



Compliance audit summary

Licensed plumbing contractors 2014

About the auditing program

In Western Australia, plumbing work and people undertaking plumbing work are regulated by the Plumbers Licensing Board (the Board). The Board regulates the State's plumbing trade by issuing licences to suitably qualified and experienced plumbing contractors and their tradespersons and it is illegal for a person to carry out plumbing work without a licence.

In keeping with the national trend to place greater accountability on contractors, the Plumbers Licensing and Plumbing Standards Regulations 2000 set out a system of self-certification as the basis of the regulatory framework.

Licensed plumbing contractors (contractors) must notify the Board of the work they are doing by submitting a Notice of Intention (NOI) for major plumbing work or a Multi-Entry Certificate (MEC) for minor plumbing work. In some cases this must be done before the plumbing work is carried out. They must also certify that work is complete and complies with all of the relevant regulations and standards by submitting a Certificate of Compliance (COC).

Contractors are responsible for all plumbing work performed by themselves and their employees and a rectification notice may be issued up to six years from the time the work is completed.

In 2014, as part of its compliance monitoring activities, the Building Commission's Audit Branch commenced a new audit program. The audits assess compliance with the contractor's administrative obligations as well as compliance with plumbing standards.

What did we do?

The schedule of audits was established to select a representative sample of contractors who perform residential, commercial, industrial, renovation, maintenance, drainage and emergency plumbing work. Audits were undertaken in the metropolitan area (53) and the regional areas of Kalgoorlie (2), Albany (1), Bunbury (4), Wheatbelt (1), Karratha (2), Port Hedland (1) and Geraldton (26).

During the audit, a plumbing inspector inspected plumbing work and checked documents and signage at the contractor's principal place of business.

What did we find?

In 2014, 90 audits were completed. Of these:

- 80 contractors were found to be complying with their general licensing obligations.¹
- 33 were found to have not submitted MECs and NOIs and in some cases major work had been submitted on MECs.
- 77 contractors were found to be complying with the plumbing standards and only minor issues were found in the remaining 13 cases. All but two matters were rectified with a verbal direction from the plumbing inspector.
- Some of the contractors presently work for other contractors or are not performing plumbing work at all.
- The level of cooperation with the audit was very good and most non-compliance was accepted as a genuine oversight.

What action did we take?

The following action was taken as a result of the audits:

- 12 infringement notices were issued in relation to the failure to submit notices or submitting notices incorrectly.
- One matter was referred to the Building Commission's Enforcement Branch for consideration of disciplinary action as the contractor had previously been warned regarding his failure to submit NOIs.
- Two rectification notices were issued in relation to technical non-compliance with plumbing standards.

Conclusion

The audit found 89% of contractors were complying with their licensing obligations and 86% were complying with the plumbing standards. This is a pleasing outcome for the Western Australian community. While compliance with the requirement to submit notices and certificates was lower at 65%, this compares favourably to a recent targeted investigation of 60 contractors where only 27% were found to be compliant.² Contractors who fail to submit notices and certificates are potentially gaining a competitive advantage over those who are doing the right thing and this will be addressed through future compliance activities where penalties will be applied more vigorously.

Where to next?

The auditing of contractors will continue in 2015 and is likely to see a repeat audit of some contractors who were found to be non-compliant in 2014. Also, in 2015 the audit program will expand to include Restricted Plumbing Permit holders and the number of audits conducted in regional WA will increase.

The Building Commission is progressing reforms recommended by ACIL Allen Consulting as part

of its independent review of WA's plumbing regulations, which include a review of the system of notices.³ The Building Commission is also investigating the feasibility of an electronic lodgement system for plumbing notices with an online payment gateway. These reforms will drive greater efficiency by reducing the burden of red tape currently plaguing the plumbing industry.

¹ Display licence certificate at business premises and in all advertising, employee register up to date, adequate system of supervision and correct details registered with the Board.

² Building Commission Compliance Investigation Report (2014).

³ ACIL Allen Consulting (2013). Report to Minister for Commerce, Western Australia. *Review of Plumbing Regulations in WA*.