



**BETTER PLUMBING  
OUTCOMES  
FOR PLUMBERS  
AND CONSUMERS**

Annual Report 2006-07

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## About the Plumbing Industry Commission

The Plumbing Industry Commission is a Victorian Government statutory authority that promotes safe, healthy and sustainable outcomes for all Victorians through an efficient and effective plumbing regulatory system.

The Plumbing Industry Commission is established under Part 12A of the *Building Act 1993*.

It administers the licensing and registration system for plumbing practitioners and promotes and enforces plumbing standards across Victoria. The Commission is supported by the independent Plumbing Industry Advisory Council, established under the *Building Act 1993*, which provides advice on plumbing regulatory matters to the Minister for Planning and the Commission.

The Commission works proactively to promote plumbing practices that protect the health and safety of the community and the integrity of water supply and waste water systems. By monitoring the performance of plumbing practitioners, the Commission also contributes to the protection of water and gas supply, waste water, heating and cooling systems, and roofing.

The Commission also works with the community, industry professionals and educators to promote better plumbing standards and sustainable plumbing in Victoria and nationally.

### Mission

Regulating for a safe, liveable and sustainable built environment.

### Vision

An innovative, sustainable and responsive plumbing industry, fostered through collaborative partnerships between Government and industry stakeholders.

### Role

The Plumbing Industry Commission continues to regulate the Victorian plumbing industry to enhance the amenity, safety, health and sustainability of the built environment.

### Commission objectives

#### Regulatory excellence

- Monitor the effectiveness of the Victorian plumbing system to enhance the amenity, safety, health and sustainability of plumbing work
- Build a more innovative, transparent and responsible organisation.

#### Industry responsibility

- Partner with Government and industry stakeholders to encourage investment, innovation and development to aid an efficient and competitive plumbing industry
- Promote and encourage the attraction and retention of practitioners in the Victorian plumbing industry
- Strengthen plumbing practitioner skills, capabilities and standards.

### Environmental best practice

- Promote sustainable plumbing practices to further the Victorian Government's sustainability objectives
- Strengthen compliance with energy and water efficiency requirements.

### Community accountability

- Inform consumers and maintain confidence in plumbing services
- Optimise the investigation and domestic plumbing dispute resolution process
- Monitor the insurance system to ensure adequate consumer safeguards.

The Commission's five-year Corporate Plan is available on the Plumbing Industry Commission website: [www.pic.vic.gov.au](http://www.pic.vic.gov.au).

### Commission stakeholders

The Commission services clients and stakeholders including registered and licensed plumbing practitioners, industry professionals, peak industry bodies, manufacturers, all levels of Government, and educators within the industry and the wider Victorian community.

The Commission actively engaged with stakeholders throughout 2006-07 and will continue to build on these relationships in 2007-08. Engagement practices include community consultation, advice, information seminars and established committee structures.

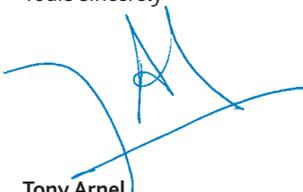
## Letter to the Minister

Justin Madden MLC, Minister for Planning

Dear Minister

In accordance with the *Financial Management Act 1994*, I am pleased to submit to you the Plumbing Industry Commission's Annual Report for the year ending 30 June 2007.

Yours sincerely



**Tony Arnel**  
Plumbing Industry Commissioner

## Highlights 2006-07

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In 2006-07 the Commission:

- supported continued high levels of plumbing activity, facilitating lodgement of 315,760 Compliance Certificates (an increase of 9.1% from 2005-06) and completed an audit of 5.1% of all lodgements
- had the number of practitioners holding registrations or licenses increase by 0.2% to 20,519
- examined 2,643 practitioners in the three key areas of apprentice Journeyman exams, non-apprentice registration exams, and licence exams
- commenced the *PlumbSmarter* initiative, an industry-wide joint project to achieve greater sustainability in Victoria in water and energy through plumbing
- implemented the mutual recognition provisions resulting from the Coalition of Australian Governments (COAG) Skills Task Force
- relaunched the industry newsletter as *InPipe* and commenced a three-year communications strategy to better inform practitioners and the community about the Commission and industry initiatives
- increased investigations into practitioners and unregistered persons by 59%; increased the number of practitioners brought before disciplinary hearings by 275%; and prosecuted 138% more unregistered persons in the Magistrates Court than in 2005-06.

### Financial performance summary

	2005-06 \$ million	2006-07 \$ million	% change
Total income	9.1	10.1	10.8
Total expenses	8.4	10.6	25.8
Total assets	10.1	10.7	6.5
Total liabilities	3.5	4.6	33.5
Net result for the period	0.7	(0.5)	(174.0)

## Financial performance summary

The Commission derives its income from registration and licensing fees, Compliance Certificate sales and other miscellaneous fees and services.

In 2006-07, total income increased from \$9.1 million to \$10.1 million, up 10.8% compared with 2005-06. This increase was primarily due to the net effect of additional revenue sales of Compliance Certificates.

Total expenses increased from \$8.4 million to \$10.6 million, an increase of 25.8% compared with 2005-06. The increase was largely due to higher expenditure on the IT platform, increases in plumbing inspection and audits, higher salaries and associated costs.

The Commission's net result for the period was a deficit of \$0.5 million. The net result was in line with the Commission's Annual Budget and Mid-Year Financial Review for 2006-07 which targeted upgrading the Commission's IT platform to the Victorian Government standard. Combined with the surplus for 2005-06 of \$0.7 million, the consolidated result for the two-year period was a surplus of \$0.2 million.

Total asset holdings rose by \$0.6 million, primarily due to the increase in additional short-term deposits (up \$0.2 million), IT equipment (up \$0.3 million) and receivables (up \$0.2 million).

### 2007-08 Outlook

The Commission's 2007-08 annual budget and three-year financial plan has forecast continued strength in the building activity across all sectors, with forecasts of \$17.25 billion in each of the next three financial years. It is expected that this forecast in building activity will favourably impact the plumbing sector and the operations of the Commission.

*In 2006-07, total income increased from \$9.1 million to \$10.1 million, up 10.8% compared with 2005-06.*

## Performance against targets

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	Objectives	Performance measure	2006-07 target	2006-07 actual	Achieved	2007-08 target
<b>Regulatory excellence</b> (See page 14)	Delivering effective and responsible industry governance	Consumer awareness of the plumbing regulatory framework	60%	69%	✓	Media campaign June 2008
		Practitioner satisfaction with Commission guidance	80%	80%	✓	85%
		Practitioner awareness of Commission processes	90%	95%	✓	98%
<b>Industry responsibility</b> (See page 18)	Supporting Government and stakeholders to transform the industry	Number of individuals holding registration or licence	20,486	20,519	✓	90% of renewals completed within 48 hours of receipt
		Total number of exams conducted	2,469	2,643	✓	Deliver exams within 8 weeks of fee receipt 90% of time
		Volume of Compliance Certificates lodged	289,275	315,760	✓	Compliance Certificates available 100% of time
<b>Environmental best practice</b> (See page 28)	Ensuring a sustainable built environment	Promote sustainable plumbing practices	14 seminars on 5 Star Standard	Provided input for South East Water DVD	✓	Four sustainability opportunities implemented by June 2008
		Commence <i>PlumbSmarter</i> initiative	Plan and invite industry participation	<i>PlumbSmarter</i> project launched delivery on key project milestones	✓	Launch <i>PlumbSmarter</i> online forum July 2007
		Strengthen compliance with water and energy efficiency requirements	Consult with and present to all water authorities on grey water and recycled water supply	Consulted with and presented to all water authorities	✓	Work with water authorities to produce guides on water recycling

	Objectives	Performance measure	2006-07 target	2006-07 actual	Achieved	2007-08 target
Community accountability (See page 32)	Ensuring safe plumbing services for the community	Percentage of audited plumbing work compliant with plumbing regulations	90%	93%	✓	95%
		Number of investigations conducted into practitioners and unregistered persons	388	617	✓	Identify areas of high non-compliance with new enforcement strategy
		Number of prosecutions of unregistered persons	26	62	✓	Identify areas of high non-compliance with new enforcement strategy
		Timelines of the investigations and domestic resolution processes	70% of formal complaints resolved within 60 days of being allocated to an Investigator	77% of formal complaints resolved within 60 days of being allocated to an Investigator	✓	Consumers satisfied with complaint process 70% time
		Consumer complaint investigations resolved				Resolve 70% complaints without need to formalise
		– telephone	5,208	4,869	✗	
		– written	472	535	✓	
Site inspections as part of investigation activities	Minimum 5% activities allocated to site inspections	Minimum 9% activities allocated to site inspections	✓	Minimum 10% activities allocated to site inspections		
Our people (See page 38)		Days lost to occupational health or safety or industrial action	0	0	✓	0
		Average learning and development hours per employee	N/A	Implementation of knowledge forums	✓	Further develop
		Participation by staff in life-balance activities	N/A	Established Wellbeing Committee	✓	Further develop



The plumbing industry is continuing to grow with tremendous demand from both practitioners and consumers for new water and energy saving solutions. The need for registered and licensed plumbing practitioners to install these water and energy saving systems continues to increase, along with the need to ensure that consumers are protected.

This is an exciting time for the Plumbing Industry Commission as it plays a leading role in implementing sustainability initiatives and monitoring Victoria's plumbing regulatory framework.

### Regulatory Excellence

Changes were adopted to update the plumbing regulatory framework through the *Building Amendment (Plumbing) Bill 2007*. In this rapidly evolving industry, the changes assist Victoria to be well positioned to respond promptly to new trends, product innovations and consumer demands.

The Commission recognised that the increased demand for plumbing practitioners in a complex evolving environment put pressure on maintaining the right work/life balance. During 2006-07, the Commission delivered seminars to 534 plumbers across Victoria and distributed a booklet titled *Finding the Right Balance*. The content focused on solutions for achieving a better balance with work and family commitments.

While the emphasis on community health and safety was maintained, developing partnerships with key industry participants in water, occupational safety, gas and Government also became a key focus. This assisted the plumbing industry to strengthen its role in helping Victoria save water and energy, and keeping up with good environmental management.

To assess whether the expectations of stakeholders were being met, the Commission conducted a series of consumer and practitioner surveys. Importantly, 69% of consumers showed significant awareness of the importance of using a licensed or registered plumbing practitioner and getting a Compliance Certificate.

In 2005-06, the Victorian Government commissioned the Victorian Competition and Efficiency Commission (VCEC) to undertake an inquiry into regulation of the housing construction sector. In the Government's response to the VCEC report titled *Housing Regulation in Victoria: Building Better Outcomes*, the Department of Planning and Community Development was given primary responsibility for policy advice on the regulation of housing construction.

### Industry Responsibility

Attracting new talent and promoting Continuing Professional Development became increasingly important as the industry grew and the demand for an experienced workforce increased.

The Commission conducted a thorough review of the Qualifications Experience Review Committee (QERC) scheme in line with national standards. Greater clarity around the requirements for mutual recognition of interstate practitioners and the entry requirements for overseas plumbing accreditations further encouraged practitioner job opportunities.

Compared to 2005-06, a 9.1% increase in the lodgement of Compliance Certificates and continued growth in individuals holding registration or licences (0.16%) reflected a buoyant industry.

Whilst the number of plumbing practitioners holding registrations dropped by -0.8%, the total number of practitioners electing to upgrade their credentials to licence level increased by 3.8%.

### Environmental Best Practice

Environmental factors, such as drought and climate change, greatly impacted the plumbing industry and there are many ways that plumbing can help consumers to save water and energy. As a result, the Commission and its key industry stakeholders took a proactive position and launched the *PlumbSmarter* initiative. *PlumbSmarter* asked Victoria's 20,519 plumbing practitioners their opinion on possible solutions for greater sustainability within the plumbing industry.

*PlumbSmarter* will be further developed in 2007-08 to realise opportunities for conservation through plumbing systems.

Installing water saving devices through licensed plumbers is becoming more popular amongst consumers. In 2007-08, the Commission will aim to collaborate with the water authorities to produce guidelines for water recycling and assist the Department of Planning and Community Development on regulatory and energy conservation strategies.

### Community Accountability

The Commission aims to protect Victoria's plumbing standards and ensure safe plumbing services for the community.

This is being achieved through initiatives that maintain the integrity of plumbing systems and ensure that consumer safeguards are at the forefront of the Commission's agenda. In 2006-07, the Commission increased investigations of unregistered persons and non-compliant practitioners by 59% and prosecuted 138% more unregistered persons than in 2005-06.

Consumer satisfaction with plumbing work is a sign of consumer confidence in our registered and licensed plumbing practitioners. In 2006-07, the Commission introduced the first competition to recognise plumbing practitioners for outstanding work. Nominations of good plumbing work were sent from consumers and employees. The Commission also launched its new-look website and implemented an advertising campaign to educate consumers on the importance of using a licensed or registered plumbing practitioner and asking for their photo identification.

### Outlook for 2007-08

The Commission will continue to monitor sustainable solutions that help save water and reduce energy emissions. The *PlumbSmarter* project will continue to assess industry feedback so that sustainable solutions can be delivered to consumers concurrently with industry services and products being available.

I would also like to thank the members of the Plumbing Industry Advisory Council for their continuing support and leadership.

The Commission will also continue to deliver effective and responsive industry regulation and work to reduce the regulatory burden by introducing improvements like the availability of online Compliance Certificates for licensed plumbing practitioners, and a searchable facility for consumers to find suitably qualified plumbing practitioners.

**Tony Arnel**  
Plumbing Industry Commissioner



## Chair's report

The Plumbing Industry Advisory Council is a senior industry advisory group established under Part 12A of the *Building Act 1993* to provide advice to the Minister for Planning and the Plumbing Industry Commission.

The Council includes 14 members representing industry employers and employees, vocational education, water, energy and gas regulators, the building industry, the plumbing union and consumers.

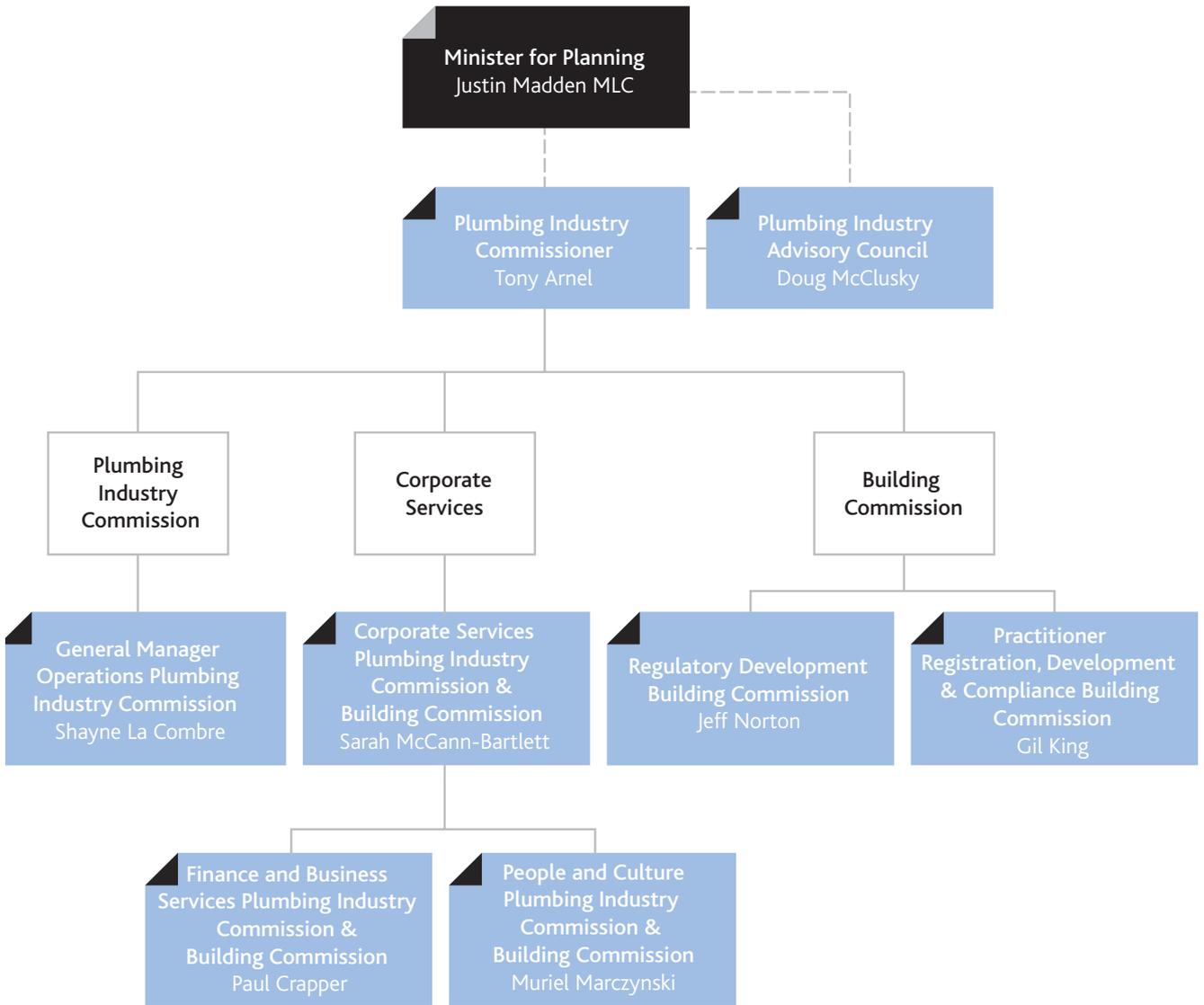
In 2006-07 the Council undertook the following activities:

- strategic planning workshop to look at emerging issues affecting the plumbing industry including discussions on climate change, and drought and emerging technologies
- research into water savings through the plumbing and water protection systems of buildings
- strategic direction and input into the Commission's business and corporate planning
- supported the development of industry skills to match industry needs.

A handwritten signature in blue ink that reads "D. McClusky". The signature is written in a cursive style.

**Doug McClusky**  
Chair, Plumbing Industry Advisory Council

# Organisational structure



\*The Plumbing Industry Commission aligned with the Building Commission on 1 May 2006.

# Executive Leadership Team

## Tony Arnel

### Plumbing Industry Commissioner and Building Commissioner

B Arch, M Urban Planning, LFRAIA, MPIA, FAICD

Responsibilities:

- Plumbing Industry Commissioner and Building Commissioner
- Reporting to the Minister for Planning
- Responsibility for administering plumbing regulations within Victoria.

Tony Arnel is Victoria's Plumbing Industry Commissioner and Building Commissioner making him the Chief Executive of two statutory authorities. His industry representations include being a founding director and current chair of the Green Building Council of Australia, and, more recently, elected to the Board of the World Green Building Council.

Over the past decade, Tony has influenced the national sustainability debate, most recently with the Building Commission and the Green Building Council of Australia, in delivering the 5 Star housing energy standards, the implementation of new sustainability standards into the national building code, and the accelerated uptake of the Green Star rating tools for buildings.

## Paul Crapper\*

### Chief Financial Officer and Director – Business Services Corporate Services, Building Commission & Plumbing Industry Commission

BBus (Acc), FCPA

Responsibilities:

- Financial management
- Corporate and business planning
- Risk management and quality assurance
- Industry statistics and measurement
- Facilities management and purchasing.

Since his appointment as a director in September 2001, Paul has ensured the Building Commission's high levels of corporate governance and financial accountability and transparency. Paul is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Society of CPAs. He is a chief financial officer with experience across both the private and public sectors in finance and accounting including strategic management of resources and ensuring financial control and compliance. Paul is a member of RMIT's School of Property, Construction and Project Management Advisory Committee and is the honorary Chief Financial Officer of the Green Building Council of Australia.

\*Acting General Manager, Corporate Services from 1 July 2007

## Shayne La Combre

### General Manager, Operations Plumbing Industry Commission

BBus (Man), LLB, Grad Dip (Legal Practice), Adv Cert (Man), Cert of Proficiency (Plumbing), Completing MPPM

Responsibilities:

- Practitioner registration
- Compliance
- Investigations
- Regulatory development.

Shayne La Combre was appointed in November 2005 to manage the Plumbing Industry Commission's core functions. A second-generation plumber, Shayne has extensive industry experience, having worked for the Gas and Fuel Corporation for 19 years as well as several private gas corporations. His career experience includes roles with Standards Australia and Energy Safe Victoria.



Tony Arnel



Paul Crapper



Shayne La Combre

## Gil King

### Director – Practitioner Registration, Development and Compliance Building Commission

BA (Police Studies), Grad Dip (Crim), Dip (Bld Surv)

Responsibilities:

- Support to the Building Practitioners Board and the Building Appeals Board
- Practitioner assessment and registration
- Practitioner professional development
- Practitioner compliance, complaints, prosecutions and inquiries.

During his 11 years with the Commission, Gil has played a key role in the areas of practitioner services, compliance and industry professional development. Gil is a qualified industry trainer and has presented on behalf of the Commission both nationally and internationally. Gil is also a graduate of the Australian Institute of Company Directors and is a member of the Victorian Municipal Building Surveyors Group reference group.

## Muriel Marczynski\*

### Manager – People and Culture Corporate Services, Building Commission & Plumbing Industry Commission

BA (Bus Management), Grad Dip (Industrial Training), MA (Education, Leadership & Man)

Responsibilities:

- Organisational development
- Workforce strategy
- Performance management
- Employee and industrial relations
- Learning and development

Muriel was appointed in October 2006 to manage both the strategic and operational 'people and culture' agenda. She provides high-level advice and support to the Commission's executive leadership team, while partnering with core business managers to drive corporate objectives and organisational culture. Muriel has extensive experience in building organisational capability with over 15 years experience in private and public sector organisations.

\*Acting General Manager, Corporate Services from 1 July 2007

## Sarah McCann-Bartlett

### General Manager – Corporate Services Building Commission & Plumbing Industry Commission

BA, BCom, Grad Dip (Marketing), MBA, FAICD

Responsibilities:

- Human resource management
- Corporate financial and business services
- Strategic marketing and communications
- Information technology and records management
- Stakeholder liaison.

Sarah plays a critical role in the strategic direction of the Commissions and has directed the rebranding of the Building Commission, driven the Building Commission's Informed Consumer strategy and led the alignment between the Building Commission and the Plumbing Industry Commission. Prior to joining the Building Commission, Sarah managed the Woolmark Company's North American operations. Sarah is a Fellow of the Australian Institute of Company Directors and Vice Chair of the Green Building Council of Australia's Marketing Committee.

## Jeff Norton

### Director – Regulatory Development Building Commission

BTRP (Melb), Grad Cert Management, FAICD

Responsibilities:

- Building legislation development
- Corporate legal services
- Support to the Building Advisory Council and Building Regulations Advisory Committee
- Technical and research services.

During his seven years with the Commission, Jeff has played a key role in developing the government response to insurance issues following the collapse of HIH and implementing energy efficiency reforms for building in Victoria. Jeff has a 15-year involvement in the Victorian and Australian building industry and is a Fellow of the Australian Institute of Company Directors. Jeff is a member of the Australian Procurement and Construction Council and the Building Access Policy Committee.



Gil King



Muriel Marczynski



Sarah McCann-Bartlett



Jeff Norton

## REGULATORY EXCELLENCE



The Plumbing Industry Commission endeavours to deliver effective and responsible industry governance, by:

- working with Government and key stakeholders to improve the legislative and regulatory plumbing framework through effective regulatory reform
- reviewing the *Plumbing Regulations 1998* and introducing renewed regulations that ensure consumer safeguards
- maintaining effective and proactive audit programs to monitor compliance with the *Building Act 1993* and *Plumbing Regulations 1998* and instill consumer confidence
- building a more innovative, transparent and responsible organisation that is empowered to deliver on key objectives and assisting the industry to do the same.

## Key achievements

In 2006-07 the Commission supported legislative changes to enhance the plumbing regulatory framework by way of the *Building Amendment (Plumbing) Bill 2007*. The changes allow Victoria to adopt a nationally consistent set of technical standards set out in the *Plumbing Code of Australia*, an approach which will allow for greater regulator responsiveness to meet Government initiatives, industry trends, product innovations and consumer practices.

During 2006-07, a number of well-attended practitioner seminars were conducted by the Commission across Victoria. Dealing with plumbing issues and innovation, the seminars delivered current state and Commonwealth Government regulatory updates and work/life balance information as part of occupational health and safety briefings. A booklet produced by the Commission titled *Finding the Right Balance*, was also included.

The Commission has continued to collaborate with industry this year, including discussions with water authorities, safety regulators, gas retail and distribution businesses and other government authorities on a variety of sustainability issues.

The Commission conducted the first of a series of consumer and practitioner surveys. Practitioners indicated strong awareness of the Commission's processes (95%) and high levels of satisfaction (80%) with the overall work of the Commission. Consumers showed significant awareness of the importance of using a licensed or registered plumbing practitioner and getting a Compliance Certificate.

## Performance in 2006-07

Performance measure	2006-07 target	2006-07 actual	Achieved	2007-08 target
Consumer awareness of the plumbing regulatory framework	60%	69%	✓	70%
Practitioner satisfaction with Commission service delivery	80%	80%	✓	85%
Practitioner awareness of Commission processes	90%	95%	✓	98%

## 2007-08 Outlook

In 2007-08, the Commission plans to achieve regulatory excellence through:

- regulatory reform that provides a consistent and clear regulatory framework for both plumbing practitioners and consumers
- development of the 2008 Victorian Plumbing Regulations in collaboration with the Department of Planning and Community Development
- contribution to national reform and regulatory governance agendas in the plumbing industry, including participation in:
  - development of the *Plumbing Code of Australia* by the National Plumbing Regulators Forum (NPRF)
  - transition of the Australia–New Zealand Reciprocity Association's (ANZRA) work on mutual recognition to the NPRF's Licensing and Education Advisory Committee
  - Council of Australian Governments (COAG) process of defining standards for skilled immigrant registration, and enabling greater mutual recognition of licensing across Australian jurisdictions.

*The Commission has continued to collaborate with industry this year, including discussions with water authorities, safety regulators, gas retail and distribution businesses and other Government authorities on a variety of sustainability issues.*

## Improving the regulatory framework

In 2006-07, the Commission informed and worked with practitioners, industry and the community to ensure regulatory excellence throughout the plumbing industry.

The Commission:

- processed 322 applications for modifications to plumbing standards
- held seminars and trade breakfasts on recycled water projects to maintain practitioner awareness and ensure the integrity for grey water products
- finalised and published nine technical solution sheets.

## Regulatory work

In 2006-07, the Commission:

- participated in the Standards Committee, Water Sewerage Committee (WS14) to develop the Australian New Zealand Plumbing Installation Codes
- participated in the Standards Committee (WS32) to produce and amend AS/NZS 6400 Water Efficiency Labelling and Standards (WELS) Scheme
- participated in discussions with the Australian Refrigeration Council, Department of Environment and Water Resources and Australian Institute of Refrigeration Air Conditioning and Heating on appropriate recognition of practitioners accredited to install split-system air conditioning systems.

## Working with the community

In 2006-07, the Commission:

- delivered nine education seminars with Consumer Affairs Victoria to inform consumers about plumbing regulatory requirements and the potential pitfalls when building or renovating
- provided advice on the 5 Star Standard compliance for solar hot water at the Business Council for Sustainable Energy forums
- presented at a major community event in Bendigo, hosted by the Department of Primary Industries, on the risks and benefits of domestic grey water systems.

## Seminars

The Commission conducted two rounds of practitioner seminars across Victoria in 2006-07, including major regional centres.

Between August and October 2006, seminars were conducted on plumbing issues and innovation as well as current state and Commonwealth regulatory updates. Attendance across the first round of 14 seminars was 924 practitioners and satisfaction ran at 92%.

Mindful of recent societal and workplace trends, the Commission sought to raise awareness with plumbing practitioners and Commission staff on work/life balance issues. Using an Industrial Relations 'Better Work and Family Balance Grant', the Commission conducted a series of work/life balance seminars as part of broader occupational health and safety education during May and July 2007. The seminars looked at the difficulties facing many employees in balancing work and family commitments.

A booklet, *Finding the Right Balance*, providing practical guidance on how to identify and assess opportunities to create greater flexibility. It was developed by the Commission and distributed to all registered and licensed plumbing practitioners. Overall attendance at the second round of seminars was 534, with participant satisfaction rated at 87%, while the booklet also received very good feedback.

## Regulatory review

In 2005-06, the Victorian Government commissioned the Victorian Competition and Efficiency Commission (VCEC) to undertake an inquiry into regulation of the housing construction sector. In the Government's response to the VCEC report titled *Housing Regulation in Victoria: Building Better Outcomes*, the Department of Planning and Community Development was given primary responsibility for policy advice on the regulation of housing construction.

The Building Policy Branch within the Department was established in 2006 and is responsible for setting the strategic direction of policy advice. Such advice is developed in consultation with the Plumbing Industry Commission and the Building Commission and other relevant parties.

The Commissions continue to be responsible for all operational matters and industry and consumer issues about building and plumbing through administering the *Building Act 1993*, regulations, various codes and standards.

The Commission regularly reviews the *Plumbing Regulations 1998*, working with the Government to introduce renewed regulations that ensure greater consumer safeguards.

## Replacement of sun-setting regulations

The Commission commenced a major review of the *Plumbing Regulations 1998* in 2006-07, as the regulations are due to sunset in 2008. With the aim of improving the overall effectiveness of the regulatory framework, the Commission commenced the development of a new draft set of regulations, including pre-planning for the Regulatory Impact Statement. This is scheduled for release in late 2007.

Key stakeholders, such as state Government departments, water authorities, industry peak bodies and member organisations were consulted throughout the process.

## Plumbing (Heat Pump Amendment) Regulations 2007

On 1 February 2007, the *Plumbing (Heat Pump Amendment) Regulations 2007* came into effect. These regulations prohibit the installation of heat pump water heaters that use electricity as the primary source of power in gas reticulated areas, as a way of complying with the 5 Star Standard for new dwellings.

## Building Amendment (Plumbing) Act 2007

In June 2007, the *Building Amendment (Plumbing) Act* went through the legislative Assembly to be finally passed by Parliament in July 2007. The legislation is designed to enable the *Building Act 1993* to reference the *Plumbing Code of Australia*, a nationally consistent set of technical standards. The changes will also enable plumbing practitioners who are registered to carry out specialised classes of plumbing work under the supervision of an appropriately licensed plumbing practitioner.

## Practitioner and consumer surveys

The Commission conducted surveys of registered plumbing practitioners and consumers during 2006-07. The results of these surveys were intended to inform future regulatory responses, as well as to help shape future practitioner and consumer appraisal.

The survey of practitioners showed high levels of awareness (95%) and satisfaction (80%) with the overall work of the Commission. Satisfaction was also high with the individual functions of the Commission, such as booking a drainage inspection, the audit process, renewing a licence, technical advice and the Compliance Certificate system.

Consumers who were surveyed indicated low knowledge of the Commission (12%), but a much higher knowledge of Commission advertising (60%). The key messages of this advertising, such as using a licensed plumbing practitioner and getting a Compliance Certificate, were identified by consumers who recalled the campaign. Also, some two-thirds (69%) of consumers surveyed were aware of the requirement for plumbing practitioners to be registered and/or licensed.

### Standards Australia

Victoria's plumbing regulations incorporate a range of Australian standards. It is important that these standards are maintained and updated in accordance with technological developments. The Commission was actively involved with several Standards Australia committees related to standards referred to under plumbing regulations.

### Modifications and technical information

Where a plumbing installation does not comply with relevant plumbing regulations, either the property owner or the responsible plumbing practitioner may apply to the Commission to vary or modify the regulations in that particular instance.

In 2006-07, the Commission received 322 requests for modifications, with 99% of applications completed within two working days.



## Finding the right balance

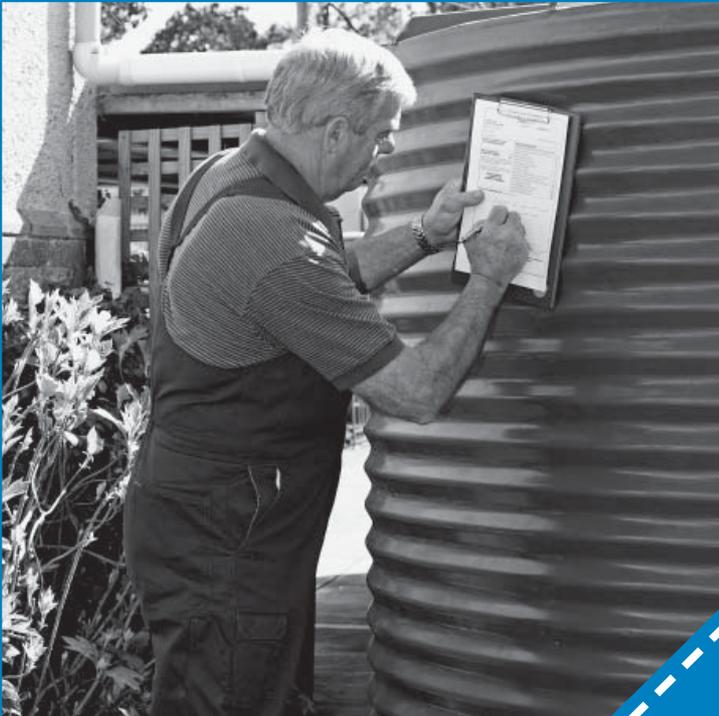
In early 2007, over 534 practitioners took part in a total of 14 workshops across Victoria that focused on introducing the concept of work/life balance. Developed with funding from Victoria's Working Families Targeted Grants Program, the workshops aimed to increase recognition throughout the industry of the importance of work/life balance for plumbing practitioners.

The workshops explained the benefits of work/life balance while looking at how this could realistically be achieved. Practitioners participated in practical activities and also received a handbook entitled *Finding the Right Balance*. The workshops were part of an awareness program to help the industry understand and incorporate greater work/life balance within the plumbing community.

Plumbing Industry Commission Human Resources Coordinator, Sharon Buchanan says: "The program effectively positioned work/life balance to plumbing practitioners in a way that was relevant to them. It also made the topic less taboo and people started talking openly about the value of work/life balance."

Industry response to the program has been excellent and the Commission is looking forward to the next phase of working with the industry in this area.

## INDUSTRY RESPONSIBILITY



The Plumbing Industry Commission is committed to supporting Government and stakeholders to transform the industry and create industry responsibility by:

- effectively monitoring the cost of compliance and administrative processes while encouraging industry investment, and research and development, to transform the plumbing industry
- enhancing practitioner skills through professional development to improve compliance and practitioner competence
- avoiding practitioner shortages by promoting and encouraging the attraction and retention of practitioners to develop an efficient and competitive industry.

## Key achievements

In 2006-07, the Commission's commitment to industry development was shown through continued high levels of plumbing activity in Victoria, indicated by a total of 315,760 Compliance Certificates lodged, an increase of 9.1% from 2005-06.

The Commission continued to support opportunities for practitioners through its mutual recognition of interstate and overseas plumbing accreditations. A total of 272 New South Wales practitioners were granted equivalent Victorian accreditation and 129 Victorian trained practitioners obtained accreditation to present either interstate or overseas. A further 46 incoming practitioners had their qualifications automatically recognised.

The Commission conducted a thorough review of the Qualification Experience Review Committee (QERC) scheme and progressed the alignment of Victorian competencies with the national training package. Application and accreditation of practitioners under QERC continued to grow, with 879 applications assessed in 2006-07 and the number of assessment interviews increased by 77% to 225.

Other achievements included:

- strengthening of the Indigenous Apprenticeship Scheme, which has become a model for other states adopting similar programs
- an increase in examinations held, notably with apprentice Journeyman exams increasing by 15% to a record 1,406 assessments
- research into a Local Government Strategy in conjunction with the Building Commission that will help to create better plumbing outcomes in the local Government area.

## Performance in 2006-07

Performance measure	2006-07 target	2006-07 actual	Achieved	2007-08 target
Number of registered plumbing practitioners	16,523	16,394	✗	16,500
Number of licensed plumbing practitioners	10,046	10,430	✓	10,500
Number of individuals holding registration or licence*	20,486	20,519	✓	20,700
Number of exams conducted	2,469	2,643	✓	2,700
Volume of Compliance Certificates lodged	289,275	315,760	✓	325,000

\* The total is not a combined figure of registered and licensed practitioners. There are multiple classes of practitioners, some licensed in one class but only eligible for registration in another class. These individuals are included in the number holding registration, and also in the number holding licence, and also as a single unit in the total holding registration or licence. For this reason, the cumulative total of registration holders and of licence holders will always be greater than the number of individuals who hold accreditation.

Source: Plumbing Industry Commission.

## 2007-08 Outlook

In 2007-08, the Commission aims to foster a responsible industry by:

- promoting and encouraging the attraction and retention of practitioners in the Victorian plumbing industry and the promotion of the industry as a long-term professional career
- strengthening plumbing practitioner skills, capabilities, standards and professionalism through voluntary programs of Continuing Professional Development
- increasing the number of plumbing practitioners
- transitioning the assessment of apprentices, and other applicants for registration and licence, to align with the national BCP03 training package
- revising processes to ensure that overseas applicants assessed by the COAG port-of-origin assessment program, are quickly accredited and made aware of further requirements
- working with the NPRF to ensure that reciprocal recognition of New Zealand and interstate practitioners outside of mutual recognition, is streamlined and accountable
- enhancing partner relationships with water and gas retailers to achieve greater levels of collaboration to further industry development
- implementing a Local Government Strategy, in conjunction with the Building Commission, to help achieve better plumbing outcomes for local councils.

*Apprentice Journeyman exams increased by 15% to a record 1,406 assessments.*

## Registration and licensing

Under the *Building Act 1993*, the Commission administers the registration and licensing of plumbing practitioners in Victoria. The Commission maintains a public register of all practitioners, administering reciprocal recognition agreements for plumbing accreditation with interstate and international regulatory organisations and providing and delivering accreditation assessments.

Under the *Building Act*, plumbing practitioners must be registered or licensed with the Commission. All licenses require a prescribed level of insurance, and are usually granted for 12 months. Licensed practitioners can carry out work in a particular class of plumbing, supervise other registered or licensed practitioners, as well as plumbing apprentices, to carry out that work and sign, issue and lodge Compliance Certificates for that class of work.

Registrations are usually granted for three years and allow a plumbing practitioner to carry out work in a particular class of plumbing, in most cases under the supervision of a person licensed in that class.

Provisional registration may be granted for 12 months to allow a practitioner to complete further assessment during the period in order to progress to full registration.

The Commission accredits individuals only (not companies or other corporate entities) according to class of plumbing, including restricted and specialised classes.

In 2006-07, the number of registered practitioners declined by 0.8% to 16,394. This modest decline follows increases in each of the previous two years, and was due to:

- a number of registered practitioners electing to upgrade their accreditation to a license
- the lapsing of registered practitioners whose triennial registration was due at the end of 2006, but who did not renew. Although these practitioners have steadily returned to the system during the six months to June 30, there was still a residual at the end of the period. A similar cycle occurs each three years and sees most practitioners renewing over time.

The number of licensed practitioners increased by 384 (3.8%) to 10,430. This increase reflects not only a buoyant industry, but also a competitive and stable insurance market.

The number of individuals holding either a registration or a license increased by 0.2% to 20,519, and follows an increase in each of the two previous years.

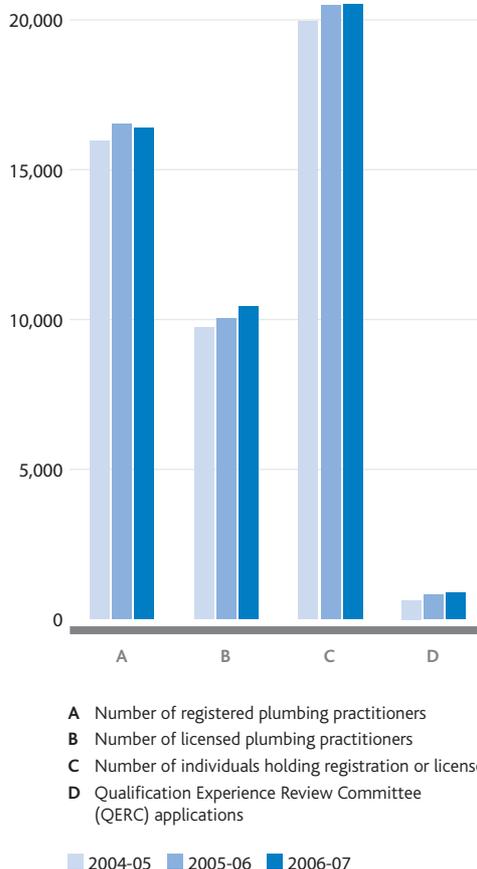
The number of applications under the Qualification Experience Review Committee scheme (registration or license based on qualifications and experience rather than an apprenticeship) followed on from increases in previous years by 5.9% to 879. Of these, 443 were required to undertake either a Commission registration assessment or a relevant course and assessment. The committee conducted 225 assessment interviews with applicants.

### Total registration and licensing

	2004-05	2005-06	2006-07	% change
Number of registered plumbing practitioners	15,955	16,523	16,394	-0.8
Number of licensed plumbing practitioners	9,741	10,046	10,430	3.8
Number of individuals holding registration or license	19,947	20,486	20,519	0.2
Qualification Experience Review Committee (QERC) applications	634	830	879	5.9

Source: Plumbing Industry Commission

### Total registration and licensing



### Main classes of plumbing (total number of registrations and licences)

		2004-05	2005-06	2006-07	% change
Plumbing (gasfitting) work	Lic	6,527	6,689	6,865	2.6
	Reg	8,838	9,094	8,877	-2.3
Plumbing (mechanical services) work	Lic	2,737	2,754	2,767	0.5
	Reg	12,643	13,037	12,935	-0.8
Plumbing (roofing stormwater) work	Lic	7,241	7,290	7,423	1.8
	Reg	8,892	9,326	9,069	-2.7
Plumbing (sanitary) work	Lic	7,343	7,462	7,646	2.5
	Reg	8,306	8,600	8,329	-3.1
Plumbing (water supply) work	Lic	7,835	7,990	8,208	2.7
	Reg	8,030	8,296	7,997	-3.6
Plumbing (draining) work	Lic	7,768	7,877	8,054	2.2
	Reg	8,147	8,443	8,191	-3.0

Source: Plumbing Industry Commission.

### Restricted classes of plumbing (total number of registrations and licences)

		2004-05	2005-06	2006-07	% change
Plumbing (gasfitting) Type A appliances	Lic	110	116	123	6.0
	Reg	114	114	108	-5.2
Plumbing (gasfitting) caravans, recreational homes and mobile homes	Lic	26	22	18	-18.2
	Reg	9	9	5	-44.4
Plumbing (roofing (stormwater)) Class 10a buildings	Lic	108	121	126	4.1
	Reg	96	93	95	2.1
Plumbing (water supply) fire hydrants and hose reels	Lic	24	30	33	10.0
	Reg	244	252	273	8.3
Plumbing (water supply) urban irrigation	Lic	37	37	40	8.1
	Reg	49	51	46	-9.8
Plumbing (water supply) domestic hot water services	Lic	4	4	4	-
	Reg	3	3	2	-33.3
Plumbing (mechanical services) solid fuel heaters	Lic	261	449	559	24.5
	Reg	16	20	30	50.0
Plumbing (mechanical services) duct fixing	Lic	5,821	5,795	5,725	-1.2
	Reg	5,614	5,586	5,085	-9.0
Plumbing (mechanical services) refrigeration mechanic	Lic	655	725	795	9.6
	Reg	546	547	563	2.9
Plumbing (mechanical services) split systems	Lic	341	465	633	36.1
	Reg	84	126	159	26.2

Source: Plumbing Industry Commission.

# Industry responsibility

## Compliance Certificates

Under Part 12A of the *Building Act 1993*, licensed practitioners in Victoria are required to self-certify their plumbing work. Self-certification means that a licensed plumber who has either performed or supervised plumbing work must certify to the consumer and the Commission that the work complies with all relevant regulations, standards and codes.

This certification is made on a Compliance Certificate, detailing the particular tasks undertaken. The certificate must be completed and lodged when:

- the total value of the work, including appliances, material and labour, is valued at \$500 or more (irrespective of whether the plumber supplied the appliances or materials)
- a Type A gas installation has taken place
- a below-ground sanitary drain or associated gully has been constructed, installed or altered.

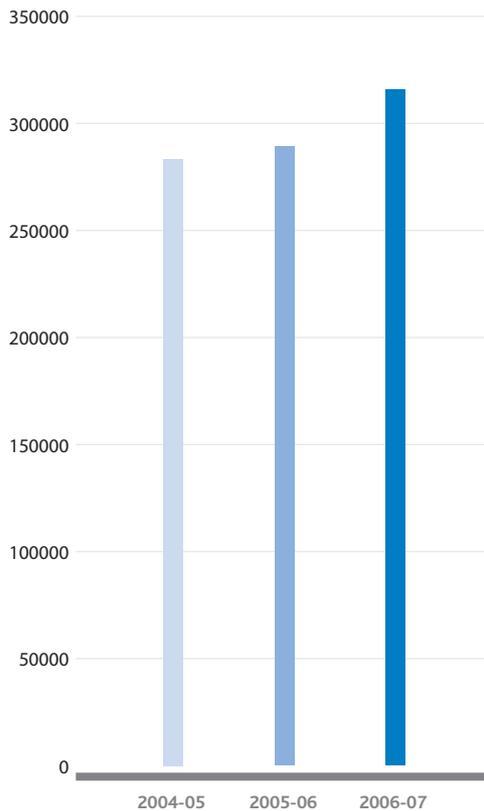
In 2006-07, the total number of Compliance Certificates lodged was 315,760, an increase of 9.1% compared to 2005-06. The figure reflected the continued high levels of building and plumbing activity in Victoria during the period. The Commission had undertaken to audit a minimum of 5.0% of all Compliance Certificates lodged and in 2006-07 audited a total of 5.1%.

## Specialised classes of plumbing (total number of registrations and licences)

		2004-05	2005-06	2006-07	% change
Plumbing (Type B gasfitting)	Lic	322	331	333	0.6
	Reg	226	244	261	6.9
Plumbing (residential and domestic fire sprinkler systems)	Lic	104	109	114	4.6
	Reg	335	335	355	5.9
Plumbing (type A gas appliance conversion)	Lic	359	403	454	12.6
	Reg	0	0	0	–
Plumbing (backflow prevention)	Lic	644	731	790	8.1
	Reg	0	0	0	–

Source: Plumbing Industry Commission.

## Total Compliance Certificates lodged



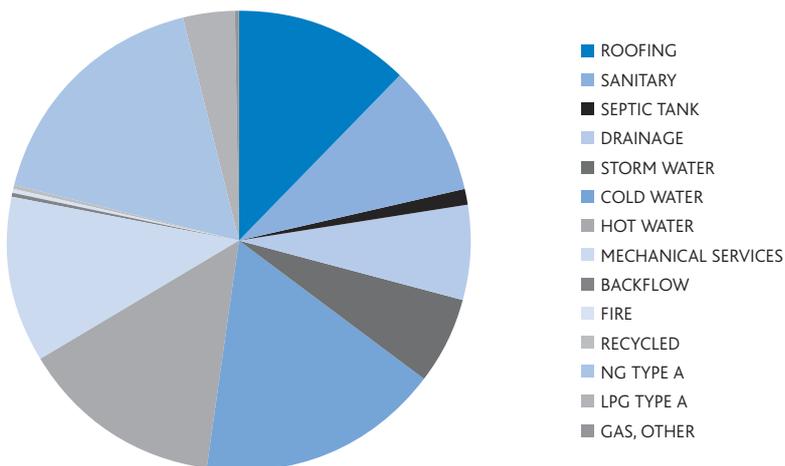
Source: Plumbing Industry Commission.

### Compliance Certificates lodged by work classes

Class of work	Lodgements	% of total lodgements
Roofing	87,030	12.4
Sanitary	65,826	9.4
Septic tank	5,223	1.0
Drainage	46,600	6.6
Storm water	43,126	6.1
Cold water	122,017	17.4
Hot water	99,532	14.2
Mechanical services	83,614	11.9
Backflow	821	0.1
Fire	233	0.1
Recycled	3,359	0.4
NG type A	119,906	17.2
LPG type A	24,734	3.5
Gas, other	167	0.1

Source: Plumbing Industry Commission.

### Compliance Certificates lodged by work classes



*The total number of Compliance Certificates lodged was 315,760, an increase of 9.1% compared to 2005-06.*

## Strengthening practitioner licensing and development

In 2006-07, the Commission strengthened practitioner licensing and development through a number of initiatives.

### Improving the Qualification Experience Review Committee

The Qualification Experience Review Committee (QERC) assesses applications for accreditation by non-apprentices on the basis of their experience and other qualifications. This year, the Commission broadened the committee's membership, streamlined its decision-making processes, and focused on assessment interviews with applicants where claims needed to be validated, increasing the number of QERC interviews by 77% to 225.

### Journeyman assessments

With increasing numbers of apprentices presenting for the Journeyman assessment, and the new BCP03 course now being taught alongside the existing 3212CDA course at all registered training organisations, the Commission ensured that the assessment processes were as streamlined and integrated as practicable. The Commission has worked consultatively with all regional and metropolitan plumbing TAFEs to ensure availability of facilities and experienced examiners to meet the high volume of Journeyman examinations.

## Aligning Victorian competencies to national training

The Commission completed significant development of the conversion of assessments from the 3212CDA apprentice training program to the new BCP03 National Plumbing Training Package (BCP03 Certificate III and BCP03 Certificate IV). The first batch of apprentices assessed under the new program were Bonegilla Army apprentices and the Commission will be in a position to assess the first BCP03 apprentices from mainstream recognised training organisations on schedule in October 2007.

### BCP03 National Training Package for QERC applicants

The Commission identified the need to develop registration and licence assessments for QERC applicants that incorporate the BCP03 National Plumbing Training Package. As with BCP03 assessments for apprentices, development of appropriate QERC assessments at registration and licence levels aligned with the BCP03 program will be available on schedule in early 2008. It is anticipated that assessments for both training programs will need to be available until the end of 2009, when the current 3212CDA assessment will be discontinued.

## Reciprocal recognition of plumbers

As part of a COAG initiative to address skill shortages in trades, the Commission continued its reciprocal recognition of interstate and overseas plumbing accreditation under four main categories:

- Overseas practitioners registered in accordance with the reciprocal recognition agreement with ANZRA decreased by 9%, with nine registrations in 2006-07
- Victorian-trained practitioners (registered and licensed) who received reciprocity certificates under the ANZRA agreement in order to undertake work in other states and territories or overseas, decreased by 7.85% with a total of 129 certificates issued in 2006-07
- Interstate plumbing accreditations (registered and licensed) recognised under the *Mutual Recognition Act 1998*, and by the COAG mutual recognition procedures, increased by 19.3% to a net total of 37 mutual recognitions in 2006-07
- NSW-based practitioners who are reciprocally licensed in Victoria increased by 2.3% up to 131 licenses, while registrations remained at 141 in 2006-07.

## Reciprocal recognition by category (total number of registrations and licenses)

		2004-05	2005-06	2006-07	% change
ANZRA certificate – overseas	Lic	0	0	0	–
	Reg	9	11	9	–18%
ANZRA certificate – Victorian-trained	Lic	91	83	71	–14.4
	Reg	67	57	58	1.7
Mutual recognition	Lic	21	18	19	5.5
	Reg	17	13	18	38.4
NSW–VIC cross-border recognition	Lic	121	128	131	2.3
	Reg	145	141	141	–

Source: Plumbing Industry Commission.

## Examining practitioners

The Commission is responsible for the assessment of all individuals seeking a plumbing practitioner's licence or registration. Examinations are held across all plumbing classes.

While an apprenticeship is still the traditional form of entry into the plumbing industry, the *Building Act 1993* ensures there are other entry options for practitioners who gain their plumbing skills through other means, including:

- hands-on industry experience gained overseas, interstate or in Victoria
- overseas-trained and qualified practitioners whose qualifications are not recognised for immediate registration under the ANZRA agreement.

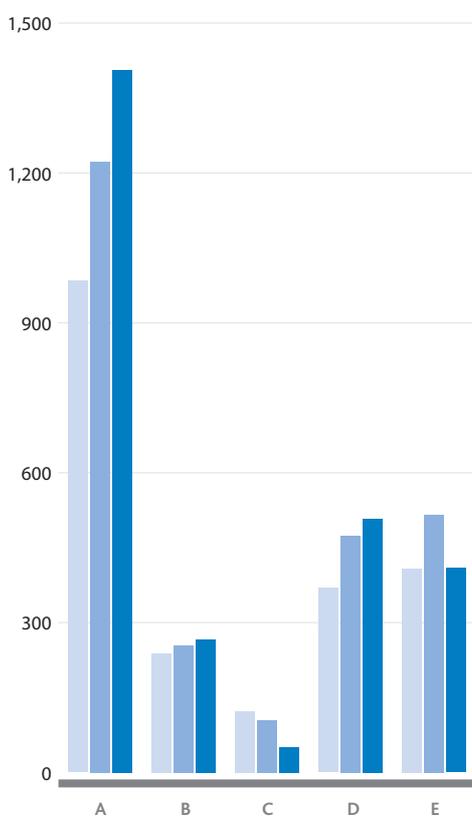
The Commission has an ongoing agreement with regulatory authorities such as the Department of Labour Advisory Committee and ANZRA, and employer/employee groups to ensure national consistency through three levels of occupational licensing:

- provisional registration
- registered person (or Journeyman)
- licensed person (known as independent certifier).

While the three levels of licensing will remain, changes to COAG's mutual recognition and port-of-origin overseas assessment, and the intention for ANZRA to be subsumed within the NPRF mean the Commission's approach to mutual recognition is undergoing some change. In 2007-08, the approach to overseas recognition will be reviewed to accommodate migrants from the 5 port-of-origin assessment location being established through COAG.

The Commission offers both competency-based practical examinations in registration classes for apprentices and non apprentices, and theory-based examinations in licensed classes to determine eligibility.

In 2006-07, the Commission increased the number of examinations held in the three key areas of apprentice Journeyman exams, non apprentice registration exams, and licence exams, indicating solid growth in the number of individuals seeking and acquiring registration and licensing. In particular, apprentice Journeyman exams increased by 15% to a record 1,406 assessments. This follows a 24% increase in the preceding year, and is good news in an industry where skills shortage has been identified as an issue.



- A Apprentice Journeyman exams  
 B Non-apprentice practical registration exams  
 C Practical skills tests  
 D Licence exams  
 E Miscellaneous exams

■ 2004-05 ■ 2005-06 ■ 2006-07

## Examinations conducted (total number)

	2004-05	2005-06	2006-07	% change
Apprentice Journeyman exams	984 (63% pass rate)	1,223 (58.5% pass rate)	1,406 (54.56% pass rate)	14.9
Non-apprentice practical registration exams	238 (64% pass rate)	254 (69% pass rate)	266 (60% pass rate)	4.7
Practical skills tests	122 (94% pass rate)	98 (88% pass rate)	57 (91% pass rate)	-41.8
Licence exams	369 (67% pass rate)	474 (62% pass rate)	508 (62% pass rate)	7.1
Miscellaneous exams	408 (67% pass rate)	420 (61% pass rate)	406 (61% pass rate)	-3.3%

Source: Plumbing Industry Commission.

A decline in practical skills tests is the result of a deliberate move from those assessments to personal interviews. If, at interview, a candidate can validate the claims made on their application, they would progress directly to a registration exam. Miscellaneous exams declined, mainly because of a slowdown in the number of gas assessments, and to a lesser extent a fall in the number of backflow prevention exams.

### Registration, licensing and related inquiries

The number of both personal and telephone registration, licensing and related inquiries increased during 2006-07. The number of telephone inquiries increased by 0.8% to 39,139, following a 9.5% increase during 2005-06. The number of personal inquiries increased by 5.5% to 8,995, and follows an increase of 5% during 2005-06.

### Indigenous Apprenticeship Scheme

The Indigenous Apprenticeship Scheme has strengthened in 2006-07, with 21 Indigenous apprentices from around Australia currently training and working in the construction industry, with another 15 expected to commence in 2007-08.

The scheme began in 2004 as a

partnership between the Plumbing Industry Commission, the Communications Electrical Plumbing Union (CEPU) Plumbing Division and VicTech in response to a request from the Jarlmadangah community to help develop local Indigenous tradespeople.

An initiative of Common Fate, the program aims to engage the non-Indigenous community in developing opportunities for young Indigenous people, helping to support leaders in maintaining healthy, self-determined communities.

The Commission has shared this experience and knowledge with other states and territories and is currently working with the CEPU in Queensland and the Northern Territory to expand this Victorian initiative.

### Technical advice

The Commission provides a comprehensive technical advice service via telephone to plumbers in Victoria. This service is free, and is an integral part of the Commission's commitment to practitioners. On average, the service takes between 90-100 calls per day.

Supported by a team of highly experienced plumbing industry professionals, the service operates to assist practitioners in finding answers to questions relating to queries on all classes of plumbing work. The questions asked may be general questions relating to plumbing practices, or can be extremely specific, requiring referencing to relevant regulations and standards.

The Technical Advice service can be contacted during business hours by calling the Commission on (03) 9880 6200.

### Publications

In December 2006, the Commission delivered the fortieth issue of *The Registered Plumber* newsletter to all licensed and registered plumbing practitioners. This issue focused on the Southern Cross station redevelopment, seminars and training, and drain testing.

*The Registered Plumber* has been revitalised and in April 2007 the Commission unveiled a new-look, new-name newsletter, *InPipe*. Distributed to all plumbing practitioners in Victoria, *InPipe* aims to inform on all matters of interest to practitioners such as industry and Commission initiatives, regulatory reform, and professional development opportunities.

*The Registered Plumber has been revitalised and in April 2007 the Commission unveiled a new-look, new-name newsletter, InPipe.*

## Working with local Government for better plumbing outcomes

A key aim for the Commission in 2007-08 is the implementation of a Local Government Strategy, which will:

- communicate plumbing issues to the local Government sector
- encourage local Government to develop plumbing solutions for its assets, such as the use of recycled water for parks
- highlight the Commission's expertise and provide Commission resources to assist local Governments to resolve health and safety issues, such as those around septic tanks, recycled water and cross-connection
- help achieve a constructive relationship between the Commission and the local Government sector, as well as raise the profile of the Commission.

To achieve these aims, the Commission will organise a regular schedule of meetings with the Municipal Association of Victoria and local Government professionals, as well as explore opportunities for projects of mutual benefit with these organisations and individual local Governments.



## Indigenous apprenticeship scheme kicking goals

The Indigenous Apprenticeships Scheme, supported by the Commission, will offer another round of apprenticeships for young Indigenous people in the coming year. The scheme has already seen 14 Indigenous apprentices successfully placed in the workforce in 2006-07 and will take on another 20 in 2007-08. Of these apprentices, 10 will specialise in plumbing, eight in electrical and one each in labouring and reception.

Dean Rioli, pictured above, is a mentor for the scheme, which targets rural and metropolitan kids through a variety of Aboriginal organisations. New apprentices are recruited based on their résumé and their ability to demonstrate commitment.

Dean also encourages his apprentices to get involved in sports, comparing skills learned as part of a team with those of apprenticeships: communication, discipline and dedication. The enthusiasm of the apprentices and the program's success indicate that these skills are being acquired, with the program kicking goals all round.

"The scheme skills up apprentices so they can return to their communities to work and share their knowledge," says Dean. "I tell the kids that they are the next generation of leaders and that they need to work towards the end achievement. Overall, the program's been a great success and provided opportunities for a lot of kids."

One new apprentice says that while there are opportunities in his home town, a lot needs to be done in the communities. "Once I qualify, I can tell the younger kids about the importance of education and what they can achieve," he says.

Another important aspect of the program is the collaboration of Indigenous and non-Indigenous people. "I've been warmly welcomed by my boss and co-workers, with everyone working together to get things done," says the new apprentice.

## ENVIRONMENTAL BEST PRACTICE



The Commission works to enable a sustainable built environment, facilitating environmental best practice by:

- promoting sustainable practices to further the Victorian Government's sustainability objectives
- strengthening compliance with energy and water efficiency requirements.

## Key achievements

In 2006-07, the Commission launched its *PlumbSmarter* initiative, which aims to seek practitioner opinions on the best ways to achieve greater sustainability in Victoria. It collected recommendations for energy and water saving measures through an online survey and consultation with industry, many of which will be further developed to realise opportunities for conservation through plumbing systems.

The Commission further collaborated with industry on sustainability issues by:

- assisting the Department of Sustainability and Environment with urban water regulatory and energy conservation strategies
- continuing to inform practitioners on sustainability issues through seminars, fact sheets and the delivery of technical solutions sheets on water recycling and conservation, and energy saving solar hot water services
- working with water authorities on issues surrounding grey water and recycled water usage.

## Performance in 2006-07

Performance measure	2006-07 target	2006-07 actual	Achieved	2007-08 target
Promote sustainable plumbing practices	16 seminars on 5 Star Standard	Provided input for South East Water DVD	✓	Four sustainability opportunities implemented by June 2008
Commence <i>PlumbSmarter</i> initiative	Plan and invite industry participation	<i>PlumbSmarter</i> launched delivery on key project milestones	✓	Launch <i>PlumbSmarter</i> online forum July 2007
Strengthen compliance with water and energy efficiency requirements	Consult with and present to all water authorities on grey water and recycled water supply	Consulted with and presented to all water authorities	✓	Work with water authorities to produce guides on water recycling

## 2007-08 Outlook

In 2007-08, the Commission will achieve environmental best practice by:

- progressing the *PlumbSmarter* project, including collecting practitioner and industry feedback, taking the results to industry and Government bodies and pursuing identified water and energy saving opportunities
- promoting *PlumbSmarter* to the community to enable consumer-practitioner collaboration on sustainability issues and activities
- reducing greenhouse emissions and water savings through implementation of the 5 Star Standard for energy and water efficiency through Plumbing Regulations
- assisting the industry to increase sustainable practices through:
  - grey water and recycled water initiatives through water authorities
  - developing guidelines for dual water pipe recycling in conjunction with key stakeholders
  - working with Victorian water authorities to produce recycled water guides, training programs and seminars.

*In 2006-07, the Commission launched its PlumbSmarter initiative, which aims to seek practitioner opinion on the best ways to achieve greater sustainability in Victoria.*

### Achieving sustainability through improved regulation

Strengthening compliance with energy and water efficiency requirements is a key strategy for the Commission to increase consumer confidence in the uptake of water saving practices, particularly the use of recycled water.

To support environmental best practice in 2006-07, the Commission focused on regulatory development and delivered on a number of sustainability initiatives.

#### Industry collaboration

In 2006-07, the Commission commenced *PlumbSmarter*, an industry-wide collaborative project with Sustainability Victoria, Environment Protection Authority, the Victorian water authorities, Department of Sustainability and Environment, Plumbing Industry Advisory Council and the Building Commission to save water and energy through non-regulatory and regulatory initiatives.

The Commission actively consulted and engaged in grey and recycled water initiatives, including:

- meeting with manufacturers to confirm adequacy of current standards for new products
- participating in discussions with Western Water regarding the recycled water treatment plant for the township of Eynesbury
- advising Coliban Water on reticulated recycled water systems to tap the supply in disused mines in the severely drought-affected Bendigo region
- assisting Sustainability Victoria and Origin Energy in the development of the Green Power Scheme for submission to the Minister
- providing input for the South East Water DVD, *Getting Connected to Recycled Water*
- delivering ongoing support for plumbing practitioners and water authorities on reticulated recycled water
- advising water authorities with ongoing backlog sewer programs for townships with new sewerage infrastructure.

The Commission also participated in the Business Council for Sustainable Energy forums, providing feedback for the 5 Star Standard compliance for housing with solar hot water.

### Regulatory support

The Commission continued to support the industry in greater regulation of sustainability measures by presenting to all water authorities on grey water and recycled water supply. This aimed to ensure uniformity on connection conditions and the monitoring of recycled water projects to ensure no cross-connections between the drinking and non-drinking water supply.

In managing regulations, the Commission oversaw changes allowing owner-occupiers to replace inefficient showerheads with water efficient 3 Star models.

The Commission also worked with the Government to formulate sustainability strategies, such as assisting the Department of Sustainability and Environment on urban water regulatory reform and energy conservation in buildings.

Minor regulatory changes were made to prohibit the installation of electricity boosted heat pump water heaters in new dwellings in gas reticulated areas, as a way of complying with the 5 Star Standard.

### Practitioner support

The Commission convened meetings on recycled water projects to maintain practitioner awareness and to ensure the integrity of grey water products, and produced technical solution sheets on recycled water as well as roof plumbing.

The Commission ran a promotion to encourage consumers and employers to nominate a licensed or registered plumber who had completed a plumbing job they considered worthy of recognition. First prize was awarded to a plumber who developed and constructed a system to treat water from two bores for a country car wash struggling with Stage 4 water restrictions. This system saves \$3,800 per week in water carting charges for the business in an area with severe water shortages.

*The Commission continued to support the industry in greater regulation of sustainability measures by presenting to all water authorities on grey water and recycled water supply.*

## PlumbSmarter initiative sets industry benchmark

This year, the Commission commenced *PlumbSmarter*, developed in response to a Ministerial Reference to the Plumbing Industry Advisory Council. This initiative is aimed at better engaging Victoria's plumbing industry in sustainability change.

Plumbing practice, products and regulations are central to water and energy use in Victoria, and plumbers are in a unique position to advise on, and help improve, sustainability practices in the community.

In 2006-07, the Commission successfully delivered on its initial milestones for the *PlumbSmarter* project by:

- gaining key Government and industry stakeholder support
- establishing a project team and structure
- creating a website and survey tools
- launching awareness of the project via partner organisations, *InPipe*, and presentations to key plumbing stakeholders.

The *PlumbSmarter* website went live in July 2007 to collect practitioner feedback and ideas across seven categories of plumbing work. The Commission, Government and plumbing industry leaders are seeking ideas and feedback from every plumber who can help Victoria adapt to climate change by improving the industry's practices, products and regulations.

For more information on *PlumbSmarter* visit: [www.plumbsmarter.vic.gov.au](http://www.plumbsmarter.vic.gov.au).



## Harnessing plumber know-how for a sustainable industry

*PlumbSmarter* has turned regulatory and process review on its head with the Commission approaching plumbers for their views on how to achieve greater sustainability in Victoria.

Recognising that plumbers are a key interface with consumers, *PlumbSmarter* aims to find out from them what is required to make the path to sustainability easier and more cost-effective.

"At the heart of the *PlumbSmarter* program are the plumbers," says Acting Compliance and Monitoring Manager, Paul Galvin. "*PlumbSmarter* is a unique opportunity for plumbers to have their say on the future of sustainability within the plumbing industry. We're asking plumbers, 'What are the obstacles that are standing in their way? What new products are required? And what regulation changes could create greater sustainability outcomes in plumbing?'"

Phase One of the project has seen Victoria's 20,519 plumbers involved through the *PlumbSmarter* online survey. The Commission has been pleased with the number of ideas put forward and the breadth of the subject matter across all aspects of plumbing.

Paul Galvin says, "Plumbers have a great deal of knowledge, especially when it comes to water sustainability. In a way it's not just a reinvigoration of water and energy conservation, but a reinvention of the way plumbers are marketed – not just as tradespeople, but as sustainability experts."

The Commission plans to gather further information from plumbing industry firms over the coming months. It will then develop a number of recommendations on sustainability in the industry. A report is to be prepared outlining the identified opportunities and making recommendations for a program of implementation.

## COMMUNITY ACCOUNTABILITY



The Commission continuously works to ensure safe plumbing services for the community by:

- undertaking programs that target unqualified plumbing practitioners, ensuring consumer safeguards
- enhancing consumer knowledge of the plumbing process and the importance of always using a registered or licensed plumbing practitioner
- reducing the number of plumbing disputes by improving industry practices
- continuing to inform and educate consumers about health and safety issues when using recycled water.

## Key achievements

In 2006-07, the Commission consolidated its activities, particularly in the areas of practitioner investigation, consumer and industry education and complaints resolution.

The Commission continued to protect the integrity of plumbing standards by carrying out audits and inspections, increasing investigations of non-compliant practitioners. The Commission conducted 617 investigations into practitioners and unregistered persons, 59% more than in 2005-06. The number of practitioners brought before disciplinary hearings increased by 275%. It also prosecuted 138% more unregistered persons in the Magistrates Court than in 2005-06.

The Commission increased the number of site visits as part of a proactive scheme to meet with practitioners and apprentices. It made improvements to the complaints resolution process, including enhancements to the telephone complaints/enquiry service and streamlined the written complaints process.

During 2006-07, the Commission also began to implement its three-year communications strategy to raise the profile of the Commission within the community and the industry. Initiatives included a competition that invited nominations of a plumber for a job worthy of recognition and an advertising campaign that encouraged consumers to ask for proof of identification from plumbers.

## Performance in 2006-07

Performance measure	2006-07 target	2006-07 actual	Achieved	2007-08 target
Percentage of audited plumbing work compliant with plumbing regulations	90%	93%	✓	95%
Number of investigations conducted into practitioners and unregistered persons	388	617	✓	Identify areas of high non-compliance with new enforcement strategy
Number of prosecutions of unregistered persons	26	62	✓	Identify areas of high non-compliance with new enforcement strategy
Timelines of the investigations and domestic resolution processes	70% of formal complaints resolved within 60 days of being allocated an Investigator	77% of formal complaints resolved within 60 days of being allocated an Investigator	✓	Consumers satisfied with complaint process 70% of the time
Number of consumer complaints – telephone – written	5,208 472	4,869 535	✗ ✓	Resolve 70% complaints without need to formalise
Site inspections as part of investigation activities	Minimum 5% activities allocated to site inspections	Minimum 9% activities allocated to site inspections	✓	Minimum 10% activities allocated to site inspections

## 2007-08 outlook

In 2007-08, the Commission plans to improve accountability to the community by:

- improving and simplifying audit and inspection processes
- providing better safeguards for consumers through driving greater levels of compliance
- continuing to focus investigation strategy on responding to formal complaints, conducting investigations into breaches and undertaking prosecutions where necessary
- implementing an advertising campaign to encourage consumers to use only licensed and registered plumbers for all work valued over \$500 for best protection
- reviewing consumer publications to ensure that the community is educated on the plumbing process
- developing a systematic approach to identify and reduce the number of repeat offenders
- promoting the Commission's services to the community. In particular, as part of the *PlumbSmarter* initiative, the Commission will promote improved sustainability by developing the ability of plumbing practitioners to provide advice on sustainability options to consumers.

## Audits and inspections

All plumbing work in Victoria must be carried out by, or under the supervision of, a licensed practitioner. Each licensed practitioner certifies that their work complies with regulations, standards and codes through the Compliance Certificate system.

The integrity of the system and work standards are protected through random Commission inspections and audits, and supported by appropriate sanctions where necessary.

The Commission aims to audit a minimum of 5.0% of completed plumbing works and below-ground sanitary drains. In 2006-07, the Commission:

- completed a total of 16,097 audits, representing 5.1% of the total number of Compliance Certificates lodged. This was a slight decrease on 2005-06 when there were 15,231 audits, representing 5.3% of the total number of Compliance Certificates lodged.
- audited 2,715 sanitary drains, with 6.4% of the audit sample failing initial inspection.

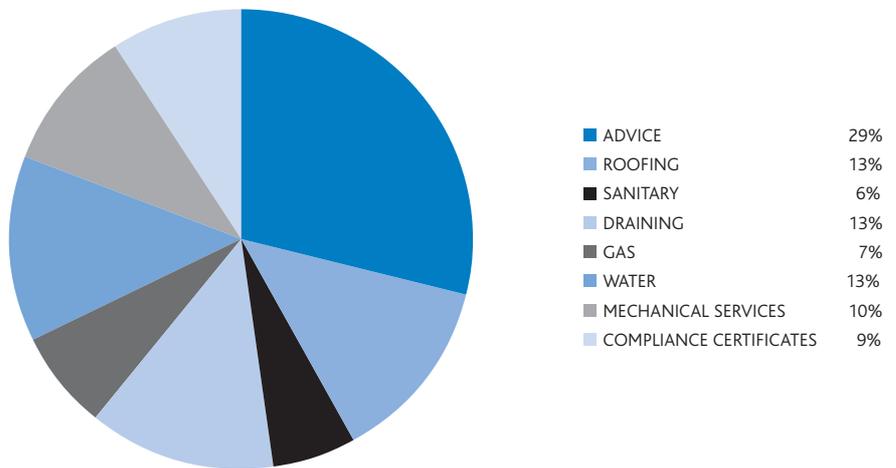
The Commission reported a total failure rate for audits of 7.1%, a decrease from last year's 9.7%.

## Audits and inspections completed

	2005-06 number	2005-06 %	2006-07 number	2006-07 %
Audits completed	15,231	5.3%	16,097	5.1%
Audits failed	1,479	9.7%	1,144	7.1%
Sanitary drains – tests booked	44,316	N/A	42,227	N/A
Sanitary drains – inspected	2,394	5.4%	2,715	6.4%
Sanitary drains – failed	137	5.7%	125	4.6%

Source: Plumbing Industry Commission.

## Type of complaints/enquiries for 2006-07



*The Commission conducted 617 investigations into practitioners and unregistered persons, 59% more than in 2005-06.*

## Complaints and investigations

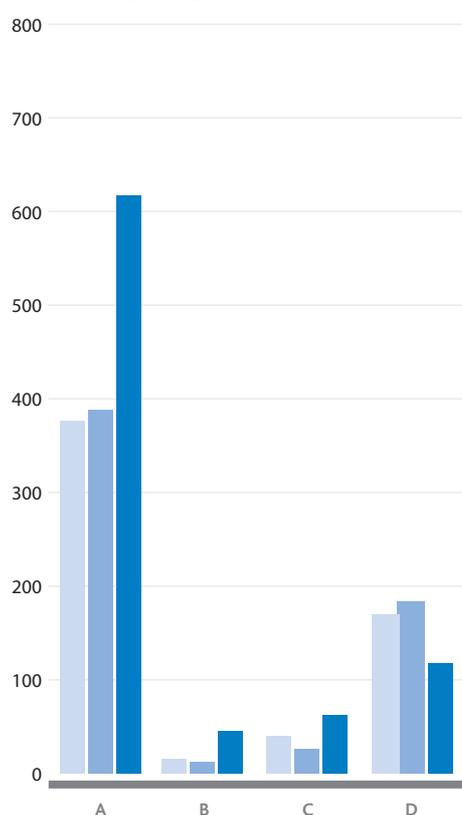
Under the *Building Act 1993*, the Commission is responsible for working with the community to address and resolve concerns in relation to the standard of regulated plumbing work.

In 2006-07, the Commission focused on investigating complaints from consumers and the industry in relation to breaches of the Act and Regulations, undertaking prosecutions as a result of investigations where necessary.

The Commission:

- addressed 4,869 telephone calls regarding complaints and seeking advice during the year, a decrease of 6.5% from 2005-06
- responded to 535 written complaints about plumbing work, an increase of 13% from 2005-06, and representing less than 1% of all Compliance Certificates lodged. This increase was a result of the communications strategy that raised consumer awareness of the Commission's services
- conducted 617 investigations into practitioners and unregistered persons, an increase of 59% from 2005-06
- carried out site visits and had contact with 3,062 practitioners, an increase of 53%
- brought 45 practitioners before disciplinary hearings, an increase of 275% from 2005-06
- prosecuted 62 unregistered persons in the Magistrates Court, an increase of 138% from 2005-06.

### Investigating practitioners



- A Investigations conducted
- B Disciplinary hearings
- C Prosecutions
- D Notices and orders issued

■ 2004-05 ■ 2005-06 ■ 2006-07

### Investigating practitioners

	2004-05	2005-06	2006-07	% change
Investigations conducted	376	388	617	59%
Disciplinary hearings	15	12	45	275%
Prosecutions	40	26	62	138%
Notices and orders issued	170	184	118	-35%

Source: Plumbing Industry Commission.

### Enhanced infringement and disciplinary processes

The Commission reviewed its processes for recovery of unpaid fines arising from its disciplinary hearings.

Of the 53 infringement notices issued during 2006-07 (including withdrawal of the infringement and referral to a disciplinary hearing where payment has not occurred):

- 40 were paid in full
- 10 entered payment agreements or were still within the payment period
- three were withdrawn.

Of the 45 disciplinary hearings held during 2006-07:

- 26 cases were closed with all requirements met
- 14 entered payment agreements, were still within the payment period, or had other outstanding actions to be complied with
- five were referred for recovery action.

### Improving the complaints and resolution process

In 2006-07, the Commission aimed to improve its consumer complaints process by enhancing its telephone complaint/enquiry service. A total of 4,869 telephone complaints/enquiries were received, with 89% of these resolved without the need to proceed to a formal complaint. It also worked to deliver an efficient service regarding formal complaints, with 77% of formal complaints resolved within 60 days of being allocated to an Investigator.

The Commission strengthened the monitoring of persons carrying out plumbing activity to confirm adequate licence or registrations. A total of 9% of the division's overall activities comprised random field visits, with 3,062 persons spoken to during site visits, an increase of 53% on last year.

To assist tracking consumer complaints/enquiries, the Commission developed a records management system, which was fully operational by June 2007. It has also implemented an online complaint/enquiry process, which has reduced the number of telephone enquiries and congestion at reception. Consumers can now visit the Commission website [www.pic.vic.gov.au](http://www.pic.vic.gov.au) to lodge their complaint or enquiry.

*A total of 4,869 telephone complaints/enquiries were received, with 89% of these resolved without the need to proceed to a formal complaint.*

## Informing and educating consumers

In 2006-07, the Commission undertook a number of activities to increase consumer awareness and understanding of its functions and to ensure greater consumer protection. These included:

- launching the new Commission website on 15 December 2006
- introducing the first competition to recognise plumbers with the most outstanding combination of technical excellence and superior customer service. Consumers or employers were encouraged to nominate a licensed or registered plumber who had 'gone the extra mile'
- advertising to consumers the importance of asking for photo ID and a Compliance Certificate for work valued over \$500, emphasising available safeguards
- developing a three-year communications strategy, including style and communication guidelines, stakeholder and media database and media protocol
- presentations at nine Consumer Affairs Victoria seminars on avoiding common pitfalls during plumbing in building and home renovating
- distributing a toolkit of plumbing media information to top 20 media to boost awareness of the Commission's industry and community roles.



## Creating consumer confidence in the industry

In 2006-07, the volume of plumbing work in Victoria grew and the Plumbing Industry Commission's investigation team increased activity to ensure consumer safeguards were maintained.

Commission Inspector Garry Johnston, says his role isn't just about responding to consumer complaints: "Regulation by the Plumbing Industry Commission not only safeguards consumers but it creates confidence in the industry, which is one of the Commission's core objectives." Garry believes that disputes between plumbers and consumers can be effectively resolved through intervention and mediation processes.

Commission inspectors are experts in their field and are committed and competent problem solvers who act as a third party to address problems as they arise. When complaints are received, a number of people are involved in resolution, including the certifying plumber, practitioners who have done subsequent work at the site and the Commission.

In one case, a consumer turned to the Commission for answers after living with a continuously blocked sewer drain for several years. Despite his plumber being responsive and returning to the site for follow-up work, the problem persisted. The Commission investigated the case for breaches of practitioner compliance and to ensure consumer protection was upheld.

An initial site inspection by the Commission revealed two faults in the work. After the Commission's inspector had issued a rectification notice, work was carried out by the certifying plumber. The follow-up inspection showed that the items had been rectified and all parties were satisfied.

## OUR PEOPLE



The Commission aims to match its human resources, culture and behaviour with its corporate and business strategies.

### 2007-08 Outlook

In 2007-08, the Commission plans to:

- develop a new recruitment strategy
- develop a Management Capability Framework
- establish Commission values
- further develop the work/life balance strategy
- introduce an age management strategy.

### Organisational profile

As at 30 June 2007, the Commission employed 50 employees (or 47.2 full-time equivalents).

The Commission is further supported by a Corporate Services Division comprising 29.7 full-time equivalent staff, which provides services to both the Plumbing Industry Commission and the Building Commission in areas of finance and business services, information management, marketing and human resources.

The Commission is committed to equal employment access for women, reflected in 34% of the Commission's employees being female.

### Investing in learning and development

This year saw the delivery of the first joint Building Commission and Plumbing Industry Commission Learning and Development Program. The program focused on developing skills and capability in the areas of leadership development, communication and customer service, embedding our culture and values, and enhancing technical capability.

A series of knowledge forums was introduced to the Commission in early 2007 to promote a culture of information sharing, with forums focused around various organisational projects and wellbeing initiatives.

### Employee relations

There was no time lost due to industrial disputes during the period and the Commission successfully negotiated the Plumbing Industry Commission Agreement 2006 in consultation with employees and the Community and Public Sector Union.

Performance measure	2006-07 target	2006-07 actual	Achieved	2007-08 target
Days lost to occupational health and safety or industrial action	0	0	✓	0
Average learning and development hours per employee	N/A	Implementation of knowledge forums	✓	Further develop learning opportunities for all employees
Work/life balance participation by staff	N/A	Established Wellbeing Committee	✓	Further develop life balance and wellbeing initiatives for maximum involvement

### Ethical conduct

All Commission employees are required to act with integrity and objectivity and employees are familiarised with the Victorian Public Sector Code of Conduct. Employees are required to complete a declaration which enables potential conflicts of interest to be identified and managed appropriately.

All members of the statutory bodies administered by the Commission must sign a Declaration of Pecuniary Interest.

### Occupational health and safety

In 2006-07, the Commission established a Wellbeing Committee, which focuses on initiatives to address the *Occupational Health and Safety Act 2004* and employee wellbeing. As well as providing all new employees with extensive occupational health and safety training at induction and orientation, the Commission has focused on developing a strategic approach to occupational health and safety. Actions include regular communication, the reporting of accidents and near misses, conducting hazard hunts and ergonomic checks to ensure a safe workplace, and providing flu injections.

The Commission's Wellbeing Committee undertakes the requirements of the Consultative Committee as outlined in the Plumbing Industry Commission Agreement 2006. The Committee considers occupational health and safety requirements and acts as a vehicle for consultation regarding major change and issues concerning employees.

### Achieving work/life balance

The Commission began developing a formal work/life balance strategy in April 2007 after gaining a grant from Industrial Relations Victoria (as part of the Working Families Targeted Grants Program). This grant supported a project to develop a strategy for Commission employees and educate Victoria's 20,519 registered and licensed plumbers.

The Commission's internal program focused on the development of a comprehensive program, including the collection of benchmark data, training for managers and consultation with staff to determine individual needs and policy development.

### Supporting culturally and linguistically diverse communities

The Commission supports the Victorian Government's multicultural policy by incorporating the Government's four principles of valuing diversity, overcoming disadvantage, encouraging participation and promoting economic, social and cultural benefits for all Victorians.

In 2006-07, this commitment was reflected through the Commission's interpreting telephone service that provided immediate assistance to 19 consumers requesting information on plumbing Regulations and the registration process. This was a decrease of 30% from 2005-06 (27 in total).

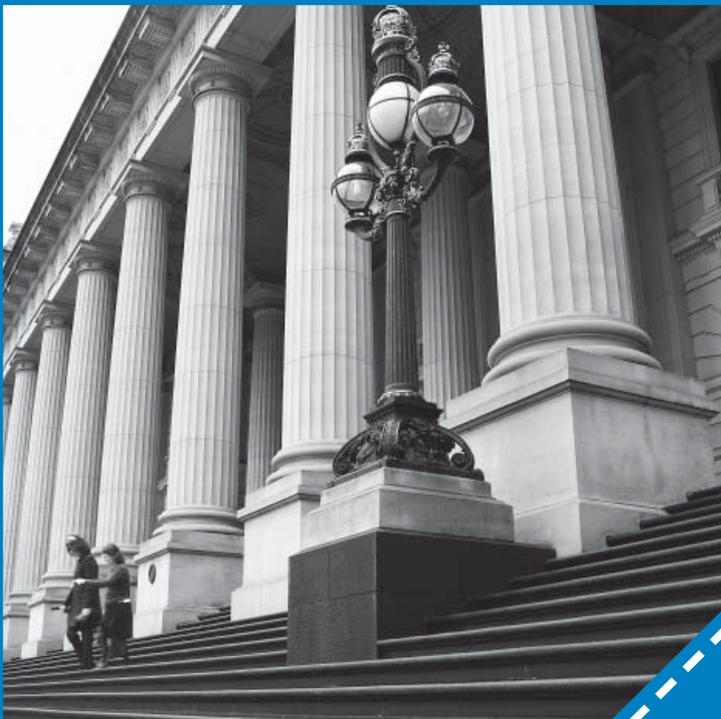
### Occupational profile and base salary band

	2004-05	2005-06	2006-07
<b>Executives and managers*</b> (\$90,000 to \$129,999)	7 (14%)	5 (10%)	5 (10%)
<b>Professional</b> (\$71,500 to \$96,000)	7 (14%)	5 (10%)	7 (14%)
<b>Associate professional</b> (including technical) (\$55,500 to \$73,000)	17 (33%)	14 (29%)	22 (44%)
<b>Admin/secretarial/customer service</b> (\$32,600 to \$57,600)	20 (39%)	25 (51%)	16 (32%)
<b>Total headcount</b>	51	49	50
<b>Equivalent full-time</b>	47	44	47.2
<b>Gender profile</b>			
Female	16 (31%)	19 (39%)	17 (34%)
Male	35 (69%)	30 (61%)	33 (66%)

\* Executives and Managers\* are in the same category. One Executive and four Senior Managers are employed on executive contracts at varying salary levels. Additionally, the Plumbing Industry Commissioner is also the Building Commissioner who is accounted for on page 39 of the Building Commission Annual Report 2006-07.

Source: Plumbing Industry Commission.

# CORPORATE GOVERNANCE



## Objectives

The Plumbing Industry Commission uses a strong corporate governance framework to ensure that it meets its objectives, is efficient in its operations, is accountable for its decisions and complies with the relevant Acts and Regulations.

## Responsible Minister

The Commission is part of the portfolio of the Minister for Planning, Justin Madden, MLC.

## Powers, functions and duties

The Commission is a statutory authority established under Part 12A of the *Building Act 1993* to regulate plumbing work with the aim of ensuring it is carried out safely and competently. This is achieved through the efficient and effective administration of the plumbing regulatory system for community health and safety, and environmental benefits.

The Commission derives its operational functions, powers and duties from the Act and the *Plumbing Regulations 1998*. The Commission's operational revenue is derived from fees (registrations, licences, Compliance Certificates, special audits and inspections and examinations), sale of publications, rent and Government grants.

## Executive Leadership Team

The Executive Leadership Team is responsible for the Commission's strategic direction and its organisational effectiveness. It consists of:

- Commissioner, Tony Arnel
- General Manager – Operations, Shayne La Combre
- General Manager – Corporate Services, Sarah McCann-Bartlett
- Director – Practitioner Registration, Development and Compliance, Gil King
- Director – Regulatory Development, Jeff Norton
- Chief Financial Officer and Director Business Services, Paul Crapper
- Manager – People and Culture, Muriel Marczynski

## Operational Management Team

The Operational Management Team is responsible for the Commission's operational management direction. It consists of:

- Executive Officer (vacant)
- Manager – Accounting, Gary Ritter
- Manager – Compliance and Monitoring, Rod Savage
- Manager – Information Management, Zoran Savanovic
- Manager – Investigations, Paul Harris
- Manager – Marketing and Public Relations, Susannah Tidemann
- Manager – Practitioner Licensing and Development, Gerard O'Farrell
- Manager – Regulatory Development, Bobbie Novotny

## Corporate and business planning

In keeping with good corporate governance, the Commission developed a new Corporate Plan in 2006-07, setting out the Commission's objectives and strategies for the next five years. The objectives are in line with the Victorian Government's triple bottom line approach, which balances economic, social and environmental outcomes while emphasising regulatory responsibility.

Through wide consultation with Government stakeholders, Plumbing Industry Advisory Council members, and industry stakeholders, the Commission achieved its Corporate Plan aims of:

- undertaking extensive consultation with key industry stakeholders
- developing objective and reliable performance measures, ensuring accountability of the Commission's operations to deliver the outcomes sought by government
- aligning the Corporate Plan objectives and strategies to the *Building Act 1993*.

## Significant changes to corporate governance position

The Plumbing Industry Commission's recent alignment with the Building Commission has enabled access to facilities and expertise that has improved the way it does business. The alignment has enabled the Commission to take advantage of the Building Commission's corporate service expertise, which has reduced the costs associated with improving the way it operates both internally and externally.

In 2006-07, the Building Commission's accounting system was introduced. This has improved the Plumbing Industry Commission's reporting process. It has allowed the Commission to operate a significantly improved accounting system without the degree of expense that would have been incurred if the two Commissions were not aligned.

The Chief Financial Officer implemented business risk management in 2006-07 and this has assisted the Commission's managers to assess the business risks relevant to their operations and minimise them. Combined with the change to the Victorian Managed Insurance Authority (VMIA) for all Plumbing Industry Commission insurances, the Commission's risk profile has been improved.

Purchasing, fleet and facilities management processes and procedures have been aligned to those at the Building Commission to gain economies of scale, which will produce cost savings for the Commission.

*The Plumbing Industry Commission's recent alignment with the Building Commission has enabled access to facilities and expertise that has improved the way it does business.*

## Committees

In 2006-07, the Plumbing Industry Advisory Council requested PricewaterhouseCoopers to conduct an independent review into the Commission governance and committee structure.

The adopted recommendations were that:

- the Commission Finance Committee be disbanded
- financial management of the Commission be overseen by the Executive Leadership Team of the aligned Building Commission and Plumbing Industry Commission
- the Commission Audit Committee be reviewed to ensure the independence of its members.

## Aligned Plumbing Industry Commission and Building Commission Executive Leadership Team

Subsequent to the PricewaterhouseCoopers review, financial and risk management oversight will be maintained by the Chief Financial Officer, General Manager Operations and other members of the Executive Leadership Team, backed up by the overview of an independent Audit Committee under the guidance of the *Financial Management Act 1994*. Reporting will occur on a monthly basis through the attendance of the Plumbing Industry Commissioner, General Manager Operations and Chief Financial Officer at Plumbing Industry Advisory Council meetings.

## Legislation Committee

The Committee works in conjunction with the Department of Planning and Community Development since the legislation and policy role was transferred to the Department's Building Policy Branch.

## Finance Committee

The Finance Committee advised the Commission about financial management oversight consistent with the requirements of the *Financial Management Act 1994*.

Members of this committee were:

- Tony Arnel, Plumbing Industry Commissioner
- Ray Herbert, Master Plumbers and Mechanical Services Association of Victoria
- Carmel Coate, National Fire Industry Association.

The Committee met three times during the 2006-07 year, and in line with the PricewaterhouseCoopers review was subsequently disbanded.



## Audit Committee

The Audit Committee prepares audit procedures for consideration by the Commission and advises on internal audits consistent with the requirements of the *Financial Management Act 1994*.

In 2006-07, the Committee met four times. Members of the Audit Committee were:

- Michael Ebdon, Energy Safe Victoria
- Geoffrey Foster, Office of Training and Tertiary Education.

Following the PricewaterhouseCoopers review, the Audit Committee has been restructured. Effective 1 July 2007, the Committee had the retirement of the above members and the appointment of two independent members, including a chairman, and one member representing the Plumbing Industry Advisory Council.

## Internal auditor

In 2006-07, the Commission appointed RSM Bird Cameron as its internal auditor. RSM Bird Cameron conducted an internal audit on the adequacy of the processes and procedures used at the Commission. This was delivered to the Audit Committee.

## Training Committee

The Training Committee addresses training needs as identified on an ad hoc basis.

The Training Committee was reconvened during 2006-07 to consider a number of issues in relation to competency assessment and course completion.

The members of the Training Committee are Doug McClusky, Carmel Coate, David Eynon and Ray Herbert, all Plumbing Industry Advisory Council members.

## Building Act 1993

The Commission complies with the building maintenance requirements of the *Building Act 1993*.

## National Competition Policy

The Commission also complies with the principles of the National Competition Policy.

Competitive neutrality seeks to enable fair competition between Government and private sector businesses. Any advantages or disadvantages these businesses may experience, simply as a result of Government ownership, should be neutralised. The Commission implements and applies this principle in its business undertakings.

## Risk management

In 2006-07, the Commission appointed the Victorian Managed Insurance Authority (VMIA) as its insurer and risk management adviser. The Commission implemented a business risk management strategy based on the Australian Standard of Risk Management AS/NZS 4360:2004. This entailed:

- a quarterly review of business risks identified by the Commission's executive leadership team
- development of a business risk matrix, which forms the basis for the Commission's Audit Committee, internal auditor and insurer to assess areas of risk exposure for the Commission and Commission's adequacy in managing or mitigating its risks
- implementing areas for improvement in compliance and best practice as identified by RSM Bird Cameron.

*In 2006-07, the Plumbing Industry Advisory Council requested PricewaterhouseCoopers to conduct an independent review into Commission governance and committee structure.*

## Ensuring privacy

The Commission is required to comply with the provisions of the *Information Privacy Act 2000*. This Act:

- applies to the collection, keeping, use and release of personal information
- provides individuals with right of access to information held by the Commission about them and the right to require the Commission to correct information about them.

The Commission received no requests for access to personal information and no requests to correct information for the 2006-07 year.

The Privacy Statement and the Information Privacy Policy is available on the Commission's website at [www.pic.vic.gov.au](http://www.pic.vic.gov.au) or a request for the policy may be made in writing to the Plumbing Industry Commission, 450 Burke Road, Camberwell, Victoria, 3124.

## Major Government contracts

The Commission adheres to the Government's policy of disclosing contracts greater than \$10 million under the *Financial Management Act 1994*. In 2006-07, the Commission had no contracts above \$10 million.

## Freedom of information

The *Freedom of Information Act 1982* gives the public the right to access documents held by the Commission.

In 2006-07, the Commission received and processed 41 requests for information in accordance with the requirements of the *Freedom of Information Act 1982*. The requests were processed as follows:

Access granted in full	3
Access granted in part	32
Access denied in full	2
Withdrawn	1
Not finalised as at 30 June 2007	3

There was neither a freedom of information review nor a freedom of information appeal to VCAT.

The Plumbing Industry Commissioner is the Principal Officer for freedom of information. All requests for information under the *Freedom of Information Act 1982* should be made in writing to: Ken Dare, Manager, Freedom of Information, Plumbing Industry Commission, 450 Burke Road, Camberwell, Victoria, 3124. The fee for a request is \$22.

## Whistleblowers Protection Act

The *Whistleblowers Protection Act 2001* facilitates the making of disclosures about improper conduct by public bodies and public officials and contains provisions for protection of those who come forward with a disclosure. It also provides for the investigation of disclosure that meets the definition, as detailed in the Act, of a public interest disclosure.

The Ombudsman's Office is responsible for providing guidance on whistleblower issues. The Office determines which disclosures warrant investigation.

The Plumbing Industry Commission is committed to the aims and objectives of the *Whistleblowers Protection Act 2001*. It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The Commission supports the making of disclosures that reveal:

- corrupt conduct
- conduct involving a substantial mismanagement of public resources
- conduct involving a substantial risk to public health and safety, and safety of the environment.

The Commission will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosures.

The Commission conducts its investigations in accordance with the Ombudsman's Guidelines produced under the *Whistleblowers Protection Act 2001*. For an online copy of the guidelines visit the Ombudsman Victoria website at [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au).

There were no disclosures made or referred by the Ombudsman to the Commission during 2006-07.

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## Summary of significant changes to financial position

During 2006-07, the Plumbing Industry Commission embarked on a number of projects that will improve the manner in which it transacts with its stakeholders. These projects were budgeted to occur during 2006-07 and to be completed during 2007-08.

Updating the Commission's information technology platform to the Victorian Government standard has been the major project for 2006-07. The cost of this project is included in the IT expenses and is the main reason for the deficit for 2006-07.

In 2006-07, the Commission's total revenue increased by \$981,698 to \$10,067,335, an increase of 11 % compared with 2005-06. The increase in revenue is due to the sale of an additional 25,671 certificates of compliance and an increase of 2.5% in the price of certificates of compliance and other Commission fees from 1 July 2006.

Total operating expenses increased by \$2,167,321 to \$10,571,412, an increase of 28.6% compared with 2005-06. This increase was primarily due to expenditure on the Commission's IT platform (increase \$797,058), plumbing inspection and audits (increase \$439,416), and salaries and associated costs (increase \$676,225).

The operating deficit for 2006-07 was as forecast at \$504,077. Combined with the surplus in 2005-06 of \$681,546, the consolidated result for the two-year period 2005-07 was a surplus of \$177,469. The 2005-06 surplus was spent during 2006-07 on upgrading the Commission's IT platform to the Victorian Government standard.

### Five-year summary of financial performance

	2002-03	2003-04	2004-05	2005-06	2006-07
Total income	8.3	9.2	8.8	9.1	10.1
Total expenses	8.1	8.8	8.5	8.4	10.6
Net result for the period	0.11	4.03	3.1	0.7	(0.5)
Total assets	6.9	7.9	7.9	10.1	10.7
Total liabilities	2.9	3.5	3.3	3.5	4.6

### Consultancies

The total value of business-related consultancies undertaken by the PIC was \$844,488. They were directed towards such matters as:

- IT risk mitigation, project management and systems development
- Development and implementation of strategies for water saving in the plumbing industry.

### Consultancies over \$100,000

Firm	Description	Total	Outstanding commitments
MS Integration	IT development	\$474,273	\$0

### Consultancies under \$100,000

Number	Total value
23	\$370,215

# Auditor-General's Report

To the Members of the Parliament of Victoria and the Plumbing Industry Commissioner

## Scope

### The Financial Report

The accompanying financial report for the year ended 30 June 2007 of the Plumbing Industry Commission which comprises the operating statement, balance sheet, statement of recognised income and expense, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Accountable Officer's and Chief Finance and Accounting Officer's Declaration has been audited.

### The Responsibility of the Commissioner

The Plumbing Industry Commissioner is responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Financial Management Act 1994*. This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Plumbing Industry Commissioners' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Plumbing Industry Commissioner, as well as evaluating the overall presentation of the financial report.

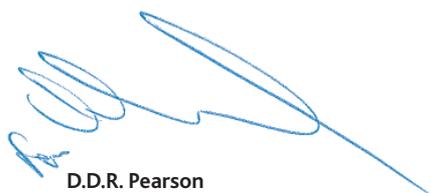
I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

## Auditor's Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Plumbing Industry Commission as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Financial Management Act 1994*.



**D.D.R. Pearson**  
Auditor-General

Melbourne  
7 September 2007

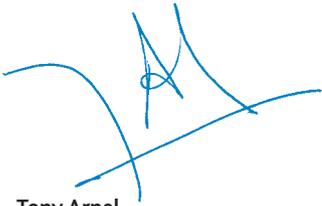
# Accountable Officer's and Chief Finance and Accounting Officer's Declaration

For the year ended 30 June 2007

We certify that the attached financial statements for the Plumbing Industry Commission have been prepared in accordance with Part 4.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the operating statement, balance sheet, statement of recognised income and expense, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2007 and financial position of the Plumbing Industry Commission as at 30 June 2007.

We are not aware of any circumstance, which would render any particulars included in the financial statements to be misleading or inaccurate.



**Tony Arnel**

Plumbing Industry Commissioner/Accountable Officer

Melbourne

5 September 2007



**Paul Crapper**

Chief Financial Officer and Acting General Manager Corporate Services/Chief Finance & Accounting Officer

Melbourne

5 September 2007

# Operating Statement

For the financial year ended 30 June 2007

	Notes	2007 \$	2006 \$
<b>Income</b>			
<b>Fee Income</b>			
Registrations	1.5(a & b)	775,626	715,507
Licences	1.5(a & c)	2,164,446	2,065,212
Certificates of compliance		6,268,439	5,670,158
Special audits and inspections		86,013	25,051
Examinations		84,328	81,156
Other fee income		65,370	65,541
<b>Other Income</b>			
Sale of publications		83,569	91,559
Rent received		34,650	13,717
Interest income		252,779	188,374
Other income	2(a)	286,228	187,578
Gain/(loss) from sale of fixed assets	2(b)	(34,113)	(18,216)
<b>Total income</b>		<b>10,067,335</b>	<b>9,085,637</b>
<b>Expenses</b>			
Salaries and related on-costs	1.11, 1.12 & 1.13	4,063,378	3,387,153
Advertising and promotion		429,192	348,595
Audit, legal & consultants fees		619,743	725,060
Cost of publication sales		59,557	68,398
Depreciation and amortisation	1.3(b)& 7(b & c)	287,574	305,738
IT expenses		1,301,041	503,983
Education and examination expense		238,642	96,752
General administration costs		456,336	219,018
Office occupancy costs		138,902	177,783
Office rent		26,382	22,014
Postages		76,292	45,213
Plumbing inspections and audits		2,125,350	1,685,934
Printing and stationery		238,081	354,002
Telephone		221,206	218,735
Travelling & motor vehicle expenses		289,736	245,713
<b>Total expenses</b>		<b>10,571,412</b>	<b>8,404,091</b>
<b>Net result for the period</b>		<b>(504,077)</b>	<b>681,546</b>

The accompanying notes form an integral part of the financial statements.

# Balance Sheet

As at 30 June 2007

	Notes	2007 \$	2006 \$
<b>Current assets</b>			
Cash assets	1.16 & 3	256,175	225,392
Short-term deposits	1.9 & 6	3,645,000	3,445,000
Receivables	1.7 & 4	853,672	644,099
Inventories	1.8 & 5	46,997	35,058
Prepayments		0	111,375
<b>Total current assets</b>		<b>4,801,844</b>	<b>4,460,924</b>
<b>Non-current assets</b>			
Plant and equipment	1.3(a & b), 1.18 & 7(a, b & c)	5,807,731	5,604,175
Intangibles	1.3(a & b), 1.18 & 7(a, b & c)	113,600	0
<b>Total non-current assets</b>		<b>5,921,331</b>	<b>5,604,175</b>
<b>Total assets</b>		<b>10,723,175</b>	<b>10,065,099</b>
<b>Current liabilities</b>			
Payables	1.10 & 8	1,403,608	739,452
Provisions for employee entitlements	1.11, 9 & 10	736,842	536,223
Licence fees received in advance	1.5(a & c)	1,174,419	1,169,883
Registrations received in advance	1.5(a & b)	1,282,221	915,550
<b>Total current liabilities</b>		<b>4,597,090</b>	<b>3,361,108</b>
<b>Non-current liabilities</b>			
Provision for employee entitlements	1.11, 9 & 10	34,214	108,043
<b>Total non-current liabilities</b>		<b>34,214</b>	<b>108,043</b>
<b>Total liabilities</b>		<b>4,631,304</b>	<b>3,469,151</b>
<b>Net assets</b>		<b>6,091,871</b>	<b>6,595,948</b>
<b>Equity</b>			
Contributed capital	11(b)	2,790,128	2,790,128
Asset revaluation reserve	1.3(a) & 11(a & d)	2,095,231	2,095,231
Development reserve	11(a & d)	68,634	68,634
Plumbing Industry Commission Trust No 1 reserve	1.2, 1.14 & 11(a & d)	296,870	286,884
Accumulated surplus	11(c)	841,008	1,355,071
<b>Total equity</b>		<b>6,091,871</b>	<b>6,595,948</b>

The accompanying notes form an integral part of the financial statements.

## Statement of Recognised Income and Expense

For the financial year ended 30 June 2007

	2007 \$	2006 \$
Revaluation increment recognised directly in equity	0	1,171,175
Net result for the year	(504,077)	681,546
<b>Total recognised income and expense for the year</b>	<b>(504,077)</b>	<b>1,852,721</b>

The accompanying notes form an integral part of the financial statements.

# Cash Flow Statement

For the financial year ended 30 June 2007

	Notes	2007 \$	2006 \$
<b>Cash flows from operating activities</b>			
Receipts from registrations		887,964	614,018
Receipts from licences		2,423,318	2,142,783
Receipts from certificates of compliance		6,268,439	5,670,158
Receipts from other customers		1,239,240	1,063,684
Interest received		268,865	157,636
Payments to suppliers and employees		(10,218,200)	(8,557,580)
<b>Net cash provided by/(used in) operating activities</b>	15(b)	<b>869,626</b>	<b>1,090,699</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of property, plant and equipment		(1,053,812)	(589,118)
Proceeds from sale of property, plant and equipment		414,969	336,539
<b>Net cash provided by/(used in) investing activities</b>		<b>(638,843)</b>	<b>(252,579)</b>
<b>Net increase/(decrease) in cash held</b>		<b>230,783</b>	<b>838,120</b>
<b>Beginning cash and cash equivalents</b>		<b>3,670,392</b>	<b>2,832,272</b>
<b>Closing cash and cash equivalents</b>	15(a)	<b>3,901,175</b>	<b>3,670,392</b>

The accompanying notes form an integral part of the financial statements.

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 1 Summary of accounting policies

### 1.1 Statement of compliance

The financial report is a general purpose financial report of the Plumbing Industry Commission which has been prepared in accordance with the *Financial Management Act 1994*, Australian Accounting Standards and Urgent Issues Group Interpretations. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS').

The financial statements were authorised by Tony Arnel (Plumbing Industry Commissioner/Accountable Officer) on 5 September 2007.

### 1.2 Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on fair values of the consideration given in exchange for assets.

In the application of A-IFRS management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both the current and future periods.

Judgements made by management in the application of A-IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year, are disclosed throughout the notes of the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concept of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The Commission has no controlled entities, however, the following Trust is included in the reporting entity:

The Plumbing Industry Commission Trust No 1 is a trust established by the Plumbing Industry Commission and it is administered by independent trustees. A separate reserve has been established to recognise the amounts administered by the independent trustees under the Trust Deed (See note 11(a) & (d)).

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2007 and the comparative information in these financial statements for the year ended 30 June 2006.

### 1.3 Fixed assets

#### (a) Revaluations of non-current assets

Subsequent to initial recognition as assets, non-current physical assets, other than plant and equipment are measured at fair value. Plant and equipment are measured at cost. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date.

Valuations of freehold land and buildings are based on independent valuations carried out by P I Cramer, FAPI, AREI based on current market valuations. All freehold land and buildings were revalued as at 30 June 2006.

Revaluations by independent assessments are conducted at least every three years.

Revaluation increments are credited to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net results, the increment is recognised immediately as revenue in the net result.

Revaluation decrements are recognised as an expense unless there is an existing revaluation reserve in respect of that class of assets that have been revalued. In those circumstances, the decrements are offset against the revaluation reserve.

#### (b) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributed to the acquisition.

It is the policy of the Commission to write off as current expenditure all items of a unit value less than \$200.

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 1 Summary of accounting policies continued

### 1.3 Fixed assets continued

Depreciation is calculated on a straight-line basis to write off the net cost of property (excluding land) over its expected useful life to the Commission. Estimates of the remaining useful lives for all assets are reviewed annually. The expected useful lives for the financial years ended 30 June 2007 and 30 June 2006 are as follows:

	Rate	Useful Life
Motor vehicles	20%	5 years
Furniture and fittings	10%	10 years
IT	33.33%	3 years
Office machines, equipment and intangibles	33.33%	3 years*
Buildings	2.5%	40 years

\*Changes to the Office machines, equipment depreciation rate 33.33% (2006: 20%) and useful life of 3 years (2006: 5 years) were adopted for the full financial year ended 30 June 2007. The financial effect of the change in depreciation rate from 20% to 33.33% for the year ended 30 June 2007 was \$38,740.

### 1.4 Leasehold improvements

The cost of improvements to or on leasehold properties is depreciated over the unexpired period of the lease or the estimated useful life of the improvement to the Commission, whichever is the shorter.

Leasehold improvements held at the reporting date are being depreciated over 2 years.

### 1.5 Revenue recognition

#### (a) Registration and licence fees

The fees brought to account equate with that portion appropriate to the current financial period. The proportion of these fees received relating to periods beyond the current financial period have been deferred on a pro-rata basis and included in current liabilities.

(b) Registration fees currently being received by the Commission are for a triennium ending after three years from the date paid.

(c) Licence fees received by the Commission are for up to twelve months, paid in advance.

#### (d) Other fees and services

All other fees and services are recognised as revenues when services are provided.

### 1.6 Tax status

The activities of the Commission are exempt from Federal income tax and the State's Tax Equivalent system. The Commission is registered for GST and payroll tax.

### 1.7 Receivables

Trade debtors are carried at amounts receivable. The collectability of debts is assessed on an ongoing basis and specific provision is made for any doubtful accounts. Debts which are known to be uncollectable, are written off.

### 1.8 Inventories

Stocks on hand represent publications for re-sale and are stated at the lower of cost or net realisable value.

### 1.9 Investments

Investments, generally comprised as amounts on deposit, are brought to account at cost. Interest revenue is recognised when the interest is earned.

### 1.10 Creditors and accruals

Creditors and accrued expenses represent liabilities for goods and services provided to the Commission prior to the balance date and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### 1.11 Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and contract bonuses when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 1 Summary of accounting policies continued

### 1.11 Employee benefits continued

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Plumbing Industry Commission in respect of services provided by employees up to the reporting date.

Consideration is given, when assessing expected future payments, to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using interest rates on national Government guaranteed securities with terms to maturity that match, as closely as possible, the estimated cash outflows.

### 1.12 Salaries and related on-costs (excluding superannuation)

Salaries and related on-costs comprise payments for salaries, overtime, payroll tax, work cover and increases in provisions for annual leave, long service leave and staff contract bonuses.

### 1.13 Superannuation

The Commission contributes to the Government Superannuation Scheme's – revised and new, VicSuper Pty Ltd, VicSuper Top Up, C+ Bus Superannuation Fund, and CPSL Master Fund. All contributions up to the 30 June 2007 were paid prior to the reporting date.

Total contributions of \$191,773 (2006 – \$172,275) were made by the Commission to these Funds during the reporting period.

The basis for calculating superannuation contributions payable by the Commission is determined by the various schemes.

The superannuation contributions for the reporting period are included as part of salaries and associated costs in the operating statement of the Commission.

#### Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

#### Defined benefit plans

The amount charged to the operating statement in respect of the defined benefit plan superannuation represents the contribution made by the Commission to the superannuation plan in respect to the current services of current Commission staff. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Commission does not recognise any defined benefit liability in respect of the superannuation plan because the Commission has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. The Department of Treasury and Finance administers and discloses the State's defined benefit liabilities in its financial report.

No loans have been made from any of these funds to the Commission.

### 1.14 Plumbing Industry Commission (PIC) Trust No 1

The purpose of the Trust includes awarding of scholarships, awards and the promotion of better plumbing standards. An initiative has been created to increase the numbers of plumbing apprenticeships, retraining of existing plumbers, development of specific training resources and to provide funding for research for 5 star water and energy savings required in the domestic and commercial building arena. A separate reserve has been established for amounts that can be paid at the discretion of the Trust's independent trustees.

### 1.15 Rounding of amounts

Amounts in the financial report have been rounded to the nearest dollar.

### 1.16 Cash assets and cash equivalents

Cash assets comprise cash on hand, cash in banks and short-term deposits which are readily convertible to cash.

### 1.17 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 1 Summary of accounting policies continued

### 1.18 Impairment

All assets are assessed annually for indicators except for:

- inventories
- financial assets.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

### 1.19 Financial assets

The Commission classifies its investments as held to maturity. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

#### Held to maturity investments

Where the Commission has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

### 1.20 New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2007 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises the Commission of their applicability and early adoption where applicable.

As at 30 June 2007, the following standards and interpretations (applicable to the Commission) had been issued but were not mandatory for the financial year ending 30 June 2007. The Plumbing Industry Commission has not, and does not intend to, adopt these standards early.

## Note 2 Components of revenue

### (a) Other income

Other income is comprised of:

	2007 \$	2006 \$
Recovery – court & hearing costs	80,802	67,908
Modification fees	26,224	22,820
Infringement notices	37,376	38,650
Royalties	8,444	3,558
Work & Family Targeted Grant – Industrial Relations Vic.	40,000	0
Employee MV contributions	33,755	37,347
Miscellaneous revenue	59,627	17,295
	<b>286,228</b>	<b>187,578</b>

### (b) Proceeds from sale of fixed assets

A loss on sale of fixed assets of \$34,113 (2006 – \$18,216) resulted from the proceeds of \$414,969 (2006 - \$336,539) after deducting the equipment's written down value of \$449,082 (2006 – \$354,755).

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 3 Cash assets

	2007 \$	2006 \$
Cash at bank and on hand	215,399	195,088
Cash at bank and on hand-PIC Trust No 1 reserve	40,776	30,304
	<b>256,175</b>	<b>225,392</b>

## Note 4 Receivables

Debtors	442,641	386,395
Less: Provision for doubtful debts	(10,000)	(10,000)
	<b>432,641</b>	<b>376,395</b>
Other debtors	421,031	267,704
	<b>853,672</b>	<b>644,099</b>

## Note 5 Inventories

Publications at cost	46,997	35,058
	<b>46,997</b>	<b>35,058</b>

## Note 6 Short-term deposits

Treasury Corporation of Victoria	3,000,000	3,000,000
Commonwealth Bank	400,000	200,000
Treasury Corporation of Victoria – PIC Trust No 1 reserve	245,000	245,000
	<b>3,645,000</b>	<b>3,445,000</b>
Term deposits are held on account of:		
Development reserve	68,634	68,634
General investments	3,331,366	3,131,366
Plumbing Industry Commission (PIC) Trust No 1 reserve	245,000	245,000
	<b>3,645,000</b>	<b>3,445,000</b>

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 7 Property, plant and equipment

(a) Property, plant and equipment by class of assets

	2007 \$	2006 \$
<b>Freehold land</b>		
At independent valuation 30 June 2006	3,850,000	3,850,000
<b>Total freehold land</b>	<b>3,850,000</b>	<b>3,850,000</b>
<b>Buildings</b>		
At independent valuation 30 June 2006	970,000	970,000
Less: accumulated depreciation	(24,250)	0
	<b>945,750</b>	<b>970,000</b>
<b>Total buildings</b>	<b>945,750</b>	<b>970,000</b>
<b>Leasehold improvements</b>		
At cost	38,957	38,957
Less: accumulated depreciation	(38,957)	(38,957)
	<b>0</b>	<b>0</b>
<b>Total land and buildings</b>	<b>4,795,750</b>	<b>4,820,000</b>
<b>Motor vehicles</b>		
At cost	753,793	716,720
Less: accumulated depreciation	(93,099)	(112,679)
	<b>660,694</b>	<b>604,041</b>
<b>Furniture and fittings</b>		
At cost	88,955	88,955
Less: accumulated depreciation	(83,816)	(75,847)
	<b>5,139</b>	<b>13,108</b>
<b>Intangible assets</b>		
Computer software	113,600	0
Less: accumulated depreciation	0	0
	<b>113,600</b>	<b>0</b>
<b>Office machines, equipment &amp; IT</b>		
At cost	1,406,045	1,115,943
Less: accumulated depreciation	(1,059,897)	(948,917)
	<b>346,148</b>	<b>167,026</b>
<b>Total property, plant and equipment</b>	<b>5,921,331</b>	<b>5,604,175</b>

## Notes to the Financial Statements

For the year ended 30 June 2007

### Note 7 Property, plant and equipment continued

(b) Depreciation and amortisation expense by class of assets

	2007 \$	2006 \$
Motor vehicles	144,375	143,210
Furniture and fittings	7,969	3,482
Office machines and equipment	110,980	127,296
Buildings	24,250	31,750
Leasehold Improvements	0	0
Intangibles	0	0
	<b>287,574</b>	<b>305,738</b>

(c) Property, plant and equipment – movement by class of assets

	Motor vehicles \$	Furniture and fittings \$	Freehold land \$	Office machines and equipment \$	Intangibles \$	Buildings \$	2007 Total \$
Balance at 1 July 2006	604,041	13,108	3,850,000	167,026	0	970,000	5,604,175
Additions	650,111	0	0	290,102	113,600	0	1,053,813
Disposals	(449,083)	0	0	0	0	0	(449,083)
Depreciation	(144,375)	(7,969)	0	(110,980)	0	(24,250)	(287,574)
<b>Balance at 30 June 2007</b>	<b>660,694</b>	<b>5,139</b>	<b>3,850,000</b>	<b>346,148</b>	<b>113,600</b>	<b>945,750</b>	<b>5,921,331</b>

	Motor vehicles \$	Furniture and fittings \$	Freehold land \$	Office Machines and equipment \$	Intangibles \$	Buildings \$	2007 Total \$
Balance at 1 July 2005	618,958	16,590	2,471,530	198,137	0	1,199,160	4,504,375
Additions	483,048	0	0	96,185	0	9,885	589,118
Disposals	(354,755)	0	0	0	0	0	(354,755)
Depreciation	(143,210)	(3,482)	0	(127,296)	0	(31,750)	(305,738)
Net revaluation increments/ (decrements)	0	0	1,378,470	0	0	(207,295)	1,171,175
<b>Balance at 30 June 2006</b>	<b>604,041</b>	<b>13,108</b>	<b>3,850,000</b>	<b>167,026</b>	<b>0</b>	<b>970,000</b>	<b>5,604,175</b>

### Note 8 Payables

	2007 \$	2006 \$
Trade creditors	1,300,352	411,246
Other creditors and accruals	103,256	328,206
	<b>1,403,608</b>	<b>739,452</b>

## Notes to the Financial Statements

For the year ended 30 June 2007

### Note 9 Employee entitlements

	2007 \$	2006 \$
The aggregate employee entitlement liability recognised and included in the financial statements is as follows:		
Provision for employee entitlements:		
Current (note 10)	736,842	536,223
Non-current (note 10)	34,214	108,043
	<b>771,056</b>	<b>644,266</b>

### Note 10 Provision for employee entitlements

The total liability at 30 June 2007 for employee entitlements comprised:

#### Current liabilities

Provision for long service leave	358,765	226,674
Provision for annual leave	308,077	235,035
Provision for contract bonuses	70,000	74,514
<b>Total current liabilities</b>	<b>736,842</b>	<b>536,223</b>

#### Non-current liabilities

Provision for long service leave	34,214	108,043
<b>Total non-current liabilities</b>	<b>34,214</b>	<b>108,043</b>
<b>Total provisions</b>	<b>771,056</b>	<b>644,266</b>

#### Annual leave entitlements

The amounts classified as current are based on entitlements that are payable upon termination and cannot be deferred by the Plumbing Industry Commission. The amount expected to be paid within the next 12 months is \$308,077 (2006 \$235,035).

#### Long service leave

The amounts classified as current are based on entitlements that are payable upon termination and cannot be deferred by the Plumbing Industry Commission. The amount expected to be paid within the next 12 months is \$50,000 (2006 \$50,000).

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 11 Equity and movements in equity

	2007 \$	2006 \$
<b>(a) Reserves</b>		
Asset revaluation reserve	2,095,231	2,095,231
	<b>2,095,231</b>	<b>2,095,231</b>
Development reserve	68,634	68,634
	<b>68,634</b>	<b>68,634</b>
Plumbing Industry Commission (PIC) Trust No 1 reserve	296,870	286,884
	<b>296,870</b>	<b>286,884</b>
<b>Movements</b>		
Asset revaluation reserve		
Balance 1 July	2,095,231	924,056
Revaluation increment of freehold land and buildings during the year	0	1,171,175
<b>Balance 30 June</b>	<b>2,095,231</b>	<b>2,095,231</b>
Development reserve		
Balance 1 July	68,634	68,634
<b>Balance 30 June</b>	<b>68,634</b>	<b>68,634</b>
Plumbing Industry Commission (PIC) Trust No 1 reserve		
Balance 1 July	286,884	275,357
Transfer from accumulated surplus	9,986	11,527
Over provision 30.6.07	0	0
<b>Balance 30 June</b>	<b>296,870</b>	<b>286,884</b>
<b>(b) Contributed Capital</b>		
Balance 1 July	2,790,128	2,790,128
<b>Balance 30 June</b>	<b>2,790,128</b>	<b>2,790,128</b>
<b>(c) Accumulated surplus</b>		
Accumulated surplus at the beginning of the financial year	1,355,071	685,052
Net result for the reporting year	(504,077)	681,546
Transfer to PIC Trust No 1 reserve	(9,986)	(11,527)
<b>Accumulated surplus at the end of the financial year</b>	<b>841,008</b>	<b>1,355,071</b>

### (d) Nature and purpose of reserves

#### Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1.3 (a).

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 11 Equity and movements in equity continued

### Development reserve

The development reserve represents funds set aside to research and develop new plumbing practices and standards.

### Plumbing Industry Commission (PIC) Trust No 1 reserve

The Plumbing Industry Commission (PIC) Trust No 1 reserve is restricted funds to be used for purposes as set out in the Trust Deed and as determined by the independent trustees.

### Total Equity

	2007 \$	2006 \$
Total equity at the beginning of the financial year	6,595,948	4,743,227
Net result for year	(504,077)	681,546
Revaluation increment	0	1,171,175
<b>Total equity at the end of the financial year</b>	<b>6,091,871</b>	<b>6,595,948</b>

## Note 12 Remuneration of auditors

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Commission's financial report:

Paid as at 30 June	0	3,344
<b>Payable as at 30 June</b>	<b>8,600</b>	<b>5,356</b>

## Note 13 Contingent liabilities and contingent assets

The Commission is not aware of any contingent liability or contingent asset as at 30 June 2007.

## Note 14 Commitments for expenditure

As at 30 June 2007 there were no commitments by the Commission in respect of any capital expenditure contracted but not provided for in the accounts.

The Commission occupies premises in Camberwell under a one year option of a lease exercised on 1 November 2006. The committed expense in connection with the lease is as follows:

	2007 \$	2006 \$
Payable within one year	9,200	8,550
Later than one year but not later than 5 years	0	0
	<b>9,200</b>	<b>8,550</b>

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 15 Notes to Cash Flow Statement

### (a) Cash and cash equivalents

	2007 \$	2006 \$
Cash and cash equivalents comprise the following items as disclosed in the balance sheet:		
Cash	256,175	225,392
Short-term deposits	3,645,000	3,445,000
<b>Total cash and cash equivalents</b>	<b>3,901,175</b>	<b>3,670,392</b>

### (b) Reconciliation of result from ordinary activities to net cash inflow from operations

Cash and cash equivalents comprise the following items as disclosed in the balance sheet:		
Results from ordinary activities	(504,077)	681,546
Depreciation and amortization	287,574	305,738
Net loss on sale of non-current assets	34,113	18,216
<b>Change in operating assets and liabilities</b>		
Increase (decrease) fees paid in advance	371,210	(23,918)
Increase (decrease) in creditors	680,427	379,603
Increase (decrease) in employee entitlements	131,304	(137,358)
Decrease (increase) in interest accrued	16,086	(30,738)
Decrease (increase) in prepayments and other debtors	(135,072)	(100,516)
Decrease (increase) in inventories	(11,939)	(1,874)
<b>Net cash inflow from operating activities</b>	<b>869,626</b>	<b>1,090,699</b>

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 16 Financial instruments

The Commission's activities expose it primarily to financial risks of changes in interest rates. The Commission does not enter into derivative financial instruments to manage exposure to interest rate risk.

The policies for managing each of these risks are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

### (a) Interest rate risk exposures

The Commission's exposure to interest rate risk and the effective weighted average interest

Rate for each class of financial instrument is set out below:

#### 2007

	Notes	Weighted average interest rate	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non interest bearing \$	Total \$
<b>Financial assets</b>								
Cash and deposits	3	4.25%	252,625				3,550	256,175
Receivables	4						853,672	853,672
Short-term investments	6	6.40%		3,645,000				3,645,000
			252,625	3,645,000			857,222	4,754,847
<b>Financial liabilities</b>								
Payables	8						(1,403,608)	(1,403,608)
							(1,403,608)	(1,403,608)
<b>Net financial assets (liabilities)</b>			252,625	3,645,000			(546,386)	3,351,239

#### 2006

	Notes	Weighted average interest rate	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non interest bearing \$	Total \$
<b>Financial assets</b>								
Cash and deposits	3	4.25 %	221,792				3,600	225,392
Receivables	4						644,099	644,099
Short-term investments	6	5.69%		3,445,000				3,445,000
			221,792	3,445,000			647,699	4,314,491
<b>Financial liabilities</b>								
Payables	8						(739,452)	(739,452)
							(739,452)	(739,452)
<b>Net financial assets (liabilities)</b>			221,792	3,445,000			(91,753)	3,575,039

# Notes to the Financial Statements

For the year ended 30 June 2007

## Note 16 Financial instruments continued

### (b) Credit risk exposures

The credit risk on financial assets of the Commission which have been recognised on the balance sheet, is the carrying amount, net of any provision for doubtful debts. The Commission minimises concentrations of credit risk by undertaking transactions with unrelated debtors. The Commission is not materially exposed to any individual debtor.

### (c) Net fair values of financial assets

The net fair value of on-balance sheet assets is not materially different to the carrying value of the financial assets.

## Note 17 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

### (a) Names

The persons who held the positions of Minister and Accountable Officer in the Commission are as follows:

The Hon. Rob Hulls MP – Minister for Planning (1 July 2006 - 30 November 2006)

The Hon. Justin Madden MLC – Minister for Planning (1 December 2006 - 30 June 2007)

Tony Arnel – Plumbing Industry Commissioner/Accountable Officer

### (b) Remuneration

Amounts relating to Mr Tony Arnel are reported in the financial statements of the Building Commission.

Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

### (c) Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

### (d) Executives of the Commission received remuneration in excess of \$100,000 per annum in the following remuneration ranges:

\$100,000-\$109,999	1	(2006: 0)
\$120,000-\$129,999	2	(2006: 0)
\$130,000-\$139,999	1	(2006: 0)

## Note 18 Related Party

As a result of Australian Accounting Standard AASB 124, the Building Commission is considered a related party to the Plumbing Industry Commission and \$305,532 (2006 \$119,868) was paid on normal business terms to the Building Commission during 2006-7 including an amount of \$65,532 (2006 \$56,200) as reimbursement for the time of the accountable officer spent on Plumbing Industry Commission business activities.

There were no other related party transactions.

## Note 19 Events occurring after balance date

No events occurred after balance date, which would render the financial statements misleading or inaccurate.

# Appendix 1

## Plumbing Industry Advisory Council

Council members as at 30 June 2007

Meetings attended (10 total)

<b>Doug McClusky</b> , (Chair) Manager, Plumbing Trades Employees Union (CEPU)	10
<b>Carmel Coate</b> , (Deputy Chair) Executive Director, National Fire Industry Association	10
<b>Tony Arnel</b> , Commissioner, Plumbing Industry Commission and Building Commission	9
<b>Ray Herbert</b> , Executive Director, Master Plumbers and Mechanical Services Association of Australia	9
<b>Michael Ebdon</b> , Director, Office of Gas Safety, Energy Safe Victoria	1
<b>Geoff Foster</b> , Manager, Apprenticeship Policy and Service, Office of Training and Tertiary Education	8
<b>Paddy McCrudden</b> , Victorian Co-ordinator, Cbus Superannuation	7
<b>Earl Setches</b> , Victorian Branch Secretary, Plumbing Trades Employees Union (CEPU)	6
<b>Ian Marris</b> , Field Officer, VICTEC Group Training	6
<b>David Seedsman</b> , Regional Manager Construction South, AE Smith and Sons	2
<b>Stephen Brook</b> , Executive Manager, Gas Installation & Appliance Safety, Energy Safe Victoria	6
<b>Julie Psaralogos</b> , Consumer Representative	3
<b>David Eynon</b> , Air Conditioning and Mechanical Contractors' Association of Victoria Ltd (AMCA)	6
<b>Anne Barker</b> , Managing Director, City West Water	2

## Glossary of terms

### **5 Star Standard**

A regulatory requirement for new homes and apartments in Victoria to be built to a 5 Star Standard in energy efficiency, plus either a rainwater tank or solar hot system.

### **Audits and inspections**

The Commission is required to audit a minimum of 5% of all certified plumbing works. These are carried out through random inspections.

### **Best practice**

A process, technique or innovative use of equipment, technology or resources that has a proven record of success in providing significant improvement in cost, schedule, quality, performance, safety, environment or other measurable factors that impact an organisation.

### **Compliance Certificate**

Licensed practitioners in Victoria are required to self-certify their work. This certification is made on a Compliance Certificate, which shows the details of the particular job and is unique to that job.

### **Executive Leadership Team**

The team is responsible for the Commission's strategic direction and its organisational effectiveness. It consists of the Commissioner, the General Manager Operations, the General Manager Corporate Services, Chief Financial Officer and Director Business Services, Manager People and Culture, Director Practitioner Registration, Development and Compliance and the Director Regulatory Development.

### **Investigations**

The Commission investigates complaints from consumers and industry in relation to breaches of the Act and regulations.

### **Operational Management Team**

The team responsible for the Commission's operational management direction. It consists of the Executive Officer and seven managers.

### **Plumbing Industry Advisory Council**

Established under the *Building Act 1993*, this Council provides advice to the Minister for Planning and the Plumbing Industry Commissioner.

### **Sun-setting**

The *Subordinate Legislation Act 1994* requires all regulations to be automatically revoked after 10 years of operation, a process referred to as sun-setting.

# Indexes

## Disclosure Index

The 2006-07 Annual Report of the Plumbing Industry Commission is prepared in accordance with all relevant Victorian legislation. This index has been prepared to facilitate clarification of the Commission's statutory disclosure requirements.

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22 B	Objectives, functions, powers and duties	3, 6-9, 40
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Information relevant to the headings listed in the Financial Reporting Direction 22B of the *Financial Management Act 1994* is available on the Commission's website [www.pic.vic.gov.au](http://www.pic.vic.gov.au) or at the Commission offices and is available on request, subject to the *Freedom of Information Act 1982*.

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## Five-year statistical summary

	2002-03	2003-04	2004-05	2005-06	2006-07
<b>Regulatory excellence (see page 14)</b>					
Modifications applications	305	316	346	284	322
<b>Industry responsibility (see page 18)</b>					
Number of individuals holding a plumbing licence and/or registration	18,899	19,361	19,947	20,486	20,519
Number of individuals holding a registration in at least one class	15,295	15,634	15,955	16,523	16,394
Number of individuals holding a licence in at least one class	9,258	9,588	9,741	10,046	10,430
Qualifications Experience Review Committee (QERC) applications	387	588	634	849	879
Assessment interviews	n/a	n/a	n/a	n/a	225
Practitioners receiving reciprocal recognition	407	399	462	451	347
Apprentice practical registration exams held	860	840	948	1,180	1,406
Non-apprentice practical registration exams held	206	179	238	254	266
Theory-based licence exams held	403	390	369	474	508
Telephone enquiries regarding registration, licensing and general plumbing	44,655	47,227	35,423	38,812	39,139
In-person enquiries regarding registration, licensing and general plumbing	6,776	7,827	8,119	8,526	8,995
<b>Environmental Best Practice (see page 28)</b>					
Promote sustainable plumbing practices	N/A	N/A	N/A	N/A	Provided input for South East Water DVD
Commence <i>PlumbSmarter</i> initiative	N/A	N/A	N/A	N/A	<i>PlumbSmarter</i> launched delivery on key project milestones
Strengthen compliance with water and energy efficiency requirements	N/A	N/A	N/A	N/A	Consulted with and presented to all water authorities
<b>Community accountability (see page 32)</b>					
Compliance certificates lodged	288,788	283,294	283,245	289,275	315,760
Audits completed (% of total compliance certificates lodged)	5.6	5.5	5.6	5.3	5.1
Audits failed (% of total audits)	12.3	11.3	11.1	9.7	7.1
Sanitary drain inspections completed (% of total inspections booked)	6.4	6.0	6.0	5.4	6.4
Sanitary drains failed (% of total inspections)	7.5	7.5	6.2	5.7	4.6
Formal complaints received	290	357	419	472	535
Site visits	2,226	2,054	1,451	2,055	3,062
Investigations conducted into plumbing practitioners	290	396	376	388	617
Prosecutions completed	20	28	40	26	62
Disciplinary hearings held	9	14	15	12	45
Notices and orders issued	49	56	170	184	118
<b>Our people (see page 38)</b>					
Total head count	53	56	51	49	50
Percentage of female employees	36	34	31	39	34
Percentage of male employees	64	66	69	61	66
<b>Financial performance (see page 46)</b>					
Total income	8.3	9.2	8.8	9.1	10.1
Total expenses	8.2	8.8	8.5	8.4	10.6
Total assets	7.0	7.9	8.0	10.1	10.7
Total liabilities	3.0	3.5	3.2	3.5	4.6
Net result for the period	0.1	0.4	0.3	0.7	(0.5)

## Contacts

### Head office

450 Burke Road  
Camberwell, Victoria 3124

PO Box 552  
Camberwell, Victoria 3124

Telephone (03) 9880 6200  
Facsimile (03) 9889 2244  
Toll Free 1800 015 129  
Email [publicrelations@pic.vic.gov.au](mailto:publicrelations@pic.vic.gov.au)  
[www.pic.vic.gov.au](http://www.pic.vic.gov.au)

Monday to Friday  
8.15am – 4.45pm

## Regional offices

### Ballarat office

2 Skipton Street  
Ballarat, Victoria 3350

Telephone (03) 5333 4804  
Facsimile (03) 5333 4817

Monday to Friday  
8.00am – 4.30pm

### Bendigo office

46 Breen Street  
Bendigo, Victoria 3550

Telephone (03) 5441 7830  
Facsimile (03) 5442 7845

Monday to Friday  
10.00am – 2.00pm

### Sale office

317 York Street  
Sale, Victoria 3850

Telephone (03) 5143 3021  
Facsimile (03) 5143 3027

Monday to Friday  
10.00am – 2.00pm

### Wangaratta office

1 White Street  
Wangaratta, Victoria 3677

Telephone (03) 5721 3400  
Facsimile (03) 5722 9074

Monday to Friday  
10.00am – 2.00pm

