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Australian Electrical and Electronic Manufacturers' Association

**Submission to House of Representatives Standing Committee
on Environment and Heritage Inquiry into Regulation of
Plumbing Product Quality in Australia**

The Australian Electrical and Electronic Manufacturers' Association (AEEMA) is the peak national industry body in Australia representing Australia's ICT, electronics, and electrical manufacturing industries. AEEMA's members include manufacturers and suppliers of home appliances, including water-using product such as washing machines, dish washers, combination clothes washers/dryers and water heaters. Unlike bathroom fixtures, which use only water (for example, a shower rose, tap or cistern), these appliances use combinations of water, electricity and gas. This introduces considerably more complexity to safety and performance requirements.

As a statement of principle, AEEMA considers that regulation should not be introduced unless there is a demonstrable need and not before the proposed regulation has been subjected to a full cost-benefit analysis. As a further statement of principle, AEEMA considers that any regulatory system should address the following three areas:

1. National consistency

AEEMA members provide product for all of Australia, hence it is the Association's firm view that regulation must be consistent across jurisdictional boundaries. This does not necessarily mean that regulation must be administered by the Commonwealth – although a single national regulatory regime lends itself more to national consistency than, say, eight regimes administered by the states and territories. The trend for local government to introduce local deviations incurs considerable extra costs for AEEMA members, often for no apparent environmental or safety benefit.

2. Efficiency

Regulatory regimes need to be efficient to instil confidence in industry and avoid unnecessary cost. Regular independent review helps to ensure efficiency.

3. Enforcement

Effective and transparent enforcement is essential in any regulatory regime. It is AEEMA's experience that enforcement of regulation affecting our members' products is too often ineffectual.

Plumbing Appliances and WELS Regulation

It is important for any new regulatory regime affecting the safety and quality of plumbing appliances, as supplied by AEEMA members, to be consistent with the Water Efficiency Labelling Scheme (WELS Scheme) administered by the Department of Environment and Water Resources. Having said this, AEEMA strongly urges that the WELS Scheme, as currently administered, should not be used as a model. The WELS Scheme was intended to be a joint government and industry initiative. However the initial goodwill and co-operation has largely dissipated. The Scheme has become highly legalistic, bureaucratic and inefficient, with little apparent enforcement and many obvious examples of non-compliance. It is essential that we learn from the lessons of the WELS Scheme when addressing the issue of regulation of plumbing product quality in Australia.

Co-ordination between Agencies

As a final comment, there needs to be better co-ordination between the agencies currently involved in plumbing regulation – namely the Australian Building Codes Board, the Plumbing Code of Australia, Standards Australia and the WELS Scheme. The trend for agencies to develop their own regulations without full inter-agency co-ordination needs to be changed. The absence of co-ordination has led to anomalies in requirements for: installation; occupational health and safety; water and energy conservation; and quality & performance.

AEEMA is willing to expand further on any of the points raised in this submission.