any financial or legal liability being imparted on the water authority.