



an initiative of

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16 April 2015

Research Director
Finance and Administration Committee
Parliament House
George Street
Brisbane Qld 4000

Dear Sir/ Madam

Re: Submission to the Finance and Administration Committee concerning the Payroll Tax Rebate, Revenue and Other Legislation Amendment Bill 2015

The Queensland Water Directorate (*qldwater*) is the central advisory and advocacy body within Queensland's urban water industry. Its members currently include the majority of local government or local government-owned water and sewerage businesses state-wide including all of the South-East Queensland utilities.

Our interest in the Bill is limited to one issue, namely the proposed amendments to the *Plumbing and Drainage Act 2002* and *Water Supply (Safety and Reliability) Act 2008*.

The Bill's explanatory notes states that:

"The policy objective is to amend legislation so that the installation of a water meter is plumbing work that can only be performed by a licensed plumber.

The Government made an election commitment to restore high standards in Queensland's plumbing industry by requiring the installation of water meters to be performed by a fully qualified and licensed plumber. The Bill will realise this election commitment."

This submission is intended to support the Committee in making its recommendations to parliament. It is in two parts. Point 1 addresses the stated policy objective and indicates with pre-existing evidence why it is not in the public interest. Point 2 addresses the Bill content directly.

Point 1 – Poor Public Policy

Attachment A is *qldwater's* position paper on the matter underpinning the legislative amendments, published in February 2015 and prior to the preparation of the Bill.

The policy objective clearly supports the re-establishment of a protected market for plumbers for work which is more appropriately managed by water service providers. It has been developed under the false premise of improvement to public safety. By adopting this position, the Queensland Government is ignoring industry best practice in Australia and internationally.

It is further directly contravening the advice of two of its own departments.

The final report of the State Development, Infrastructure and Industry Committee considering the Water Supply Services Legislation Amendment Bill 2014 (P9) which followed an extensive consultation process notes:

“The Department of Health advised:

... there is no evidence that the proposed changes would have an adverse impact on public health ... Every water service provider in Queensland has a legal obligation under the Water Supply Act and the Public Health Act 2005 to provide safe water to customers, and installation and maintenance of water meters falls under this obligation.

There is no conclusive data on the likelihood of cross connections between recycled and drinking water resulting from incorrect installation of meters in Queensland.

The Department [of Energy and Water Supply] advised:

This minor clarification in the legislative situation does not introduce a new public health risk. These water industry workers cannot be appointed unless they perform their functions safely and mitigate any risks to public health and safety in performing their functions.

We do not bring new checks and balances into the framework in this Bill, other than we have reinforced in the authorised person provisions the need for the business to look at the competency and the ability to manage the risks posed by the work We have left that with the business in the same way as they currently look at their authorised persons. We have just strengthened that.

Committee comment:

Based on the advice received from the Department of Energy and Water Supply and the Department of Health, the committee does not consider the amendment poses public health risks. The committee reiterates the Department’s advice that there are stringent water quality and governance regimes that apply to Drinking Water Management Plans under the Water Supply Act that will continue to apply to the installation of water meters as they do to the rest of the water supply network. There are severe penalties for failing to comply with a management plan.”

Thus a policy position and election commitment has been developed in the interests of plumbing and services unions, not the interest of the water industry or more importantly, its customers. There is no technical or scientific evidence to support the policy.

It provides plumbers the desired exclusive access to large South-East Queensland and other major regional markets to the detriment of customers in small and remote communities where access to plumbing services may be limited. It provides risks to employment for existing plumbers within local government and utilities.

Point 2 – The Bill

Assuming that the election commitment is adopted, the amendments proposed in the Bill provide a reasonable approach to implementation.

Importantly, the changes do not reintroduce any of the role ambiguity which existed between the two Acts prior to the June 2014 amendments. The role of plumbers vs authorised persons is clear, limited to meter installation (not ongoing maintenance and meter replacement) as was the original regulatory intent and this must be maintained.

Yours sincerely



Dave Cameron
CEO
Queensland Water Directorate

Position Paper

Meter Installation



Meter Installation

February 2015

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1. Summary

The installation of water meters in Queensland has been a long-running source of dispute among water and sewerage service providers, plumbing trade unions and government.

Appendix A entitled “Discussion Paper on the Installation of Meters and Property Services Managed by Local Government in Queensland” provides further historical context for this issue.

This position paper provides a brief update, up to and including legislative amendments which were passed in June 2014. It further details the **qldwater** position on any further legislative amendments resulting from a change of government – see Appendix B - ALP policy document entitled “Plumbing Laws – Restoring high standards in the plumbing industry.”

2. Chronology (simplified)

2000 (Water Act release) – meters were installed by a trained employee of a water service provider, licensed contractor of the service provider or developer, or licensed plumbers. There were different approaches across Queensland.

22 May 2006 - Building Codes Queensland released a Plumbing Newsflash on the Installation of Water Meters. This yielded a new interpretation of the Plumbing and Drainage Act 2002 as requiring “the installation of water meters to be carried out by licensed plumbers both inside and outside premises.” This new interpretation recognised water meters are the property of the service provider but added the novel requirement that their initial installation could not be undertaken by appropriately qualified employees of the service provider as had been the case in the past. There was no consultation on the change.

2006 – 2011 – Various instances of legal action involving larger utilities. **qldwater** advocated for clarity in the legislation. Legal advice (from the Queensland Government and other legal advisers) seemed to agree that as drafted, the legislation meant that licensed plumbers would be required to initially install meters, with “maintenance” and “replacement” able to be performed by employees of the service provider – an uneasy but relatively clear position.

Throughout 2011 – Building Codes Queensland delivered roadshows around the state publicising an incorrect interpretation of the legislation and “proposed changes” which would see installation and maintenance work on the entire property service made licensed plumbing work. **qldwater** raised with BCQ (in person and in writing) and was advised in writing that no such changes would occur.

November 2011 – Plumbers Union Queensland wrote to all SEQ service providers and Toowoomba, including the words:

The Plumbers Union Qld has received anecdotal evidence that work in respect of 'replacement' of water meters may be occurring by persons other than licensed plumbers. The Plumbers Union Qld has sought clarification from the Plumbing Industry Council and has confirmed that 'replacement' is considered 'notifiable minor work' under the PDA, meaning that it must be carried out by a licensed plumber.

If it is indeed the case that such work is being carried out by unlicensed persons, the Plumbers Union Qld requests that this activity ceases immediately and the work is only performed by licensed plumbers. The Plumbing Industry Council has the support of the Plumbers Union Qld in investigating and enforcing compliance with the PDA.

December 2011 – **qldwater** and CEOs of each SEQ utility wrote to Building Codes Queensland seeking clarification of the legislation. The implied threat of legal action left little choice.

May 2012 – **qldwater** wrote to the new Minister of Housing and Public Works again seeking clarification after no response was received (an election period).

June 2012 – Housing and Public Works responded confirming that there had been no change to the agreed position.

July 2012 – **qldwater** wrote to the Minister again, seeking legislative amendments to remove the confusion, once and for all. A response was received, deferring to the earlier correspondence.

End 2012 – State budget papers make reference to a commitment by the Department of Energy and Water Supply (DEWS) to "simplify the regulation of water and sewerage service providers by.... enabling competent persons other than plumbers to install water meters." The Department then commenced consultation on the proposed amendments.

May 2013 – **qldwater** was invited by DEWS to respond to a series of claims in relation to meter installation made by Services Trades Queensland.

To June 2014 – A series of investigations by DEWS, draft legislation, parliamentary inquiries and ultimate legislative amendments.

All correspondence has been retained.

3. Legislation as at 2014

The passage of the Water Supply Services Amendment Bill 2014 resulted in amendments to S121 of the Plumbing and Drainage Act 2002 along with the Water Supply (Safety and Reliability) Act 2008 with the latter Act taking precedence through the following important provision.

45 Appointing authorised persons

(1) A service provider may appoint a person to be an authorised person of the service provider if—

- (a) the service provider is satisfied the person has the necessary expertise or experience to be an authorised person; or
- (b) the person has satisfactorily finished training approved by the service provider.

(2) However, the service provider can not appoint the person unless the provider is satisfied the person—

- (a) can perform the functions of an authorised person safely; and
- (b) can, while performing those functions, mitigate any risks to public health and safety.

4. Proposed position and rationale

Statement

qldwater on behalf of its members supports the retention of the current legislative provisions covering installation of water meters. The process conducted by the Department of Energy and Water Supply in determining the most appropriate policy and legislative treatment was fair, robust and supported by regulation elsewhere in Australia and internationally.

Submissions made by other organisations purporting to represent plumbers must be challenged for factual accuracy and dismissed where evidence to support claims can not be produced.

In response to the ALP policy document dated July 2014 (Appendix B)

- Changing legislation back to reinstate the requirement for licensed plumbers to install meters would be poor public policy. It only creates a protected market for plumbers and an environment where compliance can be impossible including remote areas of Queensland.
- All arguments suggesting an increased risk to public health and safety as a result of the requirement for licensed plumbers to install meters are ill-founded and have been debunked by appropriate experts including the State's own Department of Health. The concerns have been thoroughly interrogated by the Department of Energy and Water Supply and parliamentary committees and disproven.
- This is not fundamentally a costs argument, but the claim in the policy document that "this change has not led to any reduced costs" can not have been tested. The policy document was released in the month immediately following the change to legislation leaving less than a month to measure costs. It is one example of numerous factual misrepresentations.
- **qldwater** has no objection to the reinstatement of a dedicated oversight and regulatory body for the plumbing industry.

- **qldwater** supports any proposal to improve the quality and availability of training to plumbers and other staff operating in the urban water sector.
- **qldwater** recognises and supports the ongoing employment of plumbers within and as part of organisations providing services to our members. This issue and unnecessary long running dispute has made it impossible to look strategically at the trade and plumbing services for collaborative skills development and business opportunities.

5. **TRG resolution:**

The TRG endorsed the document on 19 February 2015.

Discussion Paper on the Installation of Meters and Property Services Managed by Local Government in Queensland.

20 March 2008

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Summary

In Queensland, water supply to residential and commercial premises is undertaken by Water Service Providers (WSPs) created and governed by the Water Act 2000. Most urban premises in the State are serviced by Local Government WSPs or council-owned entities.

A recurring dispute exists over the installation, ownership and responsibility for infrastructure managed by Councils and other WSPs. Recent legislative changes (and mooted future amendments) isolate current Council responsibilities exclusively to licensed plumbers. These changes will have a long-term negative impact on the management of infrastructure, council employment and customer service standards.

This paper briefly details the current practice in Queensland, highlights the impacts of change from customary practice and proposes whole-of-industry solutions for avoiding disruptive debate over boundary definitions. This includes a standard definition for the extent of WSP infrastructure that can be adopted by Councils. Whilst it is provided from a Local Government perspective, this paper is also applicable to other WSPs.

Background

Water supply to premises from the larger branch main running along most urban streets is achieved by installing a smaller pipe or „feed line“ called a “property service”. Property services are governed in Queensland by the Water Act 2000 which creates *Water Service Providers* (WSPs) responsible for providing and ensuring reliable supply of water to premises.

All other pipes connecting a WSPs infrastructure to taps or appliances within a premises are the property of the premises owner. Under the Plumbing and Drainage Act 2002, installation and maintenance of these pipes must be undertaken by a licensed plumber. This arrangement ensures that the plumbing attached to the WSP infrastructure is of a fit standard and minimises the risk of home owners or untrained workers undertaking sub-standard plumbing work. In contrast, work undertaken on WSP infrastructure is done according to the service provider’s standards using appropriately trained staff within the requirements of the Water Act 2000.

Given the need for flexibility to service the diversity of Queensland’s water users there is a flexible legislative demarcation of the boundary between a WSP’s infrastructure and privately owned plumbing. In the past, this has resulted in disputes over who is responsible for certain repairs and to resolve this problem, WSPs have policies delineating the boundary of their infrastructure. Most define the water meter as the cut-off point because meters are legislatively designated to be infrastructure of the WSP, and usually are located close to the property boundary.

In the majority of cases, water meters are placed on public land outside the private premises. In some premises, the meter will be within the boundary and this flexibility of placement is essential for some situations where there is little space to safely install, read and maintain the meter outside the premises. For this reason, the Water Act 2000 specifically allows WSPs to determine where the meter will be placed and provides powers of entry for the management of those placed on private property.

Recurrently in the past, and most recently in late 2007, debate has arisen over which sector of the water industry should be responsible for installation of different elements of the property service. Such disputes are costly financially and in terms of time and also impact negatively on customer service standards and the perception of the water industry. Further legislative changes have been mooted to transfer additional elements of WSP’s current responsibilities to the plumbing industry and this issue needs to be resolved to avoid further dispute.

Standard Practice in Queensland

The Water Act 2000 places a responsibility on WSPs requiring that they “ensure that all premises in the service area are able to be connected directly and separately to the service provider’s infrastructure”¹. The „property service“ is defined under the Water Act 2000² which also provides that “a property service is part of the service provider’s

¹ ss 452(1)(a).

² Schedule 4 (Dictionary).

infrastructure”³. The WSP must further ensure that “the design of its infrastructure allows for a connection point at or within the boundary of each premises”.⁴ These requirements reflect those of the superseded Sewerage and Water Supply Act 1949 and consequently, for many decades, Councils have designed and installed their water supply infrastructure to meet these aims.

The exact connection point of the WSP’s infrastructure is not specifically defined in the legislation and instead the provider has the responsibility for determining where their infrastructure ends. For practical reasons, most WSPs define the downstream end of the water meter⁵ for billing the premises as being the last piece of their property. This is because the meter is:

- (i) “the property of the service provider even if it is installed inside the boundary of the premises”⁶,
- (ii) regularly accessed by the WSP for reading and maintenance, and
- (iii) a natural connection point joining internal and externally owned pipes.

What the existing legislative regime means is that the majority of Queensland premises obtain their water via a property service owned by a local government⁷. In the majority of situations, this property service is connected to private plumbing at a water meter located at or within the premises boundary.

Installation of Water Meters

The Water Act 2000 provides that a “A service provider may install, or approve the installation of, a meter in a position, decided by the service provider, on infrastructure supplying water to premises”⁸. Because this may be within a premises, powers of entry are also provided. Authorised persons “may enter a place to inspect, operate, change, maintain, remove, repair or replace a service provider’s infrastructure at the place”⁹.

Until recently water meters were approved by WSPs and installed either by an appropriately trained employee, licensed contractors or by developers who would contract licensed plumbers. This flexibility has served the State well for many years as it has allowed development to proceed using appropriately trained workers in a manner that varies from region to region but ensures consistency in the provision of meters in a given area. Recently, the role of WSPs has been questioned as a result of a minor amendment to the definition of „plumbing work“.

Under the Plumbing and Drainage Act 2002, plumbing work must be carried out only by licensed plumbers. As originally passed, this Act adopted the previously existing definition of water plumbing under Queensland legislation, namely:

³ ss 452(2).

⁴ ss 452(1)(d).

⁵ A high proportion of premises in Queensland are now metered and the industry is working towards universal metering.

⁶ Water Act 2000 ss 383(2).

⁷ The vast majority of premises are serviced by WSPs that are part of or owned by Local Government.

⁸ s 383(1).

⁹ s 384(1).

“an apparatus, fitting or pipe for carrying water within premises”¹⁰.

However, in March 2006 the Plumbing Drainage and Other Legislation Amendment Act 2005 came into force amending the definition to read (emphasis added):

*“an apparatus, fitting or pipe **for supplying water to premises from a service provider’s infrastructure or a water storage tank** and for carrying water within premises”¹¹.*

The purpose for this change is not clarified in the explanatory notes that accompanied the original Bill which state that the main purposes of the Bill were for developing a framework for household greywater reuse and for improving provisions for on-site sewerage work. The only reference to the change was that “some definitions have also been rationalised”¹².

On 22 May 2006, Building Codes Queensland released a Plumbing Newsflash on the Installation of Water Meters (see Appendix 1) stating that the new definition provided “clarity on the scope of plumbing work requiring a licence”. This yielded a new interpretation of the Plumbing and Drainage Act 2002 as requiring “the installation of water meters to be carried out by licensed plumbers both inside and outside premises”. This new interpretation recognises water meters are the property of the WSP but adds the novel requirement that their installation cannot be undertaken by appropriately qualified employees of the WSP as had been the case in the past. No reason has been provided for this significant and unnecessary change.

Subsequently, the State has sought to penalise a Local Government based on the allegation that they illegally undertook work requiring a plumbing licence.¹³ This new interpretation and potential legal action are indicative of a trend to change responsibilities for installation of WSP infrastructure. This trend has long-term, negative implications for urban water supply in all Queensland regions.

Implications of Change

Customary practice under legislation has been that water service providers are fully responsible for providing a property service. The new State policy position requiring a plumbing licence for meter installation not only reverses this practice, but creates several serious impacts on water provision and future development.

1. Impact on Councils

Until recently, infrastructure owned by a WSP was installed and maintained by appropriately skilled employees nominated by the WSP. This is not an unusual practice. A national and international survey by *gldwater* found that although practice in other Australian States and internationally varies, the current Queensland approach is a commonly adopted model¹⁴. Removing the ability of WSPs to use their own appropriately trained employees will have an immediate impact on Councils.

¹⁰ Plumbing and Drainage Act 2002 As Passed – Schedule 1 (Dictionary).

¹¹ Plumbing and Drainage Act 2002 Schedule 1 (Dictionary).

¹² Plumbing and Drainage and Other Legislation Amendment Bill 2005 Explanatory Notes, p.2.

¹³ That is, they contravened s 119 of the PDA 2002.

¹⁴ Appendix 2 contains further information on ownership issues in some other countries.

For example, many Councils now have well developed systems to provide quality customer service in the installation and maintenance of infrastructure. These systems vary across the state with some Councils employing plumbers and other skilled workers while others outsource work to appropriately trained contractors. The ability for Councils to determine the best approach has provided necessary flexibility for adapting to change such as ebbs and flows in staffing levels and development pressures over time. This has been particularly important in the past decade with a severe shortage in technical personnel, particularly plumbers (see ***Plumbing Capacity*** below). Reducing this flexibility directly impacts service standards and staffing.

A second example is that many Councils have built experienced workforces that include appropriately trained workers who regularly undertake work on WSP infrastructure, including installation of property services and their associated meters. Such workers often have substantial experience. In a survey conducted by LGAQ and ***gldwater*** in November 2007, 26 of the 53 Councils that responded (49%) indicated that they employed skilled labourers for water industry work. Of the 110 staff identified, 90% had been employed with the same Council for longer than three years. This current workforce will be reduced if their commonly performed roles are isolated exclusively to licensed plumbers. This represents both a loss of jobs but also a loss of accumulated experience, skills and knowledge in the installation and maintenance of property service infrastructure.

2. Availability of Plumbing Skills

Most Councils have limited access to licensed plumbers. The current resources boom, an increase in new water infrastructure (in SEQ and nationally), and the ongoing retirement of baby boomers, all place plumbing and other technical skills in high demand. In the recent survey by LGAQ and ***gldwater***, eight of the 53 Councils (15%) that responded did not have a plumber and 13 (25%) in total relied on contracting skilled labourers. Small western Councils have long pointed out their difficulty obtaining skilled plumbers even when lucrative contracts can be offered. In fact, in the survey, 33 of the 53 respondents (62%) reported a shortage of plumbing skills. There was an identified immediate requirement for 39 additional plumbers, 75% of which were needed outside South East Queensland.

With many Queensland WSPs struggling to source appropriate skills, the isolation of work that is currently effectively and efficiently completed by a range of appropriately trained, experienced workers is impractical. No rationale has been publicly provided for this change, but even if a convincing public benefit was identified, the timing should be questioned. Current challenges in Queensland including extended drought, explosive development, severe skill shortages and Council and water reforms make this a particularly bad time for a demarcation dispute that increases dependence on a single segment of the Water Industry.

3. Capacity and Proficiency Levels

Installation of water meters is usually an uncomplicated task that can be undertaken by a range of appropriately trained technical workers including plumbers, but the broader range of activities required for installing WSP infrastructure requires broad skill sets. Connecting a property service can involve working with large-diameter

mains, hazards on public property and roads, interacting with the public and related workplace health and safety issues. An important responsibility is the core accountability of WSPs to deliver a safe reliable, food-grade product on a continuous basis.

For WSPs, this means that specialised industry training is required and workers and teams must initially build experience and skills in a range of areas. This means that even an experienced plumber will require further training and skills development before being able to undertake many of the functions required of a similarly experienced WSP worker.

The same is true of other specialised workers, and the Queensland water industry has been working to create a cohesive framework to identify levels of capacity and proficiency for Queensland water industry workers. The framework will further increase quality assurance and provide certainty and career paths for Queensland water industry workers. It will also assist WSPs in aligning their broad range of work activities with appropriate skills and thus assist in improving customer service standards and ensuring best practice health and safety standards.

Some Councils have already developed individual frameworks. For example, the successful skills training assessment and frameworks developed by Ipswich Water and Brisbane Water provide useful models for how a broader and State-wide structure could be created. They also demonstrate successful implementation and widespread adoption due to the proactive development by industry itself. This model has been endorsed by the Council of Mayors in South East Queensland and is being developed as a work category under the new SEQ Distribution business.

The SEQ framework will be further developed by *qldwater* to provide an industry-wide structure that can be adopted by other Queensland WSPs. This will formally recognise and provide a development path for water industry workers but will build on the existing activities of many Councils in this area.

4. Customer Service Standards

In many WSPs, relevant staff comprise a multi-skilled workforce who work from the water meter back to the main (the property service) and on the water main itself. This enables a single work team to respond to failures, deliver maintenance and install new infrastructure efficiently and effectively. One crew can perform all the required work in any particular call-out. This avoids a situation where one team undertakes the majority of a maintenance or installation but must then call in and wait while a team with complementary skills performs some aspect of the work. The approach delivers lower costs and flexibility in work arrangements and also ensures the most rapid response times, thus improving this aspect of customer service. However, such an approach is not possible if certain aspects of infrastructure delivery are restricted to a specific type of industry worker.

Institutionalising a demarcation between different segments of the water industry will introduce workplace inefficiencies and lead to higher costs and poorer levels of service. This is an unsustainable position that is not in the best interests of the WSPs or the communities they serve. Further, councils are currently focussed on efficiencies

driven by amalgamations and the SEQ industry restructure. The impacts of the State's new policy position on installation of WSP infrastructure, represent an inefficiency at the expense customer service.

Industry-wide solutions

The major policy change arising from a small definitional change reflects a broader trend in increasing regulation of water industry work. Similar restrictions have been attempted and usually rejected in other Australian jurisdictions. The Water Services Association of Australia has adopted the position that no workers should be prevented from undertaking necessary water industry work so long as they have the correct training and authorisation from the service provider. This provides for flexibility and sustainability of the water industry.

Reversing this position and decades-long industry practice does not represent positive step forward for the Queensland water industry but rather, gives rise to unnecessary risks as described above. Such risks are not entirely unforeseen by the State. For example, one solution being considered is a restricted licence to allow existing WSP workers to continue installation work for a specified period before being transferred solely to plumbers. While this would ease the transition, it is a short-term solution and does not address future skills shortages, loss of industry skills or the need for multi-skilled WSP workers. Short-term fixes are particularly risky when there has been no broad industry consultation, or market research and there is no justification provided for this rapid policy change.

A more comprehensive solution is required that ensures a sustainable industry, attraction and retention of quality workers, and improvements to customer service. Three recommendations are outlined below to achieve these ends and provide continuity and certainty for the highly skilled and trained workforce that already exists in Local Government.

1. Create a flexible but consistent definition for service provider infrastructure in Queensland.

This definition should be built from the draft standard recommended by *qldwater* in the 2006 *Boundary Definitions Policy Paper*. An updated version is as follows.

The boundary is the first connection immediately downstream of the meter or of the Service Provider's stopcock if there is no meter at the boundary. This meter or stopcock is located at or immediately within the premises. In cases where a number of properties are metered from a single point (but also separately metered), the connection point is where the consumer(s) can be disconnected from the main. The WSP is not responsible for any infrastructure downstream of the specified connection point other than sub-meters that have been approved in terms of location, type and manner of installation.

Note that sub-meters will become more common in future, as they are now required in all new multi-premises developments under changes introduced by the Water and Other Legislation Amendment Act, 2007.

2. Recognise that the Water Service Provider's infrastructure including installation of meters shall be undertaken by suitably qualified, authorised personnel.

This is the current requirement of the Water Act 2000. No legislative change is required to achieve this action. Rather, the need is for a softening of the recent reinterpretation of the interaction between the Water Act and Plumbing and Drainage Act to accord with customary practice. Indeed, this action directly aligns with the current legislative requirements according to recent legal advice to *qldwater* and LGAQ from King & Co. This action recognises that installation of sub-meters in new multi-premises developments is the exclusive role of plumbers. *qldwater* is currently working with the industry in partnership with LGAQ and Building Codes Queensland to develop appropriate guidance for Councils on managing the new issue of sub-meters.

3. Support the capacity/proficiency framework being developed for the water industry.

This framework is being developed jointly by Councils in SEQ and is championed for all Queensland Councils by *qldwater* and LGAQ. Further details will be provided in a separate paper.

Recommendation

It is recommended that the Queensland Water Industry support and adopt as appropriate the actions proposed here and that this proactive industry approach be recognised and ratified by State Government. The aim of the actions is to contribute to a sustainable water industry for Queensland recognising the range of skills, experience and knowledge provided by all segments of the Water Industry. The Water Act and Plumbing and Drainage Act should be amended to share a common definition for the demarcation point of WSP infrastructure as defined above.

Appendix 1: Building Codes Queensland Newsflash

Appendix 2: Brief Review of ownership and installation issues in other countries.

1. A BRIEF REVIEW OF THE SITUATION IN ENGLAND and WALES

In the UK, the Water Company owns and maintains the „communication pipe“ – that part of the service connection from the main to a stop tap, located adjacent to the property line. The „supply pipe“ – being the remainder of the service connection, after the property line – is owned and maintained by the owner of the property. Almost all non-household customers are metered (generally at the property line, except where this is not possible). During the 1980’s, there were no powers to compulsorily meter households, but customers (usually single persons or highly rated households) could request, and get, an „option meter“ to be installed at low cost, so they could pay less by volume consumed rather than by a charge based on rateable value of the property.

When the legislation to form the privatized Water Companies (from the public Water Authorities) was being formulated in the late 1980’s there was a suggestion (by the Government) that the new Water Companies should also take responsibility for the private supply pipes; this was strongly and successfully resisted by the Water Authorities/embryo Companies, because of the unknown but certainly major financial liabilities they would be taking on. When the privatized Water Companies were formed in 1989, the definitions of „communication pipe“ and „supply pipe“ remained as before. Most non-household customers were metered at the property line but there were no statutory powers to compulsorily meter households.

In the early 1990’s, the economic regulator (OFWAT) was keen to further promote low cost option metering, and favoured giving the customer a choice as to where the meter was located. The policy on location of the Option meters being left with individual Companies. Some Companies decided to locate meters at the property line in order to reinforce the position that the customer was responsible for the supply pipe. Others allowed the meter to be located internally, usually in the garage or kitchen, to be accessible for the customer to read, with the main Company motive in such cases being to reduce the cost of the installation. However, less than 5% of customers regularly read their meters, and the accessibility problems for „internal“ meters fell on the Companies, with many problems due to inability to access to read meters for billing, use of estimated readings, disputes regarding payments etc.

Prior to the 1995/96 drought, it was known that leakage on unmetered household supply pipes was substantial, but Water Companies had to rely on formal procedures to serve notices to get such leaks repaired. This was usually an by 1995, there were many thousands of significant supply pipe leaks that had been running for years and had not been repaired. As the 1995/96 drought worsened, some Companies started to offer a „one-off“ free repair for any service pipe leak, no matter how difficult or costly (many were under buildings). Thousands were repaired, resulting in significant reductions in demand.

Based on this experience, OFWAT then required Water Companies to offer free or subsidised repairs or replacements for household supply pipe leaks, as part of their leakage control strategy – these are listed in Appendix 3 of the OFWAT annual report (Ref. 1). The repairs or replacements are carried out by the Company or it’s authorised contractors. But the key issue was that the Water Companies still refused to take over ownership or responsibility for all supply pipes. However, even with these schemes in place for over 10 years now, the leakage from unmetered (or „internally metered“) residential properties averages 26 litres/property/day

more than from externally metered residential properties (Table 18c of Ref. 1). Calculations and estimates of leakage in the UK are tortuous by comparison with other countries, with a confused situation of some properties metered externally, some metered internally and some not at all. Many of these problems would not have arisen if Water Companies had been permitted to locate meters exclusively just before the property line, in the first place.

At least one large England/Wales Company which, over the past 20 years, had permitted both external (at property line) and internal (within property) residential meters, has moved away from internal meters now because of difficulty of access; all new customers are metered at the property line, and existing unmetered customers can have free meters installed at the property line.

Some Utilities are now allowing the water meters to be fitted to the outside wall of new domestic residences, next to the gas and electricity meters. The supply pipe is owned by the water company, but it is a relatively short length, and there is no stop tap at the boundary. The argument being that the ferrule is accessible in the highway and the stop tap is within the meter box. Therefore there are no buried fittings in private land.

Following mandatory leakage targets in 1996, and very large reductions in leakage in England & Wales during the period 1995 to 2001, most England/Wales Companies have been achieving economic leakage levels for 5 years or more, and further reductions in consumption are sought. There is some discussion currently on how best to reduce leakage on unmetered private supply pipes, many of which are quite old. The issue is likely to be decided on economic grounds. Further information may be found on the OFWAT Website and OFWAT's 2006/07 „Security of Supply“ Report.

Customer meters used for billing purposes are owned, installed and maintained by the Water Company.

1. A BRIEF REVIEW OF THE SITUATION IN CANADA

In Canada, there are some variations between Provinces, but generally the Water Utility owns and maintains the service connection from the main to a „curb-stop“, generally located at or near the property boundary. The remainder of the service pipe – between curb-stop and building or dwelling – is owned and maintained by the customer. Almost all non-residential customers, and most residential customers (depending upon the Province/Utility policy) are metered, with the meters inside the properties to prevent them freezing in winter.

With respect to the installation and ownership of water meters, the water utility in nearly all cases owns, installs and maintains the meters. Some provinces have legislated that licensed plumbers are required to install water meters and most are employed by the Utility or sub-contracted by the Utility.

Many utilities do allow large master meters (installed in underground chambers and/or pits) to be used to bulk meter row housing and institutional facilities (such as colleges and universities). Sub-metering of apartments and/or commercial strip mall complexes is allowed but normally completed by the owner of the buildings and the meters are not the responsibility of the water utility.

2. A BRIEF REVIEW OF THE SITUATION IN NEW ZEALAND

The situation in New Zealand is varied. For example, in Christchurch, residential properties are metered just outside the „Road Boundary“ or „Fence“. In contrast, in Waitakere City (Auckland), the meter is located just inside the „Street-Property boundary“, at the „Point of

Supply”, and the Council owns the service pipe up to and including the meter. New installations are done by one contractor – through a three year contract for this work - so plumbers and builders can't install or work on meters.

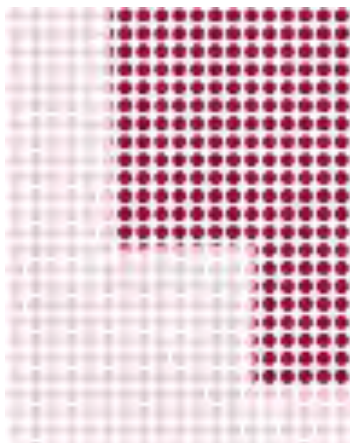
Current indications are that it is likely that in future meters will increasingly be installed outside the property boundary, in the road reserve, and it seems that the new national model water supply bylaw reflects this as the default situation.

REFERENCES

1. Security of supply, leakage and water efficiency. 2005-06 report. OFWAT, Nov 2006. ISBN 1 904655 32 7. Available free from www.ofwat.gov.uk
2. Security of Supply, 2006-07 report. OFWAT. Available free from www.ofwat.gov.uk

Plumbing laws

**Restoring high standards
in the plumbing industry**



A future Labor Government will restore high standards in the Queensland plumbing industry by requiring the installation of water meters to be performed by a fully qualified and licensed plumber.

Labor will also re-establish a dedicated plumbing industry regulatory body, within the broader statewide construction industry regulatory organisation, to replace the Plumbing Industry Council, which has been slated for abolition by the Newman LNP Government.

Labor will work co-operatively with the plumbing industry to develop innovative training models and consider ways that the government can support the development and implementation of better training methods.

The challenge

Labor recognises that plumbing is an important occupation that also encompasses the trade streams of fire protection, air-conditioning and water reticulation, and that requires years of training to obtain the necessary qualifications.

When people need plumbing work done, they want it done well by a fully trained and qualified plumber.

We have a well-regulated water industry in Australia and one that is built, serviced and maintained by highly qualified and skilled workers, operating within a legislative and regulatory framework that requires high standards. It is these high standards that ensure the delivery of safe and useable water to homes across the state.

We need to maintain those high standards in Queensland – and Labor has a plan to ensure that we do not compromise the integrity of our water infrastructure or the plumbing industry and the services it provides.

Our solution

Labor will restore high standards in Queensland's plumbing industry by requiring the installation of water meters to be performed by a fully qualified and licensed plumber. Labor will endeavour to make these legislative changes within the first 100 days of attaining government.

Labor will also re-establish a dedicated plumbing industry regulatory body within the broader statewide construction industry organisation. This body would replace the current Plumbing Industry Council, which has been slated for abolition by the LNP. Labor will also endeavour to make these legislative changes within the first 100 days of attaining government.

Labor will work co-operatively with the plumbing industry to develop innovative training models and consider ways that government can support the development and implementation of better training methods.



Protecting water supplies

Requiring a licensed plumber to install a water meter will ensure that minimum qualification standards are met before a person can perform this work, protecting water supplies and providing safe drinking water for Queenslanders.

Labor's plan will also ensure that there is a dedicated oversight and regulatory body for the plumbing industry.

Further, we recognise that currently, plumbing trades require a high level of training and competency. Labor will continue to support this level of training and look to enhance it by considering innovative proposals that maintain best practice and boost employment opportunities.

LNP lowers standards

The LNP has lowered standards in the plumbing industry by removing the requirement for a water meter to be installed by a licensed plumber. This means that across the state, there are no minimum qualification standards for workers who install water meters, leading to inconsistency in skills and outcomes.

This change has not led to any reduced costs but has posed a potential health and safety risk, especially in areas with dual reticulated water supply, where both potable and recycled water pipelines deliver water supplies to houses.

The LNP is also planning to abolish the Plumbing Industry Council. This means that there will be no dedicated regulatory body with oversight of the plumbing industry.

Further information

For more information, go to the following documents:

- Queensland Plumbers Union submission, Parliamentary inquiry into the *Water Supply Services Legislation Amendment Bill 2014* -- <http://www.parliament.qld.gov.au/documents/committees/SDIIC/2014/15-WaterSupServ/submissions/067.pdf>
- Services Trades Queensland submission, Parliamentary inquiry into the *Water Supply Services Legislation Amendment Bill 2014* – <http://www.parliament.qld.gov.au/documents/committees/SDIIC/2014/15-WaterSupServ/submissions/072.pdf>

Our commitment:

A future Labor Government will:

- restore high standards in the Queensland plumbing industry by requiring the installation of water meters to be performed by a fully qualified and licensed plumber
- re-establish a dedicated plumbing industry regulatory body, within the broader statewide construction industry regulatory organisation, to replace the Plumbing Industry Council, which has been slated for abolition by the LNP
- work co-operatively with the plumbing industry to develop innovative training models and better training methods.



Queensland Labor was founded under the shade of the Tree of Knowledge in Barcaldine in 1891. Since then, we have remained the party of equality, opportunity, fairness and reform. We will listen to the community to build a better Queensland.