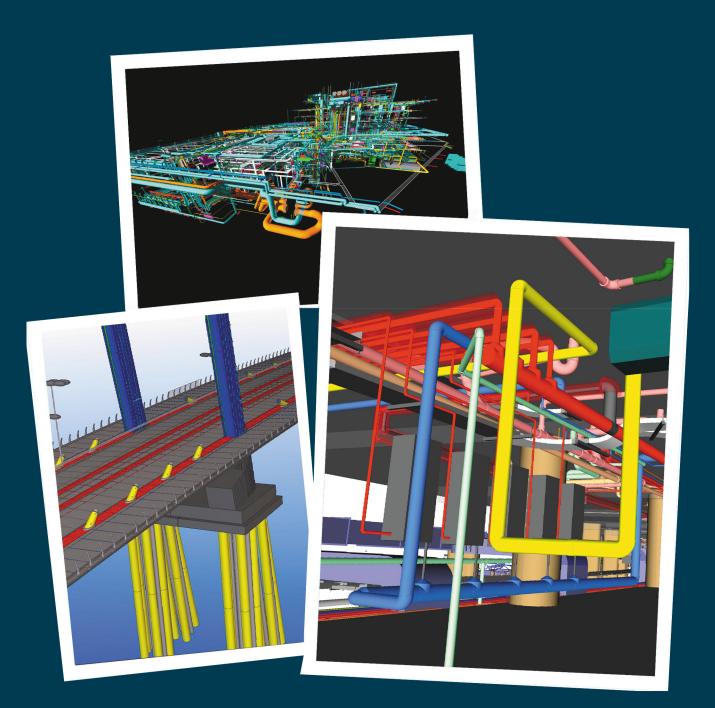


July / August 2013

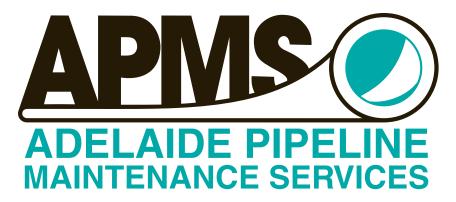




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• CBS Cracking Down on Rogue Tradies

• New Safe Drinking Water Legislation





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Cover: 3D Plumbing design for Adelaide Oval shown in BIM coordination software Navisworks.

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#### PIA Plumbing and Gas Road shows 2013

Over the past 4 months, the PIA has promoted and hosted the Plumbing and Gas Road Shows with the support of the Office of Technical Regulator (OTR), SA Health and Consumer and Business Services (CBS).

I would like to personally thank all the presenters for their time and commitment in trying to bring together a closer and more unified approach to the plumbing industry and the building of relationships between all those listed stakeholders.

One of the most satisfying parts that Paul Worthington and I have noticed whilst travelling around the state has been the commitment from participants to voice their own concerns about some of the key issues that plague the industry.

The PIA have and will continue to lobby government to ensure the industry is managed in a professional manner that respects those involved and leads to greater compliance and regulation. The additional voice from plumbers in the field is now being accepted and recognised and the message is now starting to sink in (pardon the pun).

#### President's Lunch 2013

The Executive Board in consultation with the PIA marketing committee have decided that 2013 is the year to introduce a different function for the plumbing industry.

The President's Lunch will be run every alternate year with the Award Dinner. The lunch will be on a Friday afternoon and will provide a great networking opportunity for all attendees with the objective to bring together a more diverse range of participants from the industry.

#### CBS Licensed tradesperson advertising campaign

CBS are now advertising through the local Advertiser (see ad below) to ensure home owners check the license status of workers who perform work. This process is important to broadcast to as many clients as possible as it continues to have a big impact on those who don't do the right thing.



On behalf of the PIA Board, I hope you see this as a great opportunity to catch up with your colleagues and friends and be part of a great event. Details of the event will be made available through the PIA website as well as emails and flyers.

1000



Andrew Clarke Executive Officer



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Hon Paul Holloway presenting Michael Przibilla with his award

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There are many homeowners who are happy to use an unlicensed person who claims to be a licensed plumber if it means a cheaper job, and they're also the first to cry foul when things go wrong.

Often people don't understand that dodgy plumbers and gasfitters who carry out substandard work can put lives and property at risk, as well as tarnishing the reputation of the industry as a whole.

The State's Consumer watchdog, Consumer and Business Services has the dual role of regulating the industry, while protecting the rights of consumers from those who work outside the system.

That work involves ongoing monitoring, investigating complaints, holding "Dob-in a dodgy tradie" phone-in, as well as public awareness campaigns.

A recent case in point, prosecuted by Consumers and Business Services, demonstrates this agency is far from the toothless tiger some cowboy operators might have thought it to be.

Commissioner for Consumer Affairs Paul White says his investigators pursued complaints from the public about the actions of Darren Scott Shanahan, when he carried out defective work. He had advertised his services as a qualified plumbing contractor, despite not having the required licence.

"This person undertook work at various locations which was of poor quality. He misrepresented himself to customers, claiming he was able to do the job, which he clearly wasn't, and informed people he had the appropriate licences," said Mr White.

"Even though he held a plumbing worker's registration, he argued that he thought he was entitled to carry out the work of a licensed plumbing contractor."

"If he was a first time offender perhaps the Magistrate might have believed his story, but Shanahan had a previous conviction for similar offences in 2007 where he had widely advertised his services, in which he also had claimed qualifications he didn't have."

"Given that he didn't learn much from his previous experience, when he was fined \$4000, the Magistrate had little option but to impose a bigger penalty this time, to the tune of \$13,500."

"My office is making it our business to track down dodgy tradies and this case sends a strong message to all tradespersons out there to be sure you are appropriately licensed, and we always direct consumers to properly trained and licensed tradespeople."

Industry members have welcomed the enforcement action. This prosecution sets an example to other unlicensed operators. Brad Hall of Ken Hall Plumbers said he was pleased that tradies who aren't appropriately qualified are being actively hunted by CBS and hit with bigger fines.

"There needs to be a significant deterrent, these people should be made to feel the consequences. In this case I think the fine was appropriate, but it really doesn't compare to the cost to the plumbing industry as a whole," said Mr Hall.

"We have a responsibility that customers can trust us when they call us to fix something or get a quote. The way to achieve that is having licensed, trustworthy tradespeople. We're passionate about protecting our trade, and a few instances where people are doing dodgy work takes away that trust, our brand gets tarnished. It affects all the good plumbers who are doing the right thing."

"Now everyone wants three quotes, and the purchasing experience for the customer becomes one of concern, rather than confidence. They will check everything, from the times you work and question your ability to do the job."

"That puts tradies under lots of pressure, and a lot of the time it isn't reasonable, because some customers are expecting you to be like the dodgy people they've seen on a TV segment, or read about in court cases like this one."

"And there's also the cost to the customers who've been ripped off by people claiming to be qualified to do work they're not capable of doing. Often people aren't covered for losses and have to pay extra to have poor quality or defective work fixed up."

Anyone with information about an unlicensed plumber is encouraged to call CBS on **131 882.** 



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Phone 1300 659 639 Email enquiries@zetco.com.au www.zetco.com.au BIMS is about improving cost efficiency but are there other options ?

Last year a number of automotive parts suppliers collapsed because they could no longer absorb the continuous reductions in price demanded by the car manufacturers. The inevitable finally happened. Prices can only be reduced if you can achieve a reduction in production costs by lower material costs, improved efficiency in the process or reductions in the cost of labour eg, automation of a process.

The car industry is in the unfortunate position of competing in a globalised industry. Construction has been partially sheltered from this. An increasing importation of cheap building materials has damaged Australian manufacturers who cannot compete against much lower labour rates in developing countries. Some industries in these countries are also heavily subsidised by their governments as part of a deliberate strategy to modernise their economies. The harsh reality is that in the case of the car industry our small population means a small customer base. Our high dollar cost and therefore affordability of home ownership.

There are two ways of bringing down the labour content in construction. Import cheaper labour from developing countries and effectively create a two tiered labour market. Morally and politically an unlikely scenario in Australia. The second way is to use modern industrial processes to reduce not just the labour cost but to achieve other efficiencies.

In 1975 Toyota became not just a car manufacturer but also a home builder in Japan. Homes are built in modular units in a factory using production line techniques to the same exacting standards and quality control that it applies to manufacturing its cars. The homes are not what you expect and could comfortably sit in any street in Australia. They are now producing over 5000 homes a year and can even build multi storey properties. 5000 is not a large number but what they have done is develop the processes and refined it to a point where they could well take this technology to the world.





in recent years and higher labour costs have made exports very difficult, particularly as many countries have trade barriers, either in the form of direct import duties or other more subtle barriers. The problem is exacerbated further by the simple fact that the worldwide capacity to manufacture cars exceeds demand. The future for the car industry in Australia looks grim.

The building industry is notorious for its penny pinching, screw every price down to the minimum and maximise profit approach. Without doubt the cost of developing land has grown enormously, compounded by increasing land values continually inflating the Building on site is inefficient, weather can cause significant delays, although Australia is not as affected as much as other parts of the world. Coordinating multiple trades on site, material deliveries etc, all add to the inefficiencies. A factory with a semi skilled workforce using modern vehicle manufacturing techniques and technology, unaffected by weather they can dramatically reduce costs. Let's face it; few of us can afford bespoke homes that indulge our every whim and we currently live in project homes that conform to a few dozen floor plans.

Continued...

Transportable homes have carved a niche in the holiday market and in rural areas where the cost can be dramatically higher for a home built on site but major urban dwellers and councils have resisted their take up in these areas. It will take three things to change consumer attitudes and perceptions.

- 1. It is not a transportable home but a precision engineered home,
- 2. the home is built to high standards of quality
- 3. and customised enough to project a level of uniqueness to satisfy people's perceptions that they are not all the same.

Sounds fanciful but it could be lot more profitable than building cars and if builders keep the construction industry on its spiral of death in screwing the price down, where nobody can make money except the builder, it might happen. It would mean a fundamental shift in construction skills. There's a factory becoming available in Geelong, a skilled and semi skilled workforce all looking for work. Hmmm.

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5D BIM Could Radically Enhance Costing Process

The use of Building Information Modelling (BIM) could radically enhance the costing process following its expansion beyond quantities calculation and specifications data to other core areas of project management.

While BIM has thus far focused primarily on the use of digital representations of the physical and functional traits of a facility to guide both the design and construction processes, the next generation of BIM adds even greater functionality by providing advanced tools for estimating costs throughout a project's life cycle.



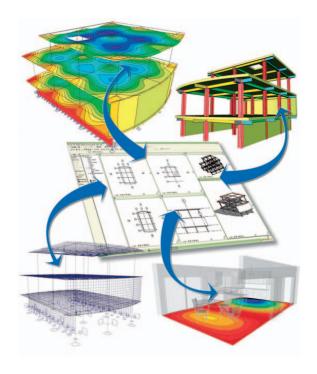
Image Source: Urban Newness

5D BIM provides a more comprehensive and sophisticated methodology for the management of costs than its predecessors. It allows for rapid and accurate cost analysis at all stages of a construction project – from the design process to the construction phase to post-construction.

The chief advantage of 5D BIM compared to traditional methods of quantity surveying is that it permits the re-estimation of an evolving design as many times as is required, so that designers can better incorporate such cost considerations into subsequent amendments to lift efficiency and achieve savings.

This marks a major advance upon its predecessors, with 2D quantity surveying unable to provide such measures either affordably or within a practical time frame.

The incorporation of improved cost estimation features into BIM will no doubt greatly increase its popularity and go a long way towards making it a commonplace tool in the building industry. BIM is already well on its way to becoming standard practice within the UK construction sector as a result of both enthusiasm amongst building professionals and official efforts to make its use mandatory.



#### Image Source: anniespinster wikidot

General consensus within the British building practitioners is that BIM will inevitably become an indispensable tool throughout the sector, while a significant percentage of builders have already commenced implementation of the new practice.

The latest annual industry-wide BIM survey conducted by the UK's National Building Specification (NBS) indicates that almost three quarters (71 per cent) of respondents believed that BIM is the "future of project information," while 39 per cent indicated that they currently use BIM. Their enthusiasm is reinforced by official efforts to bolster BIM usage. The UK has already mandated that Level 2 BIM be applied to all projects starting from the summer of last year, and the use of fully collaborative BIM by 2016.

The Royal Institute of British Architects (RIBA) also published the BIM Overlay to provide building practitioners with "straightforward guidance" on the successful application of BIM at each RIBA work stage.

#### By Marc Howe



The distinction is currently a key concern for both Fair Work Australia and the Taxation Office "...parties cannot create something which has every feature of a rooster, but

Employing a plumber as a sub contractor has been a regular inquiry by members. The area is fraught with confusion, with seven separate acts giving differing definitions. Once again we publish advice to members. Also worthy of note is that 48% of businesses audited by the Tax Office were judged to be breaching the legislation. One fundamental requirement is that plumbers must have a contractors licence in their own right. If in doubt, please continue to call the PIA for advice.

The difference between an employee and an independent contractor can be very hard to determine. There is no overarching legislative definition, although many pieces of legislation extend the common law definition for particular purposes. A number of factors can indicate employment, but no one factor is determinative and in each case some may have more weight than others. Some key factors are outlined below:

- The employer controls the manner in which the work is done
- The worker conducts no identifiable business apart from the employer's
- The worker takes no risk for effectiveness or adequacy of the work
- The worker is entitled to annual leave, sick leave and long service leave
- The worker must work given hours rather than to produce a given result
- The worker must work at particular premises often at particular times
- The worker does not provide equipment or materials needed to do the work
- The worker must do all the work him or herself, not engage another to assist
- The worker works alongside or similarly to persons acknowledged to be employees

- The worker accepts work from one source and does not advertise to the public
- 1. Earlier case law focused on control in determining if someone was an employee or contractor,
- but more recently, (while not ignoring control,) more emphasis has been placed on identifying a separate business being carried on by the worker.
- That is, if a person is working to realise a profit, rather than simply being paid for performing a task, he or she is more likely to be an independent contractor. Frequently, the benefits of a contractor relationship accrue principally to the worker while potential penalties apply to the employer. Employers should be aware of the many risks before agreeing to what might seem an attractively simple, straightforward arrangement.

To further complicate the analysis, the test is different under different pieces of legislation. A worker who is an employee at common law is an employee for the purposes of all relevant legislation. However, a person who is not an employee at common law may be treated as an employee under other legislation. For example, for superannuation guarantee, payroll tax and WorkCover premiums.

The distinction is currently a key concern for both Fair Work Australia and the Taxation Office. Many audits are initiated by disaffected workers hoping to enhance their remuneration by being classed as employees and so eligible for leave not taken, superannuation contributions and potentially other benefits. In their current compliance program the Taxation Office noted approximately 1,100 audits were conducted last year where they suspected a business may have incorrectly treated employees as contractors. The Taxation Office found that 48% of these businesses were wrongly treating workers who were legally employees as contractors.

There are no easy answers, but it is important to be aware of the issues and remember that whether a worker is an employee is a matter of fact. A person may be an employee even if:

- the agreement under which they work states they are an independent contractor;
- the worker provides the employer with an ABN and say they carry on their own business.

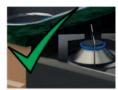
If in doubt, please call the PIA.

## **GAS** Fuel - Air Balance, Getting it Right



The last few articles that I have written cover how gases behave and some important safety factors to consider before the gases are burnt. In this article I will cover some safety aspects in relation to the burning of gases. Natural Gas (Methane) and LPG (Propane) are hydrocarbon gases and like any fuel that burns require air and an ignition source for this process to take place and continue.

If we have the correct amounts of fuel and air supplied to a burner as on most domestic/commercial type gas appliances you will notice a blue flame with a symmetrical shape to the flame. The products from this burning process are quite harmless and include water vapour, carbon dioxide and heat. If we starve the burner of air or provide too much fuel (incorrect pressure setting etc.) of the wrong fuel, you will notice the flame to be yellowish and soft. The result of this can be the production of a toxic gas such as Carbon Monoxide and other gases which are volatile like Hydrogen, unburnt gas, soot, and aldehydes. You will notice the presence of Aldehydes by a strong pungent odour and your eyes may water. If you experience the symptom of Aldehydes (This means Carbon Monoxide can also be present) immediately turn off the appliance and organise for a service by a qualified gas-fitter.



Example of a good flame picture on a cooker



*Example of a poor flame picture on a cooker* 

Other causes of toxic and hazardous gases can be from a blockage in the flue or if an object is impinging on the flame, this has the effect of cooling parts of the flame down below its ignition temperature. Poor ventilation (to be covered in a future article) is a major cause of appliance's not receiving enough air for the burning (combustion) process. This can have fatal results, with unnecessary incidents and deaths occurring by a lack of understanding of ventilation requirements and subsequent Carbon Monoxide (CO) poisoning. *Note: Only 1600ppm (0.16%) of CO in Air can cause a death within 2 hours of exposure.* 

Symptoms of CO exposure can include, headache, nausea, mental disturbance, dizziness, weakness, and extremities of the body turning a bright pink colour, coma and death. It is advisable to get gas appliances serviced regularly by a qualified gas-fitter. Ask your gas-fitter to check Carbon Monoxide emission levels from appliances especially if they are indoors such as flue less gas heaters. You can do your part to ensure that rooms and enclosures including caravans and marine craft have vents and that they are clear from obstacles and cleaned regularly.

It is also important NOT to install appliances which are clearly labelled OUTDOOR appliances indoors as they can also produce harmful by products. (E.g. Patio heaters, barbecues, etc.)

As we are entering into winter it is a good idea to get gas space heating appliances serviced and checked by a qualified gas fitter. Ask them to do a Carbon monoxide leakage test on the unit.

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## In Brief



#### Part 5 Now Available Online

The PIA has subscribed to the recently released AS/NZS 3500 Part 5 which covers Residential Construction Regulations. They are available online in the Members Area of the PIA Website, along with the rest of AS/NZS 3500 and AS/NZS 5601. Both standards to purchase as hard copies now cost about \$935.00 in total. If like me you baulk at paying such an outrageous amount to purchase a standard you are required to comply with, now is the time to go out and buy a tablet or two. Not only can you buy between 1 and 3 tablets for the same money, you can also use the tablets for lots of other things. As they say in the adverts, "But there's more ...." As a searchable PDF you can find what you are looking for simply by holding down Control F on windows applications and Command F on Apple applications and the search tool opens. You also don't need to go to the PIA website each time but save the PDF standards to your computer or tablet. The only down side is that the PDF's are locked to prevent printing. Considering the \$900.00 you can put towards tablets and all the things you can do with one, it makes sense to use this service and technology to your advantage.

#### **Electric Hot Water Regulations**

After months of procrastination by the Department of MITRE we are inching towards their recommendations going to the Minister for Energy, Tom Koutsantonis, despite our attempts to have a resolution before Winter. What the recommended changes will be are still unknown at the time of going to print but we have been advised that they expect to seek feedback on the recommendations from industry by late June.

#### **Plumbing and Gas Roadshow**

The 2013 Plumbing and Gas Roadshows wrapped up in early June with pleasing attendances. Feedback was very good with attendees experiencing a very information rich session on gas regulations, plumbing regulations, problems in each area and a presentation from the Dept of Health on the new Aerated Waste Treatment Regulations which we will cover in the next issue of PlumbingSA.

#### It's Legal but hardly professional

The photographs say it all. It may be legal but it's hardly the work of someone who takes any pride in his standards. The replacement HWS work was undertaken by an energy retailer's plumber or sub contractor. They obviously care about their customers.





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## New Safe Drinking Water Legislation For South Australia

Safe drinking water is a fundamental requirement for maintaining public health and supporting healthy communities. It is essential that there are mechanisms in place to ensure a consistent approach to the delivery of safe drinking water, that will be both practical and protective of public health. Drinking water was previously regulated under the Food Act 2001 which required that drinking water was fit for purpose but did not provide any guidance on how to achieve or measure this requirement. Other codes and standards provide information on how to install pipework and infrastructure or which materials to use but do not provide information on how to ensure that the drinking water supplied is safe for consumption.

The Safe Drinking Water Act 2011 (the Act) was developed to provide guidance on how to achieve safe drinking water and drinking water is now regulated under this Act. The Act was passed by State Parliament in May 2011 followed by the making of the Safe Drinking Water Regulations 2012 (the Regulations) in December 2012. The Act and Regulations commenced on 1 March 2013.

#### **Requirements of the Act**

The Act is based on the implementation of the Australian Drinking Water Guidelines (ADWG) with key components being consistent with interstate and international legislation including:

- registration of drinking water providers
- implementation of risk management plans (RMPs) including approved monitoring programs and incident notification protocols
- · regular audits and inspections
- reporting of results to the Department for Health& Ageing (DHA)
- · provision of results to consumers

The Act refers to a range of regulations to provide specific information required for effective implementation including recognition of the ADWG and exemptions for domestic dwellings and low risk premises.

The Act and Regulations apply to all drinking water providers who supply water to the public including SA Water and its contractors, operators of independent town supplies and supplies in rural and remote communities, water carters and providers of drinking water in facilities including hospitals, accommodation premises, child care and aged care centres.

The new legislation does not apply to domestic use of rainwater tanks or other private supplies. Provisions for exemptions have been included for small supplies derived from rainwater tanks in low risk premises such as bed and breakfasts, caravan parks, motels and other accommodation and recreational premises.

#### **Roles and responsibilities**

The owner or manager of the drinking water supply is required to register as the drinking water provider and is responsible for the development and implementation of the RMP. The drinking water provider will also need to organize regular audit or inspection or their supply, report any incidents to the DHA that are documented in the incident notification protocols and providing water quality test results to consumers on request.

Anyone who is concerned, or takes part in, the management of a drinking water supply is classed as an officer of a drinking water provider. This can include plumbers who are employed or contracted to maintain a drinking water supply (e.g. routine maintenance of the supply). Where an officer suspects or believes, on reasonable grounds, that drinking water supplied (or that will be supplied) is unsafe, the officer must immediately report their suspicion to the Water Quality Unit on 8226 7100. Plumbers who are employed or contracted on an ad-hoc basis to perform other duties, such as altering plumbing inside a building, are not classed as an officer of a drinking water provider.



#### Key dates

The Act includes transitional provisions for the initial period of operation. Drinking water providers have 3 months to register with the Department for Health and Ageing and 12 months to develop and implement a risk management plan.

- 1 March 2013 Act and Regulations commenced
- 1 June 2013 Cut-off date to register as a drinking water provider
- 1 March 2014 Cut-off date for the development and implementation of a RMP
- 2014/2015 Audits and inspections of drinking water providers commence

#### **Further information**

Further information on the Act and Regulations, as well as other resources including fact sheets and registrations forms, can be found at: www.sahealth.sa.gov.au/safedrinkingwateract.

If you have any questions about the new legislation including registration or responsibilities under the Act, please contact the Water Quality Unit at: **waterquality@health.sa.gov.au** or **8226 7100.** 

#### Long Service Leave

A significant number of sole traders and business owners do not put aside money for Long Service Leave for themselves. This is obviously a competitive advantage when quoting for work but there are some other factors to consider:

- If you set aside and invest the money because it is difficult to leave your business for a prolonged period that is one thing but how many are actually disciplined enough to do that?
- If you employ people you have to pay them Long Service Leave. So if you don't pay yourself what is the earning differential between you and your employees?
- Most sensible sole traders have Income Protection Insurance. In most instances there is a waiting period of about four weeks. Most plumbers use income protection insurance because of illness. If you contribute to your Long Service Leave, you can continue to pay yourself for the period before your income protection insurance can begin
- You could use it to fund time off when you and your partner start a family
- You could take it as a lump sum and use it towards a fishing boat if you can't take a long period of time off or for some other recreational purpose.

The most important consideration in all of this is. Why are you not factoring this into your business when any employee must have it and why are you subsidising your customers if you are not paying yourself Long Service Leave to cut your price?

Plumbing is a business and no-one will thank you for missing out on what every paid worker is entitled to receive. Sole traders and business owners are entitled to the same benefits as their employees. It's your hard work and risk that keeps you in business, so pay yourself properly.

## Do you have a worker registered that has been promoted to an off-site or management role?

The Construction Industry Long Service Leave Act applies to workers (including apprentices and casuals) who work:

- for 3 or more days in any month (of no less than 5 hours per day), as
- employees in the construction industry;
- at least 50% of their time on site;
- in a classification of work referred to in one of the following Modern Awards.
- Building and Construction General On-site Award 2010
- Joinery and Building Trades Award 2010

- Plumbing and Fire Sprinklers Award 2010
- Electrical, Electronic and Communications Contracting Award 2010

(Please note these awards are only used to extract classifications of work and it is not a requirement they regulate the employee's pay rate.)

Foremen are also eligible for registration if their onsite employment involves supervising other employees who work on site.

If a registered worker transfers to a predominantly offsite role, they can no longer be registered with the portable long service leave



scheme and their accrued long service leave transfers to the Long Service Leave Act. The employer must notify CBS of the date this occurs and no longer declare service days on the employer return or pay levies for the worker.

Upon becoming eligible for long service leave (combining both service registered with CBS and service accrued since with the employer), the employee will apply directly to the employer who will pay them for the entire period (and be responsible for tax deductions). The employer can then seek reimbursement from CBS in respect of service registered with the scheme based on the employee's current rate of pay.

If you have any questions relating to this provision or have employees in this situation who you have continued to contribute for, please contact CBS to discuss the matter as you may be entitled to a refund of levies you have continued to pay.

## **SAFE WORK** Will drug and alcohol testing withstand a challenge ?



## Employment – Will your drug and alcohol testing policy withstand challenge?

Both State-system and Federal-system employers can draw lessons from the recent Fair Work Commission (FWC) decision of Briggs v AWH Pty Ltd [2013] FWC 2017. In that case, an employee's challenge to a drug and alcohol testing policy was defeated due to the Employer's diligence at the contract, policy and procedural levels.

#### The facts - Contract and Policy

Mr Raymond Briggs (Employee) was employed by AWH (Employer). His contract contained express clauses requiring him to observe the policies, directions, orders and instructions of the Employer. His contract also expressly provided that he must not be under the influence of alcohol and/or other drugs while performing his duties, and must comply with any requirement to undertake a drug test.

The Employer's Alcohol and Drug Misuse Policy (Policy) expressly indentified that the Employer may direct the participation of employees in urine testing, and that the procedures for such urine testing would be in accordance with the relevant Australian Standard. The Policy also expressly provided that refusal by an employee to undergo tests in accordance with the Policy is a ground for disciplinary action, including termination.

#### Refusal to undergo urine testing

The Employee refused to undergo urine testing. The Employee did however propose to submit to oral swab testing instead. The Employee considered that oral swab testing was a more reliable means of testing whether or not an employee is impaired by alcohol or other drugs. The Employee indicated a specific provision of the Australian Standard relevant to urine testing which supported his contention. The Employee had raised his concerns prior to the testing date.

#### **Disciplinary procedures**

The request for an oral swab test was denied, and a meeting was called to discuss the Employee's refusal to undergo urine testing. The Employer made clear that the meeting was not concerned with the validity of testing procedures but rather was to request that the

Employee follows the Employer's Policy and procedures as directed. After continued refusal to submit to testing, a more formal meeting was called and the Employee was given an opportunity to provide written reasons for his refusal.

The reasons were essentially that oral swab testing is presently 'best practice', and as such he considered that the Employer should use oral swab testing instead of urine testing. In a further meeting to discuss his response, the Employee contended that because the Policy was not 'best practice', it was not relevant. The refusal continued, and so the Employee was sent a letter requiring attendance at a specified time and place for a urine test. The letter was expressly stated to be a 'final warning', non-compliance with which may result in termination. The Employee did not attend the testing appointment and his employment was accordingly terminated. The Employee commenced unfair dismissal proceedings in the FWC, contending that the Policy was unsound and thus that he was entitled to refuse to engage with it.

#### Findings of the Fair Work Commission

The FWC firstly and importantly highlighted the importance of the contractual provisions requiring directions to be followed, the provisions of the Policy which specifically outline consequences for breach of the Policy, and the incorporation of the Policy into the contract of employment.

The FWC then considered whether or not the directions to undergo testing and/or the Policy itself were unreasonable. Case law specifically on the point of drug testing methodology was examined, and the FWC concluded that urine testing is a reasonable and legitimate form of testing. Because urine testing is reasonable, an employer may choose to adopt and require urine testing regardless of whether one or more employees would prefer an alternative approach.

The implementation of workplace policies is a part of an employer's right to determine how it will manage its business. Choosing a particular method of drug testing and requiring all employees to submit to that particular method is a part of this right. Employees do not have a general right to refuse to submit to a particular method of drug testing merely because they do not consider the method to be 'best practice'.

The Policy was deemed reasonable. The directions to undergo testing were also deemed reasonable because they were consistent with the Policy.

The FWC also considered that the various interactions between the Employee and Employer from the time of the initial refusal up to and including termination were procedurally fair.

The FWC determined that the Employer was entitled to dismiss the

## AFE WORK

## Safework Update on Maintenance of Oxy Acetylene Equipment

Employee for failing to follow a lawful and reasonable direction to undertake urine drug testing.

#### Take home message

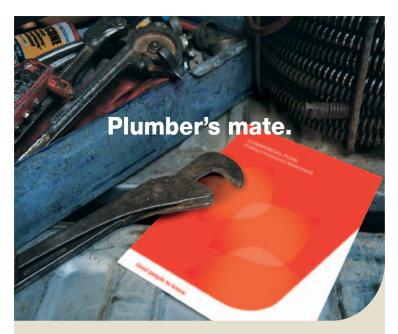
The decision canvasses many aspects of the law surrounding drug testing in employment, ranging from technical points such as the suitability of certain testing methodologies to broad considerations of employers' rights to introduce policies.

The Employer's actions withstood the Employee's challenge not simply because the Policy prescribed a valid testing methodology. Of critical importance were the contractual requirements to comply with policies and directions, including directions to submit to drug tests. Furthermore, the Policy expressly outlined the consequences for noncompliance. Also of significance was the Employer's conduct after the refusal; all relevant statutory procedural fairness requirements were adhered to. All of these factors should be present for a drug and alcohol testing-based dismissal to be valid.

For more specific information on any of the material contained in this article please contact Michael Foley on:



**Michael Foley Norman Waterhouse** Telephone: 8217 1355 Email: mfoley@normans.com.au



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#### **Time For A Fair Contracts Act For The Building Industry**

A commission of enquiry is looking into construction insolvency in NSW. The inquiry aims to determine the cause of insolvencies in the building industry and of sub-contractors not being paid. Whenever there is a downturn in new start activity, insolvency and building industry layoffs tick up. History has shown this to be a given because the money pipeline dries up.



Construction downturns also lead to more onerous market and contracting cultures. As margins shrink, there is a tendency for canny developers to screw down prices, screw down margins and use the contract as a blunt instrument, all of which is perfectly permissible in the cut throat free market.

My firm recently acted for a contractor who had signed a contract that prohibited time extensions for events such as force majeure, inclement weather and flooding. All of this conspired to make it virtually impossible for the contractor to claim time extensions. The contract was inherently prohibitive and had all the characteristics of what is often parochially referred to as a "take it or leave it" contract.

A flood occurred that caused a three-month delay but little largesse was afforded for the contractors' predicament when it came to granting time extensions and the builder haemorrhaged. This type of scenario is common and oppressive, with such one-sided contracts a major cause of insolvency. Bar the introduction of a Fair Contracts Act, they will continue to be so.

Contracts should be inherently fair. Unforeseen risks should be shared by both contracting parties. There is a need for a Fair Contracts Act that articulates the ground for the sharing of risk. Factors such as force majeure, inclement weather, third party induced delays or industrial action that results in down time in circumstances where neither party has caused any IR disquiet should all be captured in such legislation. Such legislation should impede a party's ability to visit upon another the costs of third party actions or acts of God as the risks are too onerous, too conducive to insolvency and too perilous for those who are desperate for work but lack bargaining leverage. Work shortages should not be construed as grounds for commercial exploitation. The concept of commercial fairness should underpin contractual cultural ethos. Having just returned from Japan, I can vouch for the fact that Japan is a "desert" for lawyers. Why? The cultural ethos is about a fair go and not in the lip service sense. Conflict is to be avoided at all costs in Japanese society and there is loss of face if matters have to be resolved by third parties such as lawyers.



The notion of entering into contracts that are heavily weighted in favour of one party is somewhat anathema in Japan as the blunt instrument approach seen in the west tends to damage commercial relationships.

Sadly, short of statutory intervention to impose the concept of "fair go contracts" the practice of oppressive contracting will continue and this will aid and abet insolvency in the building industry.

By Kim Lovegrove Professor & Partner – Lovegrove Solicitors Construction Partners

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## Legal Advice

Effects Of Insolvency In The Construction Industry

In this third and final article of our three part series on insolvency and bankruptcy we explore the serious consequences of corporate insolvency.

#### What is Corporate Insolvency?

The term "Insolvency" is a generic term which applies equally to companies and to individual persons. Personal insolvency is generally referred to as bankruptcy. Corporate insolvency is when a company is unable to pay its debts when those debts are due.

If a company becomes insolvent then it may enter into some form of insolvent administration, either liquidation or external administration.

#### How do you determine if a company is insolvent?

To determine if a company is actually insolvent you must ascertain whether the company can pay its debts in full as and when they become due.

#### **Consider the following:**

- Cash reserves;
- · Working capital, current cash flow and expected cash flow ;
- Difficulties in obtaining finance, investment and loans
- Difficulties in realising assets
- Reliability of creditors who have made promises to pay;
- Disorganised, or non-existent, internal accounting procedures;
- Incomplete and/or misleading financial records;
- Absence of structured budgets and future corporate strategic plans;
- Defaults on interest or loan payments;
- Outstanding creditors of more than 90 days;
- Judgment Debts (where the Court has determined that is a sum of money is due);
- Instalment arrangements entered into to repay trade creditors

#### Understanding your obligations as a director

If it is determined that a company is insolvent it is an offence if the directors of that company continue to operate and incur more debts.

The Corporations Act 2001 imposes a duty upon directors to prevent a company incurring a debt while it is insolvent. The can be serious consequences for a director of a company that trades whilst insolvent. You may:

- Be held personally liable for all debts incurred while the company was insolvent;
- Be held liable for a civil penalty under the Corporations Act;
- Be convicted of a criminal offence under the Corporations Act. Penalty may include imprisonment;
- Be banned from acting as a director;
- Be excluded from holding a building licence;

- Lose your job if the company is unable to recover and have trouble finding a new job;
- Lose your house and other assets in order to pay the debts;

If you are a Company Owner or Director and you think you might be trading insolvently, you should immediately contact an Insolvency Lawyer to discuss your situation and obtain advice.

#### What happens to a Company that is insolvent?

There are three options:

#### Liquidation

Liquidation is often referred to as 'Winding Up' and involves realising all assets to cover debts. A liquidator is appointed who determines the value of assets and sells them to pay creditors of the company. The company will then be deregistered and will cease to exist.

#### **Voluntary Administration**

This is a process whereby the company appoints an administrator who takes control of the company, investigates its history and financial affairs and makes a recommendation to creditors about how they should vote in respect of the company's future. Creditors may:

- return the company to its directors; or
- place the company into liquidation; or
- allow the company to continue trading subject to the terms of a Deed of Company Arrangement ("DOCA"). A DOCA usually requires the directors to establish a fund for payment out to the creditors of a dividend in respect of their claims. The benefits of a DOCA are that the company may continue to trade and the creditors usually receive more than they would receive if the company were to be placed into liquidation.

#### Receivership

The term "receiver" usually refers to the appointment of a controller whose appointment is made either under the terms of a debenture or charge given by the company to a secured creditor such as the bank. It also applies to a person appointed by the Court to take control of specific assets for a particular purpose. A receiver's responsibilities are usually to a single secured creditor such as the bank whereas a liquidator's responsibilities are to the general body of unsecured creditors.



#### Cathy Mayfield Partner

Lynch Meyer Lawyers Telephone: 8236 7654 Email: cmayfield@lynchmeyer.com.au Twitter : @cathy\_at\_la

## JB'S SOAP BOX

#### **Dumb, Greedy or Indifferent?**

Scratching around for an article I called the PIA to get some ideas I could follow up with as an article. After hearing about the issues of the day I decided to delve into one further.

One of the PIA members had called because he had been told by a builder that it was his job to install an under bench mounted sink. Fine you might think but

the bench top was granite. If something goes wrong and the granite is damaged, he will be held liable and will have to claim it on his insurance. The stonemason doesn't want to do it because he will wear the cost. The cabinetmaker doesn't want the liability. Many plumbers have been doing this work for years and they are happy to do the work because it is in the scope of works and they are properly paid for the work. It appears that some builders want it treated as a normal part of the job with no additional payment for the additional labour.





My humble advice to the builder is to say. "I would be delighted to install the sink but as you have not identified in the scope of works that it is an under bench sink. My fee for installing the sink is \$xx.xx."

Included in any fee would be a loading to cover the possibility of a premium rise on my insurance if I have to make a claim. If he won't pay for the extra time and the risk, don't do it. This isn't the end of the matter. Most plumbers who install under bench mounted sinks mount them by inserting a threaded rod through the sinkhole and use of two blocks of wood to pull the sink up hard against the bench to hold the sink in place until the silicone cures. All good you might think!

What do the sink manufacturers specify? One manufacturer specifies epoxy to attach the sink and silicone to seal the gap between the sink and bench to prevent water seeping through the gap and into the cupboard. Most sinks appear to be only mounted with silicone. Failure to follow manufacturer directions potentially voids the warranty and any insurance claim. There is an emerging trend to also install under bench sinks in the laundry. The bead of silicone is being asked to hold up to 20L of water. Some homeowners are opting for vitreous sinks and one plumber is very concerned because he is aware of one family bathing their baby in the laundry trough. Imagine what might happen if that sink detached from the bench top and the sink shatters!

Builders seem oblivious to the consequences. Are they dumb, greedy or indifferent? My opinion of residential builders is not very high but some clearly don't want to pay and want to shift liability off to others. Consumers are relying on experts to sell them and install a product properly. Style will be their main concern and it doesn't matter how much you may be stretching the bounds of what is reasonable and practical, they simply don't care. Builders will probably say I'm being an old alarmist but we live in an increasingly litigious society and I don't want to see plumbers wear the responsibility.

#### What would I do?

I believe plumbers who don't adapt and change as technology and fashions change will go out of business. So I am not advocating you refuse to do the work, quite the contrary. I believe it's important to provide a "can do" customer service approach. It is also very important that you make sure you undertake all of your work to the appropriate standards and that you follow the installation and commissioning advice of the manufacturers. If you do that you should have little to fear.

You should also only do work for a builder who will pay you for the work. If he hasn't scoped it and won't pay for it, don't do it. If a builder asks you to install a refrigerator or dishwasher after you have plumbed the water and waste. Agree but get the builder to accept in writing, that while you will make every effort not to damage any surfaces, that he won't hold you liable. If he won't agree, then say I'm sorry but no-one can guarantee moving a heavy fridge into a narrow space so you'll have to find another mug.

## Below is an example of a manufacturers installation directions.

Failure to install to their directions would void any insurance claim Undermount Installation Instructions

- 1. Inspect sink for damage and dimensional compatibility. Do not attempt to install a damaged sink
- Undermount sinks are designed for use with solid surface benchtops, examples as follows;
- Natural Stone eg. Marble, Quartz etc.
- Engineered stone eg. CaesarStone, Silestone etc.
- Acrylic solid surfaces eg. Corian, Freestyle, Staron etc.
   It is not recommended that undermount sinks be fitted to laminate benchtops
- Contact your benchtop supplier to establish the type of material used. Your supplier should recommend a suitable adhesive and sealant for the specified material.
- Mark the exact location of the cutout in the benchtop Ensure that the tap location is suitable. Ensure that the supplied cutout gives the desired fit.
- 5. Using the appropriate tools and safety equipment cut the benchtop as marked out.
- Mask the sink and the cutout to avoid sealant/epoxy overspill onto finished surfaces.
- 7. Apply the recommended seal and at the edge of the join between sink and benchtop
- 8. Apply the recommended adhesive as directed by adhesive supplier
- 9. Position the sink in the desired final location and clamp to the benchtop
- Promptly remove the excess sealant from benchtop sink using a recommended clean up solvent suitable for your benchtop material and stainless steel.
- 11. When the installation has cured for the recommended period check that the seal is watertight and the attachment is secure

### **Legal Advice Cont...** Adverse action & prospective employees – avoid recruiting legal action!

Fred makes it known in a job interview that he is an ALP member and a union activist. You don't employ Fred for the job. You think this is fine. You think you can decide to employ or not employ whoever you like. You might want to think again...or the only thing you might successfully recruit is an adverse action claim.

Under the Fair Work Act 2009 (Cth) (Act) employers are prohibited from taking adverse action against an employee, which includes a prospective employee, because:

- of the person's race, sex, age, physical or mental disability, sexual preference, marital status, family or carer's responsibilities, pregnancy, political opinion or national or social origin, or
- they have exercised a workplace right (i.e. joined a union or made a bullying complaint).

Adverse action is taken by an employer against a prospective employee if the employer refuses to employ the prospective employee or discriminates against the prospective employee in the terms and conditions on which employment is offered.

As a result, employers have to be very careful in the types of interview questions they ask and the reasoning that is given to unsuccessful applicants.

To make matters worse for employers, the adverse action provisions are written so that the odds of a successful claim are well within the applicant's favour. For example, once Fred has established that adverse action was taken (i.e. that he was not offered the job) then the employer has a 'reverse onus of proof', which means that the employer must prove that the adverse action was not taken for the alleged prohibited reason, namely that Fred was an ALP member and/or union activist. This effectively makes the employer guilty until proven innocent.

It does not matter if there were multiple reasons for Fred not being offered the job if one of the reasons was a prohibited reason, because the case will be made on that one reason. The prohibited reason does not have to be the sole, or even the dominant, reason for the adverse action.

There is some relief for employers. The Court recently confirmed that a person is not a 'prospective employee' unless they have made an application for employment or are negotiating in relation to possible employment.

In the decision of Vij v Cordina Chicken Farms Pty Ltd [2012] FMCA 483 a labour hire worker argued that he was a prospective employee of the host company for which he was performing work on the basis that it had raised the possibility for direct employment if the labour hire worker performed well. The Court rejected this argument and



held that the labour hire worker was not a prospective employee. The inducement of potential employment was not enough as there was no evidence of an offer of employment or of an invitation to apply for it.

Although the above decision limits the scope of people who are prospective employees, there remains a significant risk of adverse action given the high number of job applications that employers deal with on a regular basis.

To reduce the likelihood of someone like Fred making a successful claim, we recommend you:

- 1. establish a recruitment process that is compliant with anti-discrimination laws
- 2. ensure that staff involved in recruitment are appropriately trained on their obligations regarding adverse action and anti-discrimination
- 3. adopt a consistent approach to advising job applicants of the reasons for an unsuccessful application, and
- 4. avoid making any premature promises of employment to workers, such as labour hire workers.

If you need help with your approach to recruitment, please give Sparke Helmore a call.



Daria Matthews Lawyer SPARKE HELMORE T > 8415 9800 E > daria.matthews@sparke.com.au

### Business women in the building services industry encouraged to celebrate their achievements

Inspirational and innovative Australian business women are being encouraged to celebrate their success and enter the 2013 Telstra Business Women's Awards. Entries are now open for the prestigious awards that recognise business women whose passion, creativity and achievements inspire other women to reach their own goals.

Jackie Maclean, Business Manager and partner of Darwin-based plumbing maintenance business Gold Medal Services (NT) says the awards were "an incredible experience that gave me the opportunity to reflect on my life's journey. It surprised me what I had done."

Ms Maclean, winner of the 2012 Telstra NT Business Owner Award, project manages contracts worth more than \$500,000 at Gold Medal Services which has clients such as the Darwin Liquefied Natural Gas Plant and the Department of Defence. She added: "I have been overwhelmed by the many words of congratulations and the kudos that these awards have in the business community."

Kate McKenzie, Group Managing Director Telstra Innovation, Products and Marketing and Telstra Business Women's Awards Ambassador, said the awards offer women an exceptional opportunity for public recognition of their achievements and as a result, raises their profile and increases their business opportunities.

Northern Territory

> "Since 1995, the awards have celebrated the inspiration, determination and innovation of thousands of Australian business women right across different industries from banking to agriculture, retail and healthcare, at local, national and international levels.

> "The awards provide an opportunity for outstanding Australian business women to meet and share ideas with their peers, connect with women outside their sector and build new networks.

> For finalists and winners, the awards also offer a share in \$200,000 in cash and prizes.

Jackie Maclean, Business Manager of Gold Metal Services



## Earn more and work less hours. Seriously!

Visit the www.piasa.com.au or buildabetterbusiness.com to see what other members are saying about the Build a Better Business Program.



Members of the Australian building industry are becoming increasingly adept in their use of sophisticated IT tools, prompted by widespread advances in technology and the vast amount of knowledge accessible to their client base via the internet. Whereas at the time of the dot-com bubble collapse just over a decade ago most builders considered the only relevant tools of the trade to be the tangible ones they could grasp with their hands, such as hammers and power saws, industry professionals are increasingly seeing the immense utility and advantages to using by less conventional hi-tech instruments such as building modelling software and

business management programs. According to Jose Carrasco of business management software company Constructor, a prominent trend within the building industry is that people are becoming increasingly accustomed to the use of hi-tech systems and tools.

"Builders are now starting to see software as just another tool of the trade," he said. "That's a big switch from just 10 or 15 years ago. Before that they were not as business minded or tech savvy."



Business management programs can greatly facilitate the handling of the financial and administrative aspects of construction work, by providing features such as computerized accounting processes and standardized formulas for estimations. The advantages of such standardised computer management are readily apparent in the construction sector, which, as highlighted by recent tax probes in the UK, often come under increased scrutiny from revenue authorities due to the complex and sometimes irregular nature of the industry's work conditions. Carrasco also pointed out that the internet has made clients much more knowledgeable about

building practices, forcing builders themselves to step up their game and constantly expand their own skill base.

"What we are finding is that clients are more savvy before approaching builders. They do their own research online, conducting Google searches before looking to build their own bathrooms," he said.

"Clients are no longer approaching builders and just asking them to build the Australian dream for them. They know just what Australian dream they want, and are asking builders to make it to specification."

By Marc Howe



 Regular communication with members and employers.

At Cbus we invest back into the building and construction industry as part of our investment strategy, thereby creating jobs for our members.







Industry Super

23

### **Plumbing SA Group Training Update**

PIA have been running a group training service since 2006 and many of you would have met David, Marilyn and Shane through PIA events or out on site. This article is to introduce you to some of our existing and past apprentices and to celebrate recent events such as commencements, completions, award winners or those who have interesting stories. In this inaugural edition we have profiles for a new apprentice, along with a past apprentice. Let us know if there is an apprentice or story you'd like us to cover.

#### **Recent Events**

Congratulations to Marilyn Sheffield on completing her Certificate IV in Occupational Health and Safety. The training was organised by the Group Training Association of SA and delivered by MTA. Having training and qualifications in OHS will greatly assist the Association and Group Training operations to manage the risks and compliance demands, and to reduce the risk of our apprentices coming to harm in their workplaces.

#### **Awards / Commendations**

The Worldskills Apprentice Skill Regional competition is on again. PIA is looking forward to having some of our most talented plumbing apprentices compete this year. We are looking to hosts to support this by providing nominated apprentices with encouragement and support, and to release them for training and the competition. Please call David Butcher if you require further information.



Marilyn is pictured receiving her Certificate from GTA SA President John Chapman.

#### **Commencements**

Tanner Ahl, Thomas Babidge, Casey Beard, Eben Medwell, Sam Newbery, Phong Nguyen, Jack Reynolds and David Sinclair

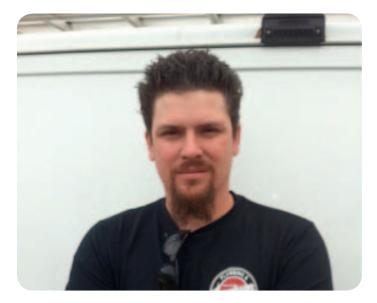
#### **Completions**

Joel Giannitto completed his apprenticeship in April, and is now employed by host. Hindmarsh Plumbing, Congratulations to Joel and to Hindmarsh Plumbing for providing his training.

#### Safety

Dont forget the "Take 5" approach to job planning.





#### **Past Apprentice Profile**

Michael Mancheff (Aquium Plumbing and Gas Fitting)

When did you finish your apprenticeship? 2011

Host Plumfast

#### Post apprenticeship training

Michael completed his Cert IV before the end of his apprenticeship. He has also completed "Building and Site Supervision" and is doing the "Building and Estimating" course. Michael has also done Bosch courses in installation and servicing hot water services.

#### What was a highlight of your apprenticeship?

Moving from direct apprenticeship to PIA Group Training, completing Certificate IV prior to finishing my apprenticeship.

#### What type of plumbing are you doing now?

Commercial fitouts, domestic renovations, trade waste installations, maintenance, hot water installs, and gas appliance servicing.

#### What do you like about the trade of Plumbing?

Variety...different challenges every day. Also that the trade is regulated.

## What has been the biggest challenge for you since finishing your apprenticeship?

Establishing business (Aquium Plumbing and Gas Fitting). Moving out of sub-contracting and finding own work.



#### **Present Apprentice Profile**

#### Sam Baulderstone

Year Level First year

#### Pre-apprenticeship training

Pre-voc at Regency TAFE

#### Host

Hindmarsh Plumbing Construction division at the Adelaide Oval site.

## What type of plumbing have you been doing in your apprenticeship ?

Recently been working on suspended drainage.

What do you like about the trade of Plumbing ? The challenge of daily tasks.

#### What convinced you that this was the career choice for you ? My father and grandfather were plumbers

What do you do in your free time ? (sport, hobbies, etc) This is my first year playing for Norwood Football Club. I'm playing

Ruck and am number 18. I've represented in the State Country Championships. My achievements include losing 28kgs since end of last season, and have dropped 2 minutes off my 2 km running time trial.

What advice would you give a new apprentice ? Hard work pays off. Ireland's government has announced strict changes in building regulations in an attempt to prevent poor construction practices in the future. Announced by the Minister for the Environment, Community and Local Government Phil Hogan, the changes come after a rash of badly built structures which breach fire regulations. Following a poorly-regulated housing boom, the updated regulations set out to give greater clarity to new homeowners and enable greater traceability and accountability throughout the construction phase. register which can be accessed by anyone who has a vested interest in the building. The regulations are intended to support local Building Control Authorities in enabling their ability to produce meaningful insights into building activity. Design and inspection processes are to be undertaken by registered professionals within the construction industry. There is known to be a shortage of applications from trained architects and the government are hoping to deal with this through an independent review.



The Building Control Amendment Regulations 2013 will be put into place through assigned certifiers, a group that includes a variety of industry professionals such as architects, building surveyors or engineers. Assigned certifiers are expected to be involved in inspecting the development throughout important stages of the construction phase. Working alongside the builders, assigned certifiers will ensure finished buildings comply with the new building regulations.

The Building Control Amendment Regulations 2013 require the submission of compliance drawings and documentation to local building control authorities and the setting out and execution of an inspection plan by the assigned certifier. Hogan said the new approach "establishes a clear chain of responsibility for building works prior to commencement through to completion, in a system where lack of such a chain led to disastrous failures with dire consequences for the lives of homeowners and families."

It is believed that wider compliance with the regulations from the construction industry in the future will be greater as those who sign statutory certificates for a building which is non-compliant with the new regulations can be held legally responsible for consequences incurred. There is also a greater need to prove to consumers that the regulations are being enforced. This places a stronger responsibility on industry professionals as any complaints come with the risk of suspension from industry sectors. The certificate documentation awarded to inspected buildings will be forwarded to each local government authority involved. The certificate will be kept on a public

Roles will be defined under the Code of Practice for Persons Inspecting and Certifying Body Works and building control authorities will be tasked with taking a risk-based approach toward ensuring compliance. Information available through the new regulatory processes should be much more comprehensive than it had been previously. Local authorities in Ireland are expected to focus on a unified system of building control administration processes, which may enhance their monitoring activity of building works.

#### By Jemilla Russell-Clough Construction News

**Editor's Note:** While the article does not go into the specifics of the problems in Ireland it does reflect a worldwide trend in western countries, which have moved away from a rigorous inspection system to one of self regulation, of legislators needing to re-introduce stricter certification of work and to ensure builders are held accountable for shoddy work.

The PIA is unfortunately aware of a sector of the plumbing industry competing for construction work based on some builders screwing the lowest price possible, which inevitably means cost cutting short cuts are taken by subbies, including plumbers, so they can still make some kind of living. The problem will continue to increase here aided by the downturn in construction and a failure by too many to recognise that everyone needs to make a reasonable living from their work.

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Builders may not traditionally be enthusiastic adopters of information technology, but the way the construction industry in Australia goes about tasks such as job costing, estimation and scheduling is be about to undergo a sea change due to one of the most talked about phenomena in the IT world in recent years: the cloud. The notion of the cloud – whereby software is delivered as a service over a network such as the internet instead of being housed on individual computers – will change business in a number of ways:

#### 1) No more back-ups

At the moment, Builders who buy traditional estimating software are forced to manage tasks such as back-ups and updates on their own – tasks that create work in addition to their core work on site. In the world of the cloud, by contrast, software vendors will manage singular back-up and updating processes across their entire customer base, meaning users simply have to log on and are automatically delivered all their data along with the most up-to-date software.

#### 2) Less Risk

As well as being inconvenient, traditional software housed on personal computers creates risks for builders in terms of data loss if the computer crashes or is stolen or misplaced. Such risks are eliminated in a cloud based environment as data is stored on an external server in a data centre rather than on personal computers.

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BusinessMate a cloud based solution for the plumbing industry

#### 3) More Flexibility

Perhaps one of the most useful aspects cloud computing is that it will allow Builders to access, add to or change their estimating and scheduling data from any machine, at any time. Some software allows builders to view data on their iPhone, for example, and developers are investing heavily into functionality which would enable builders to create new jobs and edit existing jobs using mobile devices.

#### 4) Subscription based payment options

Finally, as a new option for builders in terms of software delivery emerges, so too will options to pay for it. With Cloud based software, Builders do not 'buy' the service up-front but instead pay a monthly subscription fee, a process that eliminates the need for them to stump up thousands of dollars in initial investment. Going forward, these types of arrangements will likely be more commonplace.

To be sure, the cloud will not change things overnight. Across the business world in general, the notion of data being stored on external servers rather than internally has taken much getting used to, and not everyone has jumped on the bandwagon. The construction industry will be no different. Over time, however, the use of cloud based services to deliver software for building related tasks is likely to become more common. Soon, job estimates, scheduling and other management and administration tasks just will all be up in the cloud.

#### By Andrew Heaton Construction News

**Editor's Note:** This article from Construction News could not describe more perfectly the vision the PIA has had for BusinessMate. We are entering the final phases in the development of BusinessMate. Our vision goes beyond this article's vision. BusinessMate incorporates Work, Health and Safety management, Injury management, Plant and Equipment management, Stock and Inventory management, Human Resource management – including tracking training, Sub Contractor management, Customer management. As they say in the old Demtel TV adverts. "But there's more."

The final modules are currently being Beta tested by five businesses already using BusinessMate. They include, Accounting, payroll, onsite invoicing, scheduling for maintenance and construction and estimation. All modules with the exception of estimating, which we anticipate will be available by the end of the year, will become available for all BusinessMate users in August.

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