



17 August 2007

Dr Mal Washer MP  
Committee Chair  
House of Representatives Standing Committee  
On Environment and Heritage  
Parliament House  
HOBART

Submission No:	..... 15 .....
Date Received:	..... 17/8/07 .....
Secretary:	..... <i>[Signature]</i> .....

Dear Dr Washer

**Standing Committee on Environment and Heritage  
Inquiry into the regulation of plumbing product quality in Australia**

**Terms of Reference**

The committee will inquire into the regulation of plumbing product quality in Australia, examining in particular:

- the appropriateness and effectiveness of the current plumbing product quality regulatory arrangements
- scale of environmental benefits from controlling plumbing product quality
- trade implications of controlling plumbing product quality
- potential improvements to the plumbing quality regulatory system
- the appropriate level of government to administer plumbing product quality regulation, that is, the states (as is now) or the Commonwealth.

**Introduction**

Workplace Standards Tasmania administers the *Building Act 2000*, which controls all building and plumbing work in the State. The *Building Act 2000* calls up the Tasmanian Plumbing Code as the technical requirement for plumbing work and plumbing products. That Code in turn references the Plumbing Code of Australia and the WaterMark Certification Scheme.

The WaterMark Certification Scheme is specified in Section G of the Plumbing Code of Australia as the authorisation instrument for the installation and use of plumbing products in regulated plumbing systems in Australia. It is administered by Standards Australia Ltd. in association with the NPRF Trust and is called up by all States and Territories.

## Term of Reference 1

### **The appropriateness and effectiveness of the current plumbing product quality regulatory arrangements**

Workplace Standards Tasmania, through its membership of the National Plumbing Regulators Forum (NPRF), was a full participant in the development of the current WaterMark Certification Scheme (WMCS) for plumbing products as prescribed in the Plumbing Code of Australia (PCA). We have an ongoing role in the accreditation of new and innovative products through our membership of the NPRF Technical Advisory Committee and the various Standards Australia Committees that have a role in this process.

Under the Tasmanian Plumbing Code we also have a direct responsibility for the accreditation of on-site wastewater systems and other plumbing products that are not currently covered under the national WaterMark Scheme. These systems and products typically include septic tanks, aerated wastewater treatment systems, composting toilets and low-level trade waste systems and products.

The WMCS was developed to fill a vacuum created by the withdrawal of the Agriculture and Resources Management Council of Australia and New Zealand (ARMCANZ) from this area in 1998. Prior to the WMCS there have been various national, state-based or water authority based plumbing product testing and authorisation schemes since the 1950s.

After the establishment of the NPRF on the recommendation of the Laver Report, the Plumbing Code of Australia (PCA) was developed and subsequently published in 2004 by the NPRF to address the harmonisation of regulatory requirements. It provides for:

- a) *installation requirements relating to all on-site plumbing services and systems;*  
and
- b) *processes for contestable certification and authorisation of plumbing products.*

The PCA introduced a nationally co-ordinated and holistic approach to an otherwise parochial setting of regulatory requirements for plumbing services and systems. It addresses a wide range of existing issues relating both to the installation of plumbing services and systems and the certification of plumbing products leading to significant benefits in regulation efficiency.

Most jurisdictions have now adopted the PCA. All jurisdictions use the current WaterMark Certification Scheme (WMCS).

It is considered that the current arrangements for the authorisation of on site plumbing products in Australia are appropriate. The WMCS is risk-based and delivers, in a contestable manner, a nationally consistent authorisation scheme available to all manufacturers and distributors. The objectives of the scheme, whilst being primarily about health and safety, now cover environmental issues and sustainability.

The Objectives of each Section of the PCA demonstrate this. For example:

**BO1.1** The *objective* of this *Part* is to:

- (a) safeguard people from illness, injury or *loss* (including *loss* of *amenity*) due to the failure of a cold water installation;
- (b) ensure that a cold water installation (including an installation provided for use by people with disabilities) is suitable;
- (c) conserve water and energy;
- (d) safeguard the environment;
- (e) safeguard public and private infrastructure ; and
- (f) ensure that a cold water installation is designed and is capable of being maintained so that throughout its serviceable life it will continue to satisfy *objectives* (a) to (e)

## **Term of Reference 2**

### **The scale of environmental benefits from controlling plumbing product quality**

The environmental benefits from controlling plumbing product quality under the WMCS relate principally to the health and safety of the users of those products. As outlined above, the Objectives of the PCA also address environmental outcomes. The objectives specifically address water and energy conservation and safeguarding the environment.

In recent years the Australian Government has promoted independent environmental rating schemes such as the Minimum Energy Performance Standards (MEPS) and Water Efficiency Labelling Scheme (WELS) which both include plumbing products. The MEPS scheme regulates energy performance of plumbing products such as electric storage water heaters. The WELS scheme is principally aimed at providing prospective purchasers with advice at point of sale about the environmental performance of the product or appliance. It does not set minimum regulated performance as evidenced by the ability to label plumbing products as “Zero Star rating” under the WELS scheme.

Tasmania mandated dual flush toilet cisterns for new installations many years ago and there have been significant water savings.

Greater environmental benefits can be achieved by setting minimum performance levels by regulation. Whilst the *Manual for the assessment of risks of plumbing products* (MP78) used by CABs when assessing new or hybrid plumbing products addresses environmental risks by the use of consequence scores, these are based on water loss or wastage from a failure. They are not based on operation and usage or minimum performance levels.

### **Term of Reference 3**

#### **The trade implications of controlling plumbing product quality**

No comment is made on this Term of Reference.

### **Term of Reference 4**

#### **Any potential improvements to the plumbing quality regulatory system**

The present plumbing quality regulatory schemes in Australia suffer from a lack of co-ordination and consistency.

It is submitted that the WMCS should be expanded through the development of an Inter-government Agreement (IGA) formally establishing the NPRF and charging it with responsibility for plumbing product certification and authorisation. The IGA could be along the lines of the very successful IGA that establishes the Australian Building Codes Board (ABCB). The NPRF IGA should include the Commonwealth as a full participant and include environmental compliance in its scope. It is not considered appropriate for plumbing regulation to be added to the charter of the ABCB as has been considered and subsequently dismissed in the past. The new WMCS would have regard to environmental risk and compliance based on WELS and MEPS requirements. The current multitude of schemes, marks and stars is confusing to the public as well as the plumbing industry. Point of sale restrictions should be considered, however this could be restrictive for other industries that use plumbing products and fittings.

Other plumbing products, which are currently outside the WMCS should be included in the scheme. This includes low-level trade waste appliances and systems and on-site wastewater treatment systems. The current state-based approval systems demonstrate the same inefficiencies, which led to the development of the national WMCS. The regulators for these products are often different from the NPRF regulators and may be found in the health or environment portfolios. Consideration should be given to including these regulators (currently represented by the National On-site Regulators Forum (NORF)) in the NPRF IGA.

The NPRF and Standards Australia are currently reviewing the WMCS establishment and operation protocols. This should be encouraged and supported. There are some inconsistencies and inefficiencies that have been identified by the parties and industry, which need attention. These include responsibilities for compliance and efficiency, timeliness of the process, auditing of CABs, and complaints procedures. The MP78 document also needs updating to take into account the latest information on the use of risk in regulation (Inter-jurisdictional Regulatory Collaboration Committee, 2007) and to include more on environmental risks.

The NPRF is also conducting a review of the Plumbing Code of Australia. The issues are being addressed by the NPRF and its Technical Advisory Committee and through the provisions of the Memorandum of Understanding with Standards Australia.

**Term of Reference 5**

**The appropriate level of government to administer plumbing product quality regulation, that is, the states (as is now) or the Commonwealth.**

The appropriate level of government to administer plumbing product quality is the States (and Territories) through an appropriately constituted and resourced National Plumbing Regulators Forum. As plumbing products transfer and use natural resources, which are the responsibility of the States, and because their regulation is primarily about health and safety and the environment, the States are the appropriate regulators.

The Commonwealth should use its auspices to support this national process, become an active participant in it and drive and set policy and efficiency targets for the State regulators. It would not be appropriate for the Commonwealth to become the sole independent regulator of plumbing product quality when the States and Territories have responsibility for installation and use regulation. Such disjointed regulatory processes are never efficient, slow to respond and suffer from lack of ownership.

Yours sincerely



Roy Ormerod  
**General Manager**