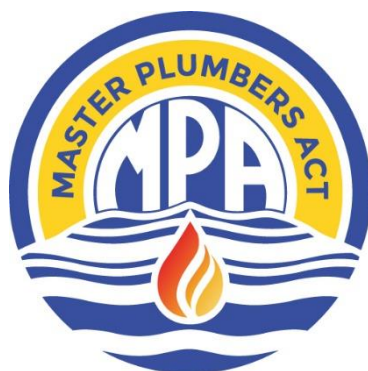


Master Plumbers ACT

Submission

to the

ACT 2022-23 ACT Budget Consultation



Master Plumbers Association ACT (MPA) was established in 1976 and is the region's peak organisation for the plumbing industry, aimed at supporting a strong and professional industry, a satisfied community, and a flourishing environment. We do this through our support of training excellence, industry leadership, an emphasis on environmental protection and sustainability, protection of public health and safety, and upholding highest ethical standards.

MPA's work importantly brings all groups together to underpin best outcomes for the ACT community & ACT Government through our collaborative endeavours.

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1. Introduction

Master Plumbers Association ACT is the peak membership association for the plumbing sector, with a vision of a thriving & professional industry, a satisfied community, and a flourishing environment.

MPA members include experts across the breadth of the industry including policy makers, contracting businesses from those with 200+ employees to sole operators, training organisations, apprentices across the breadth of the 6 years of study to become fully licensed, product suppliers and allied organisations. The purpose of MPA is to support our members in their efforts to uphold highest possible ethical and professional standards through knowledge sharing, professional development, networking and advocacy.

Our objectives include the promotion of a professional and ethical plumbing industry as a critical objective across government, business and the community; the promotion and advocacy of policies and practices that support public health and safety and environmental protection; the improvement of relative plumbing sector outcomes for vulnerable demographics and groups within the community; leadership and promotion of a collaborative environment encompassing all those with responsibility for and working in the plumbing industry; and support and advocacy for highest standards of training and continuing professional development across the industry.

MPA welcomes the invitation from the Chief Minister and Treasurer to present a pre-Budget Submission to the ACT Government. We have framed our proposals to support the government's strong focus on building our economic, social and community recovery to support the wellbeing of Canberrans now and into the future.

MPA was pleased to see the Healthy Waterways program is being extended to June 2023, with a \$14 million boost in funding. Notably, MPA strongly supports the global umbrella of the 17 United Nations Sustainable Development Goals to 2030, and we maintain an especially strong connection with the following goals:

- [Sustainable Development Goal 3](#) - Ensuring healthy lives and promoting well-being for all at all ages.
- [Sustainable Development Goal 6](#) - Ensuring access to fresh water and sanitation for all.
- [Sustainable Development Goal 7](#) - Ensuring access to affordable, reliable, sustainable and modern energy.
- [Sustainable Development Goal 13](#) - Taking urgent action to combat climate change and its impacts.

Our proposals reflect the critical nature of the plumbing industry, an industry that is worth around \$700m to the ACT economy. There are over 3,600 plumbing licenses in operation in the ACT, as well as many thousands of administrative staff and allied organisations and workers supporting the industry (Joboutlook, 2022).

Our direct influence on environmental sustainability and public health and safety outcomes, coupled with our direct interaction with 430,000+ residents of the ACT, deserves a significant level of funding support from the ACT Government. Proposals presented in this submission are therefore aimed at elevating the impact and recognition for MPA's comprehensive suite of programs.



2. Proposals

Our proposals are framed around the central tenets for the ACT Government’s budget preparations, building our economic, social, and community recovery and to support the wellbeing of Canberrans now and into the future.

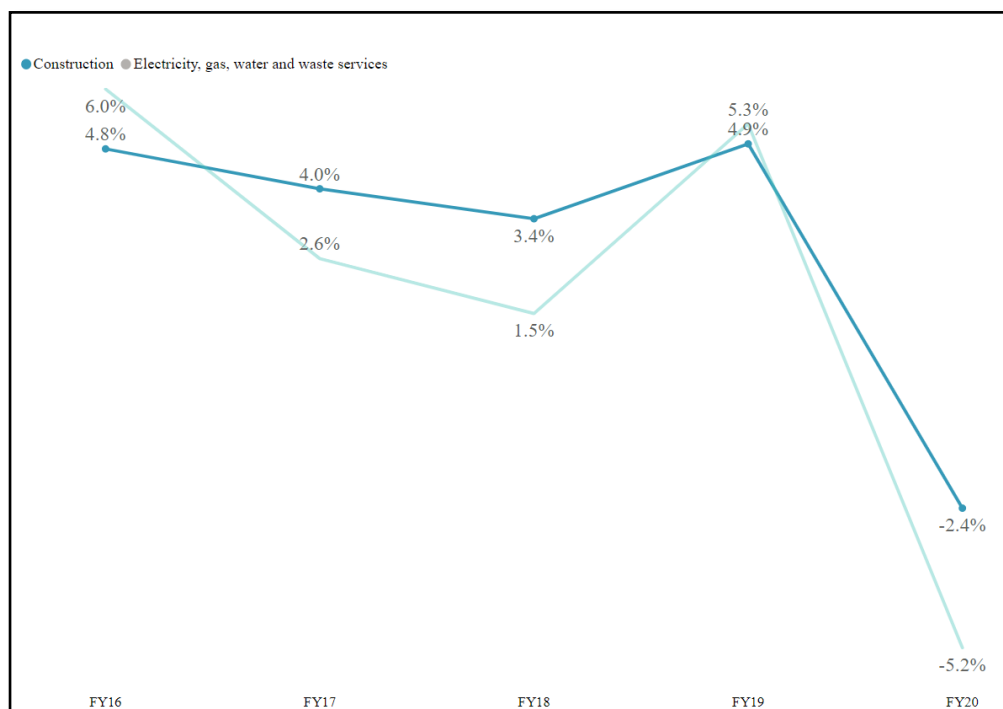
a) Boosting Consumer Protection & Equality Programs

MPA has implemented a range of programs aimed at protecting consumers and our environment from unethical practices of non-MPA Members, and at supporting best outcomes for those who are financially vulnerable through our *pro bono* work. Unfortunately, Covid impacts have made our endeavours difficult. This impact has been exacerbated by a severe disruption to the global product supply chain, and a worsening skills shortage across the sector ([University of Melbourne, 2022](#))

MPA estimates the combined costs to the ACT Government and community as a result of unethical plumbing practices is in the region of at least \$2-3m per year. This is based on 30-40 plumbing industry cases being progressed through the lower court system alone (noting many more cases are unreported), the duplication or remediation costs of often unnecessary work required by consumers, and the costly damage to our environment and publicly funded infrastructure from unethical and unprofessional practices.

A strong reflection of the growing pressure across our industry is the closure of plumbing businesses. These businesses have made the heart wrenching decision to leave the industry due to rapidly escalating costs and product supply constraints. A survey of our members indicates the closure rate is around 8% and is disproportionately affecting small businesses.

Figure 1: Change in value of Goods & Services 2016-2020FY
'Construction' and 'Electricity, Gas, Water and Waste Services'
(Source: [ACT Government Wellbeing Framework](#))





It's especially disappointing to lose operators who have spent 6+ years of specialised training to become fully licensed. These industry-wide impacts will take many years to reverse, and unfortunately open the door to consumers becoming increasingly susceptible to unethical operators.

Fair Trading at Access Canberra continues to be a vital service enforcing the Australian Consumer Law in the ACT. MPA has been working in partnership with Fair Trading and other ACT regulators and allied organisations to protect our community from unethical plumbing operators. Unethical operators damage the reputation of our industry and the government, most importantly in contravening the ACT Government's mandated regulatory systems that have been designed to benefit the community.

Our direct contact with the community on a daily basis, coupled with our strong commitment to ethical practices, puts MPA in a unique position to influence community health and safety and environmental sustainability outcomes, and we take our responsibility seriously. We do however need the government's support for our programs, a selection of which are detailed below:

i. Our standout Consumer Guarantee

Leading by example as the first Program of its kind across Australia.

Our Consumer Guarantee ensures consumers are provided with the highest standard of professionalism from our members, and in the unlikely scenario they have concerns about workmanship, they are protected through our \$5,000 insurance program.

This program counters potentially devastating outcomes (for our community and the environment) from any unethical businesses/practices that may be in operation. This is particularly vital with the skills shortage that is evident across our region (and the rest of the nation). It is vital that the community is aware of the importance of using ethical and technically first-class professionals ([MPA ACT, 2021](#)).

ii. Our Pro Bono Plumbing Program

Ensuring our financially-vulnerable consumers are protected.

MPA is especially pleased to report on a new and successful *Pro Bono* Program that we have developed to support our community, this time with Care Inc. Our *Pro Bono* Program assists members of our community who are experiencing financial difficulties and have urgent plumbing work they would otherwise be unable to have completed.

Our *Pro Bono* Program has seen many of our members put up their hand to help, for free, when needed ([MPA ACT, 2022](#)).

iii. Consumer Education Programs

Supporting our partners, including the ACT Government, Icon Water and Evoenergy, in consumer education around health, safety, and protection and sustainability of our environment;

Our activities provide many opportunities to encourage feedback and/or educate the community about the importance of many ACT Government and associated partner programs and services.

Our plumbing businesses and business partners/sponsors are in direct contact with the 400,000+ ACT and region community on a daily basis, which provides a convenient and immediate access point to share important messaging. In addition, our social media



platforms and media promotional activities bring a much wider community lens to our collaborative activities and programs.

iv. Our Members' commitment to the MPA Code of Ethics

MPA Members sign up to the MPA Code of Ethics when they join. Our Code of Ethics is incorporated in our By-Laws as a means of supporting the highest standards of personal and business conduct by Members.

v. Support for ACT Government efforts through legal departments, fair trading, consumer legal services, the MPA complaints portal, & our referral and dispute resolution service

MPA includes our work as an industry complaints portal as an important pillar in protecting the reputation of our industry, in particular our regulators who set the mandated standards for our work.

Our work to support the government involves provision of industry expertise & advice to all those involved in the dispute resolution service. We would appreciate support to expand these programs, in tandem with the ACT Government, and expedite the expulsion of unethical operators in our industry.

vi. Our annual Plumbing Industry Excellence Awards which recognise, reward and promote our industry champions and ambassadors

Our annual Plumbing Industry Excellence Awards celebrate the outstanding ambassadors and projects across our industry, which is an important contributor to an environment where professionalism and excellence is rewarded. In October this year we are holding our first in-person dinner event for 3 years, and although our event last year was a scaled down stand-up event at one of our supplier venues, the photos have been viewed over 30,000 times. This is a significant outcome, and a sign of the importance of this event as a vehicle to collaborate and celebrate our sector's achievements. MPA would appreciate significant additional support for this event so that we can in turn support best outcomes for our government and community.

vii. Charity events – raising funds for deserving community causes

Our annual Charity Bowls Day event is a highlight on the calendar for our industry, and last year was especially popular with a spotlight on road safety. Our guest speaker, Peter Frazer OAM from the Safer Australian Roads And Highways Foundation (SARAH), was a powerful presenter, and helped the audience make the link between the industry we work in and the impact of preventable road trauma ([Safer Australian Roads And Highways \(SARAH\), 2022](#))

We recognise the ACT Government is a strong supporter of National Road Safety Week which is an initiative implemented by SARAH. Noting our charity event raised hundreds of dollars for SARAH, with government support we would like to strengthen the road safety outcomes achieved across our industry.

\$50,000 in annual funding for 2022-2025 would provide much-needed support for operational activities to sustain and expand these programs, which in turn support the ACT community and Government, including through reduced complaints about unethical operators and associated legal actions & costs.



Proposal

Boost Consumer Protection & Equality Programs

Financial commitment required: \$150,000 i.e. \$50,000 per annum for three years

Estimated ACT Government/community cost-saving: \$2-3M+ per year

b) Environmental protection & resource management leadership

MPA is fully supportive of the ACT Government's oversight of our environment, specifically in terms of responsible management of both our water resource and the natural gas resource transition to zero emissions by 2045.

MPA works in partnership with the ACT Government and Icon Water towards a protected and healthy water resource, and use and maintenance of a natural gas resource which remains the energy source of choice across many Canberra households.

MPA has recently taken steps to implement a multi-stakeholder, non-partisan collaborative body – the Plumbing Industry Leadership Alliance (PILA) – which aims to prioritise and progress environmental protection and resource management issues for the benefit of all. MPA would appreciate support from the ACT Government to increase our capability with this program, with potential focus areas detailed below:

- Water - Backflow prevention
- Clean waterways program/adequate and maintained stormwater system
- Commitment to water sustainability – Water audit/waterwise program
- Gas – system audit/Hot water & gas-wise program
- Gas – Leak prevention, Carbon Monoxide research
- Removal of redundant greywater pipe requirement
- PVC pipe recycling program

MPA encourages the ACT Government to join the Plumbing Industry Leadership Alliance as an active and engaged supporter and participant, and provides seed funding to underpin best outcomes for the ACT community as a result of this collaborative multi-stakeholder initiative

Proposal

Support environmental protection & resource management leadership

Financial commitment required: \$150,000 i.e. \$50,000 per annum for three years

Estimated ACT Government/community cost-saving: Environmental & resource protection, and a streamlined plumbing industry transition to zero emissions, not possible to quantify in financial terms.

c) Supporting government/industry/consumers through the transition to Zero Emissions

The industry considers the transition of the ACT's natural gas network to zero emissions to be potentially one of the most significant decision points in the long and proud history of the gasfitting industry in the ACT. It is an industry which has provided reliable, safe and low-cost



energy for generations of Canberran families, employed many thousands of workers, and fuelled manufacturing and industry. Due to our industry's vital role, we are seeking to work with the ACT Government to ensure a carefully balanced transition keeps the health of our economy front of mind, together with the health of our community and environment.

The size of the ACT plumbing industry (including gasfitting) is significant. Our industry injects around \$700m to the economy, and encompasses great diversity - from large companies with 200+ employees turning over up to \$50m each, through to sole operators (Ibisworld Stats, 2022). There are over 3,600 plumbing licenses in operation in the ACT, as well as many thousands of administrative staff and allied organisations and workers supporting the industry (Joboutlook, 2022).

MPA has previously made strong recommendations on the path forward regarding renewable energy innovation ([MPA ACT, 2021](#)). MPA also draws the ACT Government's attention to the relevant Plumbing Industry Climate Action Centre submission to the Victorian Government's Gas Substitution Roadmap' ([Engage Victoria | Victorian Government, 2022](#)).

ACT's gasfitting industry alone is comprised of 1,800 licenses across both liquid and vapour phases, and we are seeking to maintain a strong and viable industry, and to preserve our energy options by protecting the ACT's significant economic asset which is worth \$350m.

The plumbing industry is heavily reliant on a large fleet of light vehicles, excavators and heavy equipment, which spend 20-30% of time on ACT roads – every day. As Transport contributes more than 60% of the ACT's greenhouse gas emissions, we would like to work in partnership with the government to transition to zero emissions vehicles across the industry ([ACT Government, 2022](#)).

We are proposing to work with the ACT Government to avoid costly impacts of removal of renewable gas as an option to replace fossil gas in order to: maintain electricity reliability while new demands emerge; transition to more sustainable gaseous fuels with minimal disruption to end-users; maintain the reliability, affordability, and safety of gas supply whilst managing uncertainty during the transition; and transition the ACT economy efficiently and equitably

MPA proposes to work with the ACT Government on a number of programs, with suggestions outlined below:

- Programs to enable the plumbing industry to provide the community with information and support to streamline the transition to zero emissions. The plumbing industry is uniquely placed to actively lead this knowledge sharing through our direct contact with the ACT's 430,000+ residents.
- Programs to help transition the sector successfully to lower or zero emissions vehicles;
- Programs to successfully transition resource usage away from natural gas;
- Programs to upskill the gasfitting industry through the evolving transition
- Research economic and environmental challenges from a proposed 100% reliance on electricity, including the environmental impact of heavy metal extraction for batteries, plus battery de/re-commissioning;
- Provide updates to government on the advances made towards hydrogen and biomethane transition as technology and pricing becomes more favourable;



Proposal

Support government/industry/consumers through the transition to Zero Emissions

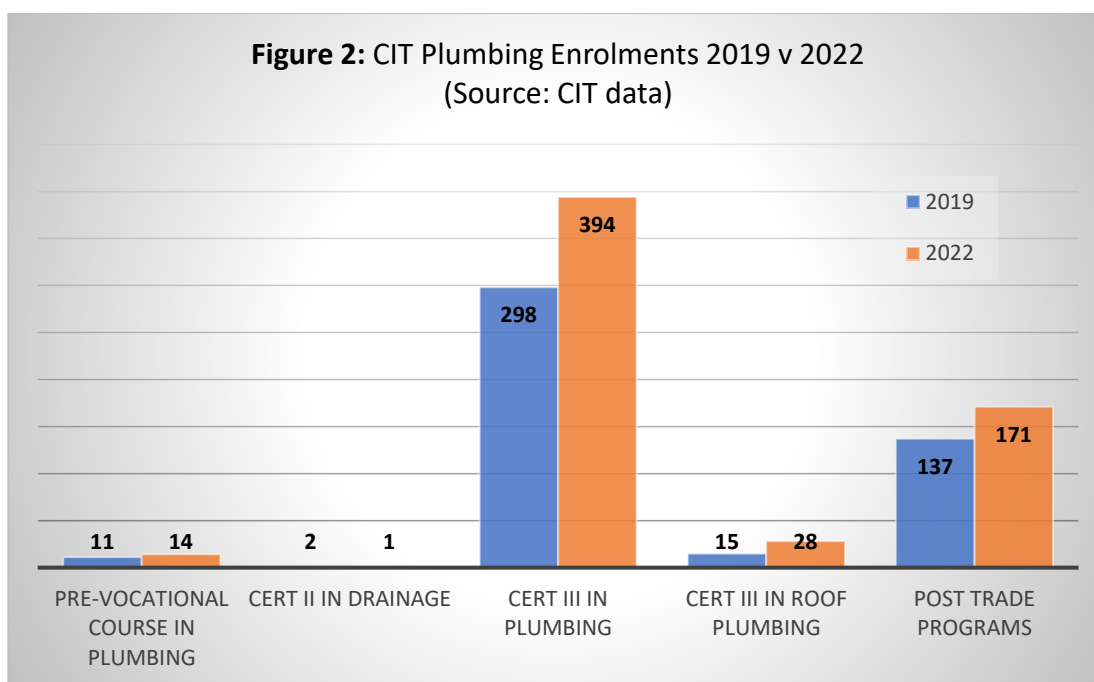
Financial commitment required: \$150,000 i.e. \$50,000 per annum for three years

Estimated ACT Government/community cost-saving: A more economically-viable, supported and streamlined transition to Zero Emissions by 2045

d) Supporting plumbing skills and workforce needs

The plumbing industry is one of only 3 licensed and regulated trades – plumbing, electrical and building. Training across our industry is unique as it takes 6 years to become fully qualified as a licensed plumber - 4 years via Certificate III training and practical experience to gain certification as a Journeyman Plumber, and a further 2 years to complete additional Certificate IV training to become fully licensed.

The 2021-22 ACT Skills Needs List targets the plumbing industry across both gasfitting and plumbing streams (ACT Government, 2022), and although the number of CIT enrolments for plumbing has increased by 24% since 2019 (Figure 2), it will take 6 years to progress these trainees to fully-licensed status. Even then, the number of new entrants will not fill the skills gap that we are currently experiencing.



The increase in apprenticeship enrolments has spurred a corresponding increase in the support required through MPA activities – including via our apprentice/industry/stakeholder forums and our training rebate program for those about to become fully licensed or completing CPD.

MPA is proud of our enduring and mutually respectful partnership with our industry educator, the Canberra Institute of Technology, which ensures our next generation of industry



professionals, together with their employers and their educators, works collaboratively to underpin a strong future for our industry.

Plumbing is a continually evolving profession, markedly impacted by the constant changes brought about by our transition to zero emissions and our emphasis on environmental protection and protection of public health and safety. MPA training support provides vital industry/training/apprentice knowledge transfer and could be built on with great impact.

The current skills shortage is significantly impacting our industry in the training sphere, with Continuing Professional Development across the industry especially heavily impacted. We are aware of many businesses seeking upskilling and qualifications across a range of areas, for example, Restricted Electrical Licensing, but there is a shortage of qualified or available teaching staff to run the courses. This is one example of many, and MPA would like to work with CIT and other CPD providers to fill this gap and support the increasing demand for professionalism and emergency skills needs across our sector.

Proposal

Support for plumbing skills & workforce needs

Financial commitment required: \$600,000 i.e. \$200,000 per annum for three years

Estimated ACT Government/community cost-saving: Easing of workforce shortage, lifting of professional standards, easing of government and community costs as a result of legal claims.

e) Strengthening industry innovation & leadership

MPA remains committed to our objectives:

- Leadership and promotion of a professional and ethical plumbing industry as a critical objective across government, business and the community
- Promotion and advocacy of plumbing sector policies and practices that support best public health and safety and environmental protection outcomes
- Improvement of relative plumbing sector outcomes for vulnerable demographics and groups within the community
- Leadership and promotion of a collaborative climate amongst all those with responsibilities for and working in the plumbing sector
- Support and advocacy for highest standards of training and continuing professional development across the industry

While we continue our programs to support best outcomes for the ACT Government and community, MPA simultaneously works hard with limited resources (1.3 FTE staff) to support the industry in navigating the extended Covid disruptions. Our leadership continues to be vital, especially as our industry is one of the few considered essential even under the strictest of lockdowns.

Despite the Covid disruptions, MPA was able to hold an inaugural meeting of the Plumbing Industry Leadership Appliance (PILA), our multi-stakeholder, non-partisan, independent umbrella



group looking at priority issues and driven by a focus on evidence. This leadership group supports effective collaboration and information sharing that is vital to all parties.

The inaugural PILA meeting was focussed on backflow prevention, and brought together multiple regional and national parties to look at examples & consider improvements to the current system. Meeting participants have indicated they would like follow-up meetings, however MPA's lack of resources has meant this has not been possible. With ACT Government support, we would like to expand this program, drawing on input from all stakeholders to determine a list of priorities that need addressing, including emerging technologies.

Coupled with our direct contact with customers, our leadership in implementing the PILA Alliance puts us in a unique position to assist the government at a strategic policy level to support government policies, and simultaneously support the industry and community to expedite uptake of beneficial programs driven by these policies.

MPA has expanded our range of business support packages, most recently implementing comprehensive, personalised and legally-vetted business Terms & Conditions and breach of agreement correspondence. This has been developed to work hand in hand with the \$5,000 Consumer Guarantee and Code of Ethics, in a bid to support community confidence in our industry, and rid our region of unethical operators discussed in detail above.

MPA has also completed important work on a Safety System that is aimed at the many small and medium-sized businesses that find the unwieldy civil-focused safety system documentation almost impossible to navigate and implement. Our templates are now available to all members and are in use by leading businesses across our region. The system was developed by the inaugural winners of the Worksafe ACT Safety Awards for businesses exhibiting exemplary safety standards and innovation.

We would appreciate much stronger support from the ACT Government to strengthen collaborative industry leadership and innovation across our sector.

Proposal

Strengthen industry innovation and leadership

Financial commitment required: \$300,000 i.e. \$100,000 per annum for three years

Estimated ACT Government/community cost-saving: Environmental & resource protection, difficult to financially quantify



4. Conclusion and Recommendations

The plumbing industry needs strong ACT Government support to navigate both the changing economic environment as well as the transition to Zero Emissions by 2045, with the ACT Government, our community, and our environment being direct beneficiaries of this support.

Benefits from Government support roll out in the form of increased consumer confidence in our industry, a lift in professional standards and preparation for future advances, and an expulsion from our jurisdiction of unethical operators and practices that are burning up valuable government resources and are having devastating impacts on vulnerable community members.

MPA, being a collaborative multi-stakeholder organisation, has the expertise, experience and know-how to move forward with purpose and maximum impact. Whilst we have made important advances as an organisation and industry, we need the government's partnership and support moving forward - we jointly need to make the right investments.

MPA recommends the ACT Budget 2022-23 include the following measures and investments:

1. Boost Consumer Protection and Equality Programs
\$150,000 i.e. \$50,000 per annum for three years
2. Support environmental protection & resource management leadership
\$150,000 i.e. \$50,000 per annum for three years
3. Support government/industry/consumers through the transition to Zero Emissions
\$150,000 i.e. \$50,000 per annum for three years
4. Support plumbing skills & workforce needs
\$600,000 i.e. \$200,000 per annum for three years
5. Strengthen industry innovation and leadership
\$300,000 i.e. \$100,000 per annum for three years

MPA appreciates the opportunity to make this submission and contribute to best possible public health and safety outcomes, and to ensure protection of our precious environment. Please do not hesitate to contact us should you require additional information or have any queries in relation to this submission.

A handwritten signature in black ink, appearing to read 'C. Howe'.

Claire Howe
CEO
Master Plumbers ACT

A handwritten signature in black ink, appearing to read 'Jason Tait'.

Jason Tait
President
Master Plumbers ACT



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