

PLUMBING SA

Masters Plumbers Association of South Australia



Master Plumbers
SOUTH AUSTRALIA

March / April 2015



- NSW Acting to Control Dodgy Building Contractors
- The New Return to Work Legislation starts 1 July 2015
- Selter Shaw Complete Livingston Abattoir





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SOUTH AUSTRALIA

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Cover: Master Plumbers Association re-branding begins to roll out

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Editorial

New start for 2015

Dear members, it has been a fantastic start to the new year, with a return to the strength of our brand name "Master Plumbers Association of South Australia", this has been a decision that has already paid off with huge levels of support throughout the industry.

There is no doubt that there is strength behind the name. The association is now busy rebadging all components of the business and hope that members like the design and appreciate the we are striving to build the brand in the marketplace to assist your businesses.

The association will be looking to run some advertising campaigns for the wider community promoting the brand name and to support those loyal members of the association.

The campaign is designed to get traction for members and provide new opportunities as professional, reliable and capable tradespeople within the plumbing industry. The distribution of stickers and merchandise is part of the campaign and we hope all members embrace this philosophy that more exposure will ultimately benefit you, the members.

The association has also welcomed a new Group Training Manager to the team starting in January, Greg Lyng. Greg comes into the role and

has already proved to be a passionate and driven person who is looking to stamp his mark on this department. Greg has been involved in the plumbing industry for many years, mainly in the sales / management area and brings new ideas and structures which will help enhance the professionalism within the organisation. If you are interested in putting on an apprentice, please give Greg, Marilyn or Steve a call.

Review of the Plumbers and Fire Sprinklers Award 2010

MPA SA and the other Master Plumbers Associations around Australia are working collectively to communicate with the Fair Work Commission on a number of key concerns throughout the review period. Those key concerns are based on the following clauses;

- Redundancy provisions
- Fees associated with apprenticeship training

We will keep members up to date with further developments.

Review of the Security of Payment Legislation SA

At the time of writing this editorial, MPA SA was working with other association bodies including the National Electrical Communications Association of SA (NECA SA) and Air Conditioning and Mechanical Contractors' Association of SA (AMCA SA) to work through the key concerns of the current legislation.



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Editorial

New start for 2015 cont...

MPA SA has also sought feedback from members on this subject and will be preparing a submission to the Small Business Commissioner of SA by mid February. We would like to thank those contributing members for their feedback.

New Pump Book release by John Dnistriansky

John has been a TAFE lecturer in plumbing programmes ranging from basic trade to advanced certificate levels for over 30 years of his working life.

John was also engaged over a period of 23 years as a consulting part-time lecturer in the Architectural Faculty of the University of Adelaide, teaching sanitary science and building services (plumbing).

John's knowledge within the environmental health, water industry operations, urban / rural water and irrigation design is so wide and far, that only he knows what he doesn't know (my only chance to get you back as a past student).

His first publication was the Pump Basics for Plumbers - John could sense there was a distinct lack of knowledge and understanding in the field of pump technology.

"Given the importance of pumps in today's plumbing services, plumbers need to be equipped with the necessary knowledge of basic hydraulic concepts.

Plumbers can increase their business by developing this area of specialisation by reading this self-learning resource handbook".

The new publication is called "A Guide to Pump Systems in Plumbing Services" and is an Australian first publication specifically written for plumbing designers, practitioners, consultants and specifiers of plumbing installations and equipment involving the use of pumps for all classes of buildings and construction.

The content of this handbook includes information on pump systems associated on water supply, rainwater harvesting, bush fire protection, sewerage disposal by pumping, special purpose installations and dewatering systems.

We would like to thank John for his publications and his passion in this specialised area.

Both publications are available through the MPA SA office for a price of \$25.00 each.



Andrew Clarke
Executive Officer



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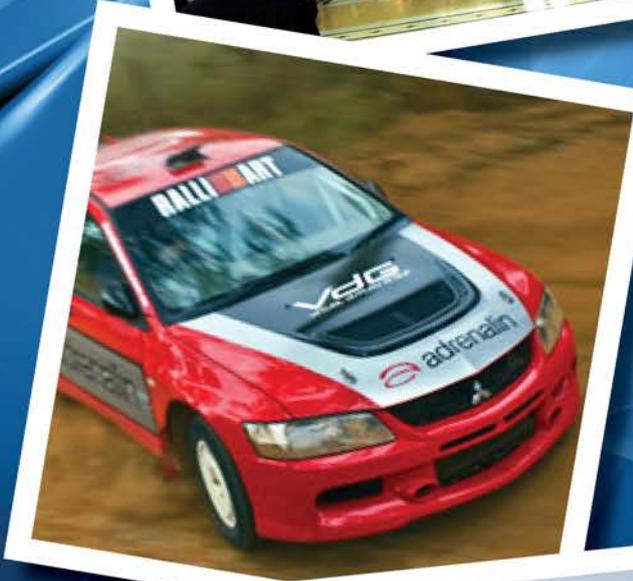
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Could Changes in Procurement Policy Lead to More Money?



Could changes in procurement policies and processes improve the way we deliver projects?

First, it is important to ask what private sector suppliers (constructors, designers, and other consultants) want from government procurement policies and processes.

The Productivity Commission in its draft Report on Infrastructure Costs had a crack at some suggested changes, arguing that, “There is significant scope to improve public sector procurement practices and lower bid costs for tenderers, with potentially large benefits for project costs and timing.”

Here are two changes in procurement approach suggested by the commission:

1. Reducing bidding costs by investing more in initial design, contributing to the bid costs of tenderers, and requiring only cost-relevant plans from all bidders, with the remaining ones required of the preferred tenderer.
2. Eliciting best value-for-money bids by improving the quality of information on possible costs by developing initial designs using Building Information Management (BIM), and, working with industry to coordinate the establishment of common technical standards to ensure that the greatest benefits from the adoption of BIM are realised.

Both make sense, and could and should be applied to commercial building projects as well as infrastructure. There are other improvements that would make a difference.

Here are two suggestions from ACIF's policy on regulation.

1. Ensure procurement policy encourages collaborative working. Success in the future will involve greater attention being paid to collaborative working at all levels within a construction project.
2. Procurement and tendering policies should support and encourage greater involvement of key stakeholders at the early stages of project development and should address the capacity of the industry to meet project objectives by allocating risk appropriately.

Government is a large customer, and it must encourage innovation by demanding innovative practices and sustainability on its projects. Done properly, demand-side innovation will not inhibit competition or transparency. It can lift standards that flow across the public sector and to the private sector. These innovations include requiring the use of integrated project teams and the use of BIM.

Encouraging public sector agencies to embrace change is a challenging task. It is not to be embarked on lightly, and patience is required, and yes, that is a partial lift from the Book of Common Prayer. The reasons are many and well known but it is worth reflecting on how the growing tide of support for BIM and its key driver, project team integration, is likely to generate sufficient momentum, and soon, to sweep away the perceived obstacles.

Clients approach adoption of BIM, and the option of encouraging greater project team integration, with caution. There is some reluctance to adopt BIM as a tool to design and construct assets, and to manage them after they are commissioned.

In the public sector, each jurisdiction and the agencies within them are moving at their own pace. Some agencies are more advanced than others. Those that regularly commission projects to deliver new or refurbished assets and have significant asset portfolios to manage are more advanced in their thinking and development of internal policies and processes. Agencies at the forefront include those for defence, health and education.

Key issues for public sector agencies include:

- Assessing whether the costs of requiring the delivery and use of BIM models are outweighed by the asset's whole-of-life benefits
- Identifying minimum threshold values of projects on which to require the use of BIM for designing, constructing or managing assets
- Assessing whether local suppliers (designers and constructors and asset managers) have the skills and resources to build and use BIM models
- Ensuring that smaller firms – whether designers or other consultants, or constructors – that are slower than others in using BIM are not disadvantaged
- Determining whether existing legislation, policies, or procedures are flexible enough to allow the early appointment of constructors to project teams to be part of the design process
- Determining the extent to which internal BIM or other project management capability is required when requiring the delivery and use of BIM models by suppliers.



Peter Barda

Faulty Building Products Flooding Australian Market: Minister



Faulty construction products and materials are a serious problem in Australia which is putting families and lives at risk as well as putting legitimate and compliant product suppliers at an unfair disadvantage, a senior government minister says.

Convening a national meeting with construction sector leaders to address what he says was an influx of non-conforming building products flooding the market, Parliamentary Secretary to the Minister for Industry Bob Baldwin said such materials are a serious problem within the sector.

“These faulty products are not meeting Australian standards and causing significant risk of fire or failing the most basic of stress tests,” Baldwin said. Adding that families building or renovating homes should be able to have confidence that products used were safe and up to the task and that he had called the meeting to “develop an action strategy to stop these unsafe practices from occurring.”

Around Australia, the issue of non-conforming products used in residential construction caught public attention in August.

The Australian Competition and Consumer Commission recalled around 40,000 electric cables supplied by Infinity Cable Co Pty Ltd after testing.

It was found that poor quality insulation coating meant the cables would degrade prematurely and that the insulation could break and expose live conductors if the cables were disturbed, resulting in possible electric shock or fires.

That was not only incident. In 2012, Grocon was forced to replace around half of the glass used on its 150 Collins Street building after vision panes to the glass were found to exhibit blue streaks in polarised light conditions.

Indeed, in a survey of 222 building industry suppliers conducted earlier this year, the Australian Industry Group found that 92 per cent of respondents indicated the presence of non-conforming products in their sector, with steel, electrical and glass products being particularly affected.

Some industry groups are taking action. The Australian Windows Association, for example, operates a ‘dob-in-a-site’ scheme which enables individuals to report any instances where they believe a builder has installed non-compliant windows or doors on a confidential basis.

The AWA forwards any complaints to authorities where the builder concerned is unable to prove compliance.

At a broader level, the Australian Procurement and Construction Council in September launched a procurement guide to help designers and builders to understand Australian regulatory and product requirements when placing products on the market or specifying or installing these products.

Housing Industry Association building spokesperson Kristin Brookfield welcomed the initiative of the meeting. She said that a lack of coordination and oversight amongst regulatory authorities was contributing to the problem, adding that consumers should never be left in a position of having to decide for themselves whether individual products are adequate and safe. That task, she said, should rest with manufacturers, suppliers and importers.

Brookfield said it was time for all levels of government to work with industry in addressing the problems.

“This is an increasing problem for the whole building industry, and no one wants to see a significant or catastrophic failure occur,” she said. “It’s time that all levels of government worked together to seriously address the issue.”



Andrew Heaton

Editor’s Note: This is not a new problem. It is just finally reaching government and consumers’ attention. If there are to be standards for products, all suppliers, including consumer retailers, must be made to comply with those standards.

Hi-Tech Hand Dryers



Hi-tech hand dryers could facilitate the spread of pathogens in restrooms by sending germs and bacteria flying through the air.

Despite the rising popularity of jet hand dryers in public restrooms due to the widespread perception that they're more hygienic, the devices could in fact be far less sanitary than the traditional paper towel dispenser.

A new study claims that hand dryers of all types – including the latest, hi-tech models that employ heated air jets, actually propagate germs and bacteria at a far greater rate than the humble paper towel.

The study led by Professor Mark Wilcox from the University of Leeds concluded that jet hand dryers spread 27 more bacteria and microbes than paper towels, as well as four times as many as standard hand driers.



The team of researchers tested the volume of microbes spread by the devices by having study participants wear gloves laden with lactobacilli – a form of benign bacteria found in yoghurt.

The participants then dried their hands using the jet air dryer, the standard hand dry or a paper towel, while scientists measured airborne spread of microbes – a critical channel of pathogen transmission in a bathroom environment, given the confined nature of the space and relatively close proximity of occupants.

“Next time you dry your hands in a public toilet using an electric hand dryer, you may be spreading bacteria without knowing it,” said Wilcox. “You may also be splattered with bugs from other people’s hands.

“These findings are important for understanding the ways in which bacteria spread, with the potential to transmit illness and disease.”

While the study has been published in the *Journal of Hospital Infection*, its conclusions should perhaps be taken with a grain of salt, given that funding was provided by the European Tissue Symposium – an industry group that includes paper towel manufacturers amongst its members.

The study also confined its focus to the airborne spread of microbes, and refrained from assessing the actual hygiene of hands after drying.



Gordon Lane

SAFE WORK

The New Return to Work Scheme

The new Return to Work Scheme comes into force on the 1st July 2015. The current scheme described by Attorney General, John Rau as, “buggered!” Will be no more.

As always there will winners and losers and various camps are vocal in their support or criticism of the changes. One thing is certain John Rau was right.

The state cannot afford to demand 2^{1/2} times more than the national average for Workcover premiums and rack up huge unfunded liabilities. A total reconstruction of Workcover had to occur.

It is the Return to Work Scheme Act. For a more detailed review of the changes against the current scheme please go to the WHS section of the Master Plumbers website.

Key changes:

- The focus will be on early intervention to support both workers and employers in
 - Realising the health benefits of work
 - Returning to work
 - Injury recovery and returning to normal daily life
- Customised face to face service involving workers and employers developing plans and implementing them to get a worker back to work
- Service standards that require those involved to return people to work are now built into the Act so there will be much greater accountability
- Eligibility for a claim–
 - Employment must be a significant contributory cause for physical injury, secondary and disease. With face to face intervention this should lead to mobile case specialists liaising with GP's etc to determine more accurately if work was a significant factor
 - Employment must be the significant contributing cause of psychiatric injury
- Income maintenance is capped at two years and reduces from 100% to 80% after 52 weeks
- Medical expenses – reasonable costs/ reasonably incurred and cease no later than 12 months after income support ceases
- Seriously injured workers (more than 30% Whole Person Injury (WPI) do not have return to work obligations. Interestingly seriously injured workers usually are very determined to return to work
- Redemptions (an agreed payout by both parties) are possible with the current limitations removed
- Common Law claims are only possible if the injury is more than 30% WPI. Workers can only choose one option out of Redemptions, Lump Sum Payment or Common Law action.

Workcover has listened to all points of view about the current act and has taken on board that employers in particular had no voice in the current legislation.

The Mobile Case Management Model has a number of aims but one in particular is to make sure the employer is listened to and included in the process.

The vast majority of the 50,891 employers will see a lower average premium rate. There will be a reduction in premiums of \$180m/year across the scheme.

Not everyone will be pleased but it will be a fairer scheme for the majority:

- 376 employers with a poor safety and return to work record will pay more than employers with a good record unless they agree to intervention to improve their risk management
- 46,455 employers will pay lower premiums
- Employers currently receiving very large discounts and employers subsidised by better performing employers will pay more
- Fewer distortions such as secondary injuries and industry capping
- Limited cross subsidisation for employers
- Financial protection against costs of larger claims via capped premiums.

There will undoubtedly be hiccups in the transition to a completely new way of managing Return to Work but what we should see within a year or two is much more realistic premiums, improving the state's competitiveness as a place to do business and a rapid reduction in the Workcover unfunded liabilities.

Forcing employers who pose a high risk and cost to either improve their risk management practices or pay a significant penalty for their reluctance to minimise risk is a positive step in making them more responsible and accountable and not forcing those costs onto the majority.



Maintenance Plumbing

5, 4, 3, 2, 1 Houston We have Lift Off



Above: HWS without cold water relief valve fitted hot water relief valve completely blocked.

A member recently sent this photograph in of a HWS they replaced for a client.

The unit was installed without a cold water relief valve and the hot water relief valve was completely blocked. Brand is irrelevant if it hasn't been installed and serviced by a qualified plumber.

How Do You Deal with a Customer Who Wants it Fixed Cheaply?

At first glance this looks like it is a terrible job but it is probably more a case of the plumber being unable to persuade the customer that it was time for a new cistern.

From the photograph it appears that the vitreous china cistern is quite old. It appears that the plumber has installed new internal components for the customer to save money.

He has used Ferro Pre to seal the back of the cistern and the inlet valve is not designed to be underwater which may cause some issues in time and raises the possibility of a backflow risk.

The bottom line is that in appeasing the customer, all of the rules, professional standards, manufacturers warranties etc are compromised.

Comments from several very experienced plumbers who were shown this photograph were, "If that is the standard we are working to, I'll retire today."

"Sometimes the customer just has to be told they must upgrade."

"Registered plumbers should refuse to do this work because the license is an obligation to carry out plumbing to the standards."



Above: Modified cistern.

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Waste Treatment Systems Design

Some members and the Master Plumbers met with SA Health and local government staff to discuss a problem that appears to mainly be isolated to established properties in the Adelaide Hills, which have difficult terrain, soils, heavy vegetation and are often within catchment areas.

Information from members indicates that there have been a few issues with wastewater system designs submitted by some engineers. Master Plumbers has formulated the following guide to assist members in making the process flow more smoothly and leave everyone happy:

- Recommend 3-4 engineers to your client who will communicate properly with you and your irrigation supplier. Recommending only one engineer leaves you open to being deemed to be contracting all the work, which makes you liable. You also will not be insured unless you have professional indemnity insurance
- Plumbers and engineers are both professionals, you tend to use what you know, particularly if it works. Good communication between parties is essential
- Advise the client that the application and engineers report are best submitted to council together and as such the plumber could do this on their behalf. This will allow you to see the engineers report before submitting to council and hence any concerns you have about the

documentation can be raised with the Environmental Health Officer (EHO) at this time. If you are also the applicant you will receive the approved copy of the engineers design from the council. EHOs cannot approve wastewater systems that do not comply with the regulations and relevant code/standard. They are happy to work with the plumbers and engineers to ensure that the design and associated components are the most appropriate for the intended use to provide the most sustainable system for the client.

Some examples raised at the meeting were:

- A recycled water irrigation system specified to be installed in a horse arena. The horses would have destroyed the sub surface irrigation system within weeks
- A design which had a rainwater pump and irrigation drippers incapable of handling waste water which failed in a matter of a few months.

The bottom line is you need to work with the engineers preparing the wastewater system design as well as working with council's EHOs to get the right result for your customers.

Master Plumbers is interested to hear if any other members are having any difficulties in this area.

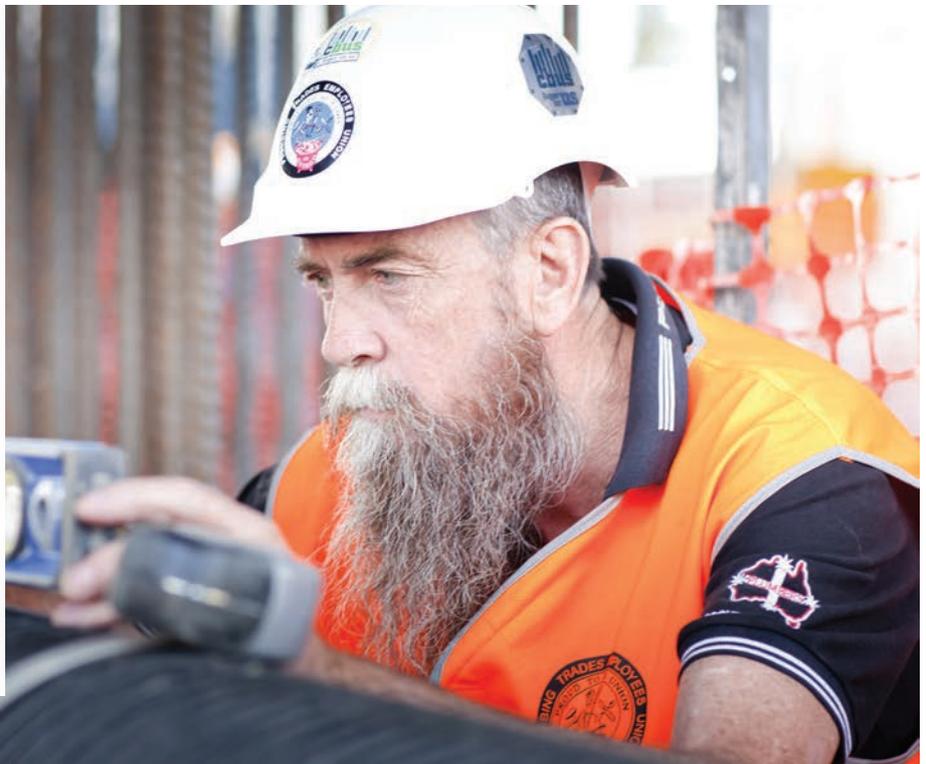
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South Australia Set for Massive Planning Overhaul



More than 2,000 planning zones could be consolidated to only five under a range of proposals as part of an overhaul of South Australia's planning laws which would also establish a state planning commission, remove councillors from planning decisions and enable development applications able to be lodged online.

Unveiling its final report entitled 'Our Ideas for Reform', which includes 27 recommendations for change, the South Australian Government's Expert Panel said the state's planning system generally worked well but there were areas in which it could be improved.

The absence of an overall planning commission, for example, meant there were few statutory levers to ensure decisions of the Minister are effectively implemented and coordinated, while the system of development plans was creating confusion, with considerable levels of local variation among zones of similar types and plans often being repetitive and contradictory.

Central to the reforms is the establishment of a state planning commission which would subsume the roles of a number of existing bodies and provide high level advice to the Minister and cabinet on planning and urban renewal as well as administering the planning system.

The state would also be divided into separate regions, each of which would have its own board which would work with local councils to coordinate planning policies and would prepare regional strategies, approve council rezoning proposals, undertake public hearings and appoint regional development approvals.

Other proposals include:

- Creation of a state-wide suit of planning rules known as the state planning code, which would provide a single repository for planning rules applying to all forms of development and contain a comprehensive menu of zones
- Goals for state and local governments to reduce the number of zones contained within the planning regime

- Consolidation of heritage laws into a single statute administered by a singular statutory body
- Replacement of existing prescriptive requirements for community consultation with a charter for citizen participation
- Establishment of a centralised online portal through which development applications could be processed and which would link to government and council website to create a one-stop-shop for all information and processing regarding planning and development.

Master Builders Association of South Australia chief executive officer John Stokes welcomed the proposals, saying the current system was overly complex and that the proposed changes would unlock the potential for more housing and employment within the state.

"The complexity of today's planning regime is one of the biggest hurdles the sector faces," he said.

"It adds costs to any investment, holds up the creation of jobs, and forces would-be homeowners to wait for longer – or prices them out of the market.

He cautioned, however, that the proposed new commission and regional structure could easily add a new layer of bureaucracy, and suggested that the new planning boards include a construction sector representative.

A Master Builders representative said the changes could mean that as many as 2,000 planning zones were consolidated into as few as five.

State Deputy Premier and Minister for Planning John Rau said the government would consider the report and hoped to introduce proposed legislative changes into the Parliament in the first quarter of 2015.

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Subcontractor Retentions

A decision from the NSW Court of Appeal in December 2014, provides a useful reminder for contractors and subcontractors to pay attention and to be reasonable when negotiating subcontract terms relating to retentions.

Background:

A subcontract term provided that the subcontractor retentions were to be returned/released 24 months after the Date of Final Acceptance (as defined in the Head Contract). Both the trial judge and the NSW Court of Appeal determined that the retentions were not due for release because the date for release had not yet been reached. The subcontract terms should have sent clear warning signs to the subcontractor that they would be waiting a long time for the release of their retentions, and possibly would never get them back.

First Warning Sign – “24 months”

The usual purpose of retention sums is to act as security for correction of any defective work. Any defective work should usually be able to be identified relatively quickly. 12 months is a much more common defects liability period. Anything more than 12 months ought to be considered very carefully.

Second Warning Sign – “after the Date of Final Acceptance”

The more usual time reference for when retention sums are to be returned, is after the date of practical completion. All retentions should be returned by final completion, not after and not 24 months later. Also, “Final Acceptance” is something different from the more common concept of “Final Completion”. “Final Acceptance” suggests that not only do the works have to be totally complete, but a party, presumably the owner, also has to agree that the works are totally complete.

Third Warning Sign - “as defined in the Head Contract”

To properly understand the retention term, the subcontractor would have to obtain a copy of the Head Contract. It would have been preferable to have the definition of the Date of Final Acceptance specifically incorporated into the subcontract.

Consequences of a One-Sided Term

Although the outcome might appear to be a win for the contractor, the way in which the retention term was drafted undoubtedly caused the contractor to incur unnecessary costs and to become involved in an unnecessary dispute. The one-sided term led to a dispute which was ultimately heard by four Supreme Court judges! Although the contractor won the case and the appeal and would be entitled to recover some of their legal costs, they would not recover all of their legal costs. Even though they won, the contractor would still have paid substantial but unrecoverable legal costs and expenses. I think that there is every chance that the legal dispute would have been avoided, and the contractor's margins would have been higher if a more even-handed term as to release of retentions had been used.



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 my profiling

The Hidden Dangers of Electrical Work



We have all heard about the dangers of electricity but what about the hidden dangers faced by electricians in the building industry?

Off-gassing is a serious problem. It occurs after manufacturing, when gasses trapped in a product are slowly released. This becomes problematic when inhaled in a closed environment where air is recirculated, such as a factory, roof space or truck. Electrical wiring and conduits are usually made from vinyl chloride, which off-gasses plasticisers (or phthalates), dioxins and solvents. There is a serious concern that these are harmful to human health.

In addition to the dangers of off-gassing, the inhalation of airborne particulates generated by cutting, sawing and grinding electrical cables or conduits presents a significant health hazard. Furthermore, inhalation of fumes from PVC jointing cement, which contains highly aromatic solvents, has been attributed to respiratory and neurological disorders.

According to the Vinyl Council of Australia, “studies in Australia, the US, UK and the Netherlands have shown that only very small amounts of dioxin can be attributed to VCM (Vinyl Chloride Monomer – the key material from which PVC is made) or PVC (Polyvinyl Chloride) production,” but dioxin is present nonetheless.



Additionally, phthalates are added to make the product flexible. According to the Vinyl Council, “phthalates generally do not have significant effects on the female hormone, oestrogen” but may affect the male hormone.

“There is (also) some concern about some specific human exposures to DEHP (Diethylhexyl Phthalate), a LMW (Low Molecular Weight) phthalate,” the council says.

According to the Environmental Protection Agency (EPA), “Occupational exposure to vinyl chloride may occur in those workers concerned with the production, use, transport, storage, and disposal of the chemical... Testicular damage and decreased male fertility have been reported in rats exposed to low levels for up to 12 months.”

Additionally, the EPA has classified vinyl chloride as a Group A, human carcinogen. A urine or body tissue test can detect levels of vinyl chloride, but the tests are not reliable indicators of total exposure.

It is advisable that those exposed to off-gassing products or particulates from these products, always work in well-ventilated spaces and confine products to airtight containers. The National Electrical and Communications Association (NECA), is a great resource for advice on health and safety in the workplace and is also known to be helpful in lobbying for better conditions and addressing incidents such as illness caused by toxicity exposure in the workplace.

There is a common argument in the industry that product X is not as bad as product Y, so product X should be used instead. This argument is devoid of logic, as we should be looking for the 100 per cent safe product Z. The argument that X is cheaper than Z is also illogical and many of those exposed to asbestos are now regretting placing cost before safety. There are now products in the industry that are proven to be 100 per cent safe and it’s about time we started using them, regardless of cost.

A quick internet search for environmentally friendly electrical conduits brings up an Australian firm that is manufacturing in NSW. Additionally, Apple is no longer using PVC cabling in any of its products. If alternatives are now available why take an unnecessary risk?



Sarah-Jane Sherwood

Editor’s Note: There is no doubt that we need to consider our risks when using a product. No one is suggesting that PVC is another asbestos but it would be prudent to review your work practices. Work on PVC in a well ventilated area, use appropriate PPE to minimise exposure, cap solvents when not in use and practice good housekeeping.

Legal Advice

Changes to Court Rules

Pre-Action Protocols For Construction Disputes In SA

Summary

From 1 January 2015, any person with a construction dispute and who seeks relief from the District or Supreme Court will have to comply with Pre-action Protocols, or face the risk of costs orders or other sanctions.

Court Efficiency Reform

The South Australian Courts are trying to improve the speed and efficiency of the Court process.

Fast Track Stream – commencing October 2014

Any litigant in the Supreme or District Court might be able to resolve the claim in a new Fast Track Stream (FTS).

Simple claims for \$250,000 or less and which are expected to take less than three days trial, will qualify for referral into the FTS. Other claims might be put in the FTS if the court and/or the parties consider it appropriate. The ordinary expectation will be that there will only be two interlocutory hearings before trial.

Also, the rules permit applications to be made without an affidavit. Accordingly, a matter in the FTS is likely to be brought to trial more quickly and cheaply than in the ordinary stream. The FTS is designed to give a fast track trial judge greater flexibility to determine how a trial is conducted.

Judges already have significant flexibility to determine how a trial is conducted, but if a matter is in the FTS, a trial judge will be expected to proactively find ways to conduct the trial more quickly, whilst maintaining fairness. Although the FTS provides a path for a quicker result, the legal costs recoverable in the FTS are likely to be less than the legal costs recoverable in the ordinary stream.

To Fast Track or Not to Fast Track?

Litigants will have to make a decision as to whether they are better off with a faster decision and (assuming they win) recovering less of their legal costs, or a slower decision and (assuming they win) recovering ordinary legal costs.

Construction Disputes are Notoriously Complex and Slow

Constructions disputes have been identified as the sort of disputes which might be handled more efficiently if parties to such disputes were required, before commencing any litigation, to actively consider:

- the issues in dispute;
- how the dispute or issues in dispute might be resolved efficiently; and
- the likely costs of pending litigation,

Do the Pre-Action Protocols Apply to You?

1. The Pre-Action Protocols (PAPS) apply from 1 January 2015.
2. For construction disputes under \$100,000, parties can adopt the PAPS, or can apply the simpler pre-action requirements of the Magistrates Court (give 21 days' notice of pending claim before issuing proceedings).

3. The PAPS apply to anyone intending to file a claim for more than \$100,000, or for anyone intending to file a claim in the District or Supreme Court, but there are several exemptions. For example, the PAPS do not apply if:
 - the claim is in relation to the enforcement of a Security of Payment Determination
 - the construction contract has a requirement which is similar in effect to the PAPS.

Summary of Pre-Action Protocols for Construction Disputes

1. Assuming the PAPS apply, the person intending to make a claim should provide the intended defendant with a comprehensive "Letter of Claim". A Letter of Claim requires specific detail as prescribed in Supplementary Rule 17.
2. A person who receives a Letter of Claim is to respond to the letter within 21 days and should respond with matching detail. The necessary content of a responding letter is prescribed in Supplementary Rule 18.
3. If the letter of response includes notice of any potential counterclaim, then the claimant has 14 days to respond to any notice of intended counterclaim.
4. If the dispute not resolved within 30 days of receipt of last response, then there is to be a compulsory pre-action meeting between the parties.

Comments

The PAPS add at least 30 days to the existing litigation process and cause litigants to incur extra costs; but the hope is that the PAPS will help to resolve the dispute (saving the parties thousands of dollars), or at least reduce the scope of the dispute and make any subsequent litigation more efficient.

The most significant feature of the PAPS are the new requirements to exchange estimates of the estimated cost of the pending litigation and to convene a meeting between the parties. The Courts have made it clear that the PAPS are not to be used as a tactical weapon to try and frustrate a claimant.

It will be at least 12 months before it becomes clear as to whether PAPS are effective, or whether they just add to the time and cost of resolving construction disputes.

For further details contact Nick Anderson at nanderson@oloughlins.com.au

Nick Anderson
Senior Associate

Lynch Meyer

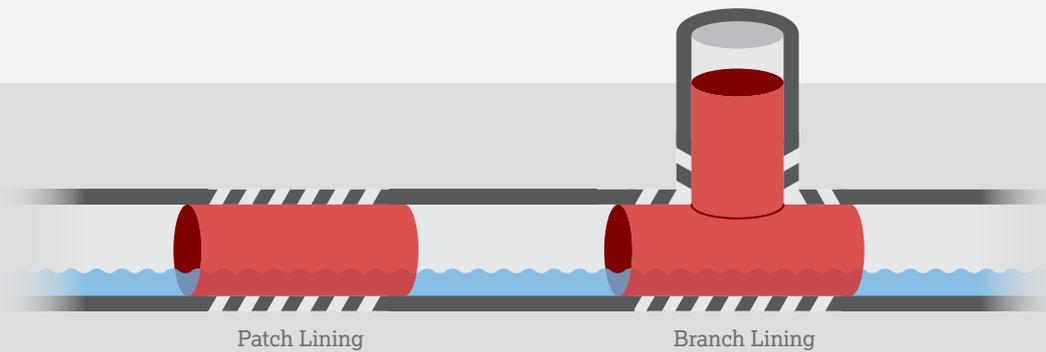
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Legal Advice Cont...

The Law Behind '.com.au' Domain Names

What is a domain name?

Each website has its own unique address. This address takes the form of a number. For example, typing <http://74.125.236.84/> into your browser will direct you to www.google.com. As words are easier to remember than 10 digit numbers, websites instead use a domain name that is linked to the numerical IP address. The domain name is generally the name of the business e.g. www.lynchmeyer.com.au

How to get a domain name

Initially, there was only one body that could register a '.com.au' domain name. Now, there are many providers that can register a domain name for your business. All of them charge some fee for their service.

Before applying for a domain name

Before registering a domain name, it is important to check that your proposed name does not breach any registered trademarks. This is because a trademark is a property right, whereas a domain name does not confer any property right on its holder – it is merely an address to a website. As such, if there is a similarity between a trademark and a domain name, the trademark holder may commence action for trademark infringement. You can search for registered trademarks using an online government register called ATMOSS located at: http://pericles.ipaustralia.gov.au/atmoss/falcon.application_start

Applying for a domain name

To apply for a '.com.au' domain name, applicants must be:

- an Australian registered company; or
- trading under a registered business name in any Australian state or territory; or
- an Australian partnership or sole trader; or
- a foreign company licensed to trade in Australia; or
- an owner of an Australian Registered Trade Mark; or
- an applicant for an Australian Registered Trade Mark ; or
- an association incorporated in any Australian state or territory; or
- an Australian commercial statutory body.

The above criteria do not apply to domain names that do not end in '.com.au' e.g. .com .org .net. Rules for registration vary amongst each of these. A domain name can only contain English-language letters A-Z and the digits 0 - 9. Hyphens (-) can also be used. Domain names cannot start or end in a hyphen or have two hyphens consecutively. Spaces and special characters (such as !, \$, etc.) cannot be used. Domain names are not case sensitive.

Your legal rights as domain name holder

At law, you do not 'own' a domain name. It is not your property. What you obtain when you register a domain name is a licence to use the domain name. The licence only lasts for two years. After those two years you must renew your registration or else your licence will lapse.

The Regulator

A body called '.au Domain Administration Ltd' (AUDA) has been formally endorsed by the Australian Government to oversee and regulate domain names ending in '.com.au'. AUDA handles all complaints and regulates all parties that provide domain name registration services. Further information on AUDA can be found at www.auda.org.au.

Disputes

Disputes do arise. The most common dispute is a breach of trademark. Sometimes a domain name is close to a registered trademark and the owner of the mark wants to stop the use of, or gain the right to use, the offending domain name. To avoid these sorts of disputes, a business intending to register a domain name should always search the trademark register.

Another sort of dispute arises where a business attempts to register a domain name and in the process discovers that their chosen name is already used. The current holder (who sometimes isn't even using the domain name) is more than willing to sell it to the business 'for the right price'. This is called 'cybersquatting'. Given the stringent criteria for registering a '.com.au' domain name (i.e being an Australian company, having an already registered business name), this is less likely for domain names ending in '.com.au'. It is more common in domain names ending in .org or .net or .com.

Fortunately, there is an arbitration system that is available to everybody on earth who has a domain name dispute. Disputes about the right to use a certain domain name can be dealt with and resolved by a decision which is binding on the parties. This Uniform Domain-Name Dispute-Resolution Policy (often referred to as the "UDRP") is administered by The Internet Corporation for Assigned Names and Numbers (ICANN).

Before launching into any dispute about a domain name, you should get advice from a lawyer who understands the law in this area.

How Lynch Meyer Lawyers can help

Lynch Meyer Lawyers has expertise in intellectual property and technology law and we can advise you on any domain name dispute you might get mixed up in! Give us a call on 8223 7600.

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Government of South Australia



Above: Darwin abattoirs

In 2013, Selter Shaw Plumbing was successful in winning the plumbing contract for the Livingstone Abattoir in Darwin, the first Abattoir to be constructed from scratch in Australia in over 20 years.

AACo were the client with Sunbuild winning the head contract for construction.

The project commenced like most others with a fairly standard admin building, housing a commercial kitchen, commercial laundry, offices and ablutions.

The project became very diverse and interesting when work commenced on the processing plant building's, under floors and the extensive sewer main system. This suited their highly diversified plumbing team. The sewer system was split into three sections, black water, red waste and green waste.

As this often happens in the Top End, the major in ground works commenced at the beginning of the wet season throwing up significant challenges for the Selter Shaw crew. Site access at times was nearly impossible and with the water table at about 1m, drain inverts up to 4m deep, their skills at underwater drainage were tested.

The Selter Shaw team came through with some very ingenious strategies to dewater trenches and use the water to their advantage "resulting in one of the best drainage installs ever seen" Damon Mayoh - General Manager Selter Shaw commented.

Livingston Abattoir

On the process floor, a Blucher stainless steel drainage system was used. The system is a rubber ring socketed system that is quite easy to use. Once again the rain proved a challenge, however the quality of works was maintained and never compromised.

Some of the more challenging aspects were the FFL's. In an Abattoir there is so much water being used in different areas resulting in floor falls in all directions. They had to work closely with the concreters to ensure their floor drains were perfect.

Another interesting challenge for the Selter Shaw team, was the site coordination with so many different fit out contractors. Companies from all around the world were engaged to install specific components of the fit out and with Selter Shaw's works, primarily being conducted before any of them arrived in the country.

The communication, documentation and coordination was crucial to a good outcome for the client. Sunbuild did a great job of facilitating the communication and documentation on the project and in the end it all came together well.

Both the red and green waste systems rely on in ground concrete storage / pump out tanks in the system. This part of the job was challenging, logistical and at times down- right scary.

At 3.6m in diameter, up to 6m deep and with pre benched bases weighing up to 13 tonne, the excavation, base preparation, dewatering and installation was difficult, expensive and one of those jobs where if all goes well you can make some money but if one thing goes wrong you will lose thousands of dollars an hour. Safety was paramount throughout the entire process and fortunately the tanks went in without incident.

A part of Selter Shaw's scope of work not usually completed by Selter Shaw was the installation of an inverted box culvert that acted as an in ground piped services corridor between buildings.

The channel had to have specified falls with stormwater pits integrated into the channel. Making corners, tee intersections and marrying in the pits was interesting and again proved to be an outstanding result. This part of the works was a testament to the value of the older more experienced plumbers within Selter Shaw. Their ability to be creative and inventive was key to a good finish on the works and once again demonstrated the advantages of a diverse workforce.

Northern Territory

Pumps were a major part of the installation. Throughout the waste stream pumps are relied on, trash pumps, fan presses, submersibles all dealing with up to 1MI per day. The entire potable and recycled water systems rely on pumps and break tanks to provide the required pressures and flow rates. Thinkwater supplied all the pumps on site and have done a great job supporting the Selter Shaw staff and the project.

Natural gas was another variation to the normal scope of works for the Selter Shaw team. In Darwin, they generally use LPG however this project relied on a high pressure NG pipeline into site that had been installed from the boundary.

A large bore gas cocoon was constructed to feed the CoGen plant. Three boilers requiring a 150mm feed at 240kpa, a 100mm feed to the render building with smaller, more everyday installations on the commercial kitchens and Laundry.

Damon wanted to pass on a big thanks to Keefer Bros in Melbourne for their design and product advice. They learnt a lot on this installation, as it is quite rare in these parts.

“Selter Shaw Plumbing pride themselves on having a diverse range of plumbers with many years’ experience in all aspects of plumbing and gasfitting. They believe in utilising the specific talents of every member

of their team and attribute this to their confidence in taking on difficult projects and producing successful results.”

“Overall it has been a great project to be part of, and Selter Shaw offers big thanks to AACo for investing in the NT cattle industry and providing the opportunity for so many local businesses to get involved”.

Damon Mayoh



Above: Darwin abattoirs



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Financial Advice

What Information Should You Be Getting as a Business Manager/Owner?

Financial information is vital to running any size of business. Larger businesses have the luxury of teams of accounting staff to steer them in the right direction.

Smaller businesses have to rely on themselves and advice from accountants and consultants. Advice from government organisations will focus on statutory requirements e.g. tax and compliance.

A common question from small business owners is “What information should I be getting about my business?” Here is a general list of what most businesses should be getting as a minimum.

1. Profit and Loss Statement

- a. Current Month and Year To Date – with comparison to last year and budget. Particular attention needs to be given to the gross profit figure i.e. sales less direct costs, as this is a vital number impacting net profit i.e. after overheads are deducted. To achieve this cost of goods (direct costs e.g. service labour, products for sale etc.) need to be separated from overheads (indirect costs e.g. rent, admin wages etc.) in your ‘Chart of Accounts’.
- b. Current Month and Year to Date – with percentage of sales column for each.
- c. If a business operates multiple divisions, branches or sells various types of products/services, it’s vital to know which of them are profitable. Your ‘Chart of Accounts’ needs to be set up to achieve this or you may need to use separate software from your general accounting system.
- d. Sales Analysis – i.e. who is buying what, so that you can use the information to improve future sales.

2. Balance Sheet

Year to Date with comparison to last year. Balances for receivables, payables, stock, work in progress etc. should be reconciled to separate reports/ledgers to ensure they match and investigate if not. Also items such as PAYG and GST should be reconciled monthly to ensure figures are accurate and transactions being handled correctly.

1. **Accounts Receivable Balances (also referred to as Debtors List)** – shows what customers owe you and for how long. You want to minimise those outside agreed trading terms.
2. **Accounts Payable Balances (also referred to as Creditors List)** – shows what you owe to suppliers and for how long. You want to maximise time taken to pay without damaging supplier relationships i.e. negotiate longest terms possible.

3. **Stock/Inventory Report** – showing stock on hand at end of each month. Also report on slow moving or obsolete stock, so you can decide what to do with it.
4. **Work in Progress** - showing how much work is in progress, but not yet invoiced to customers. Objective being to minimize WIP and get jobs invoiced ASAP to speed up cash flow.
5. **Job Management Reports**
 - a. Job profitability.
 - b. Comparison of budget/quote versus actual results.
 - c. Labour productivity report – showing what percentage of time was billable. Objective being to maximise billable time to increase sales.
6. **GST Report showing either accrual or cash basis** – depending on which one your business reports. The amount due or refund should be factored into your cash flow forecast mentioned below.

The above are fairly general minimum reporting. Here are some more that will give you greater insight into your financial results and how you can impact them.

1. **KPIs (Key Performance Indicators)** – around five or six numbers you need to know are trending right to produce your desired results i.e. profitability. Examples of monthly KPIs might be:
 - a. Number of customer enquiries.
 - b. Number of quotes produced.
 - c. Sales conversion rate.
 - d. Number of items produced.
 - e. Number of billable hours worked.
2. **Cash Flow Forecast** – showing what will be your monthly cash balance for the future (say three, six or twelve months – depending on how tight cash is).
3. Staff leave entitlements to ensure you don’t get hit with a big surprise to be paid out when you can least afford it.
4. Superannuation report to ensure payments are up to date, as business owners can be held personally liable for non-payment.
5. **Break-even analysis** – helps you to know what sales you need to achieve and set targets accordingly.

6. **Sensitivity Analysis** – ‘What If Scenarios’ – showing ‘What would be the impact on profit and cashflow if sales increased or decreased by a given percentage’. Remembering that increased sales can cause cash flow squeeze too.
7. **Rolling Forecast** – if you’ve set a budget this allows you to see the Year To Date results plus the budget for the balance of the year and what will be your results for the whole year if budget is achieved.
8. **Ratio Analysis** - Ratios are a useful way of measuring the relationship between two numbers.

Example = Current Ratio calculated as follows:

- Current assets (e.g. bank, accounts receivable, stock) divided by current liabilities (e.g. overdraft, accounts payable)
- 1,000,000 divided by \$10,000,000 is .1
- The current ratio for this business is .1

The easiest way to explain ratios is as follows: For every dollar of bottom we have \$x of top.

This means for every dollar of current liabilities we have 10 cents of current assets to pay for it.

When you consider that banks look for a current ratio of at least 2, a business with a current ratio of .1 would really struggle to get funding.



Sue Hirst

Editor’s Note: The Master Plumbers BusinessMate System now integrates with Xero Accounting. Combining these tools will enable you to easily extract various data, including financial, to bring a level of understanding and control undreamed of for small businesses until recently



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Financial Advice cont...

Your 'Critical Success Factors' are your 'Key Performance Indicators'

The best way to improve profit is to know what are your 'Critical Success Factors' (CSFs). These are the key things that go on in your business, that without them the business can't really operate or severely slows down. For example, if you run a service based business, they are the people who provide the service.

You need to ask yourself "What difference would it make to the following if these CSFs were compromised?"

1. Shareholders
2. Customers
3. Staff
4. Service development

If service staff is a CSF what aspect of what they do is important?

1. Chargeable time
2. Quality of work
3. Downtime
4. Staff competency
5. Customer complaints/satisfaction

Let's consider how we could measure the effectiveness of the five CSFs above.

1. Service staff chargeable time can be measured by having them fill in timesheets or use an app to report on time spent on jobs.
2. Quality of work can be measured by
 - a. On time completion of jobs
 - b. Number of defects
 - c. Service met with customer requirements.
3. Downtime can be measured by getting service staff to fill in timesheets for time not spent on chargeable work e.g. admin, travel, other.
4. Service staff competency can be measured by number of hours spent on training.
5. Customer complaints/satisfaction can be measured by a survey or simple follow up call to a customer to gauge their level of satisfaction with the job.

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Financial Advice cont...

Your 'Critical Success Factors' are your 'Key Performance Indicators'

These measurements are sounding like Key Performance Indicators (KPIs) aren't they? In fact they are what is commonly known as 'Leading KPIs' i.e. those that don't measure results, but 'drive' results. 'Lagging' KPIs are those that 'measure' results e.g. job profit, overall business profit, bank balance, outstanding customer payments etc.

If these CSFs can be measured with KPIs, the next question is how do we measure them? We could employ someone to run around and ask lots of questions or gather information from spreadsheets or manual documents.

This isn't a very efficient way of going about it, if we can replace their time with a system to do the work. The answer is a 'Business Performance Management' system or ERP system, as they are known! The value of such a system is that you enter information into it once and it can be extracted in many ways and appear in many reports.

For example you get service staff to enter time spent on various activities into the system and you can get the following information:

- Number of chargeable hours
- Number of hours spent fixing defects
- Actual labour hours versus budget for each job
- Lost time injury hours
- Number of meeting hours
- Number of training hours
- Number of travel hours
- Number of admin hours.

By measuring these activities you get a real insight into how much time is being spent on non-chargeable items by all service staff. This might give you information that convinces you to invest in:

- Training to minimise defects
- Processes and training to minimize injuries i.e. WHS
- Better planning and management of meetings
- Better planning and management of travel or job scheduling
- Employing someone else to do admin work or ways to minimise it for service staff.

You can quantify the potential benefit by multiplying the charge out rate of each service staff person by the number of hours saved on non-chargeable activities. For example, if you employ 10 service staff and you could save say 5 hours a week and they get charged out at an average of \$100 per hour. That could be an extra \$5,000 in potential sales per week or say \$240,000 per annum (based on 48 weeks per annum)!

And that's just the service delivery side of things! A good 'Business Performance Management' system also enables you to measure

marketing and sales e.g. number of marketing leads from particular sources or quotes done versus jobs won.

It enables you to efficiently send out regular marketing messages to clients and prospects. Some other KPIs able to be measured could be

- Number of jobs missing deadline
- % jobs completed on time
- % jobs with defects
- Cost of jobs running over budget
- Cost of jobs running past benchmark gross profit %.

When you start to get this type of intelligence, the next step is to implement projects to improve them. Once you've done this, you reap the rewards for the future i.e. once you've trained someone to do something better they keep doing it that way and can teach others to do the same. So the benefit is exponential! The key to reaping the benefits, is to select the right system, implement the right KPIs, get staff on board, properly use the reports that come out and manage improvement projects – it's all in the implementation!



Sue Hirst

Performance Management isn't just for big companies

Small business owners have to be across so much knowledge – marketing, finance, work health and safety, tax law, corporate law, human resources, industrial relations, local regulations and much more! One of our members had a performance management issue with a senior member of staff and they offered to share some of their learnings.

1. Record every conversation in relation to staff performance. It may be a counselling note or record of meeting. When there is an ongoing issue these records are really helpful in performance management and can be used to assist in terminations by providing evidence of ongoing issues.
2. If you are considering dismissing an employee and have less than 15 staff, use the Fair Work Australia 'Small Business Fair Dismissal Code Checklist'. This will help guide you through the process and ensure you are compliant with the law.
3. If the matter is complicated, seek some legal assistance in drafting correspondence. This can save a business owner copious amounts of time and stress. A legal expert can assist with the correct termination package.
4. Don't avoid performance management with your staff! It costs time and money and can have a very negative impact on small teams.

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FEATURES

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FEATURES

- POWERSTATE™ Brushless Motor supplies constant power for faster cuts and reduced heat for extended life
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Master Plumbers Group Training



Above: Steve Prisk, Field Officer and Greg Lyng, new Group Training Manager

In this edition, we would like to introduce our new Group Training Manager, Greg Lyng.

Greg has an extensive background in the industry having previously worked in management for Plumbing World (Operations Manager), Northern's (Area Business Manager, Building) & Reece (Branch Manager).

While Greg's primary role will be to oversee the Master Plumber's Group Training Program, he will also have valuable input into membership, marketing and a variety of initiatives that will be introduced throughout the year.

Greg's focus for the Group Training Program will be to continue to provide high quality candidates to the industry and subsequently to existing and prospective hosts.

In line with the MPA's charter, he will also be endeavouring to enhance the relationships between the industry bodies, training providers and hosts to ensure highly skilled quality and professional tradespeople with relevant and meaningful qualifications are constantly supplied to our industry.

Greg's belief is that our industry needs to be increasingly interactive and therefore welcomes any input, suggestions, feedback and constructive criticism that will assist our industry to progress and continue to project a professional image.

Greg's position is supported by a highly skilled professional team including Executive Officer - Andrew Clarke, Marketing & Membership Manager - Paul Worthington, Training Officer - Rob Kavanagh, Training Coordinator - Crystal Balazs, Field Officers - Marilyn Sheffield & Steven Prisk, Administration Manager - Deidre Boyd and Administration Officers - Frances McCaffer & Madison Ashby.

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Apprentices



Chanel Angrave

Year level: 1st year apprentice

Start Date: 15/10/14

Host: Hindmarsh Plumbing Service

Q1. What have you done prior to starting with Master Plumbers Group Training?

Year 11 VET Plumbing course through my high school and TAFE Elizabeth. It was a Cert 2 in Roofing Plumbing and Metal Cladding.

Q2. Why did you choose Plumbing as your preferred trade?

I enjoy hands on type tasks and moving to different work sites in my job. I couldn't see myself working in an office or factory doing the same thing day in day out.

Q3. How did you receive your apprenticeship?

My apprentice broker at school, Chris Houlty, spoke to Marilyn Sheffield from the Master Plumbers GTS and Oakley Abela (HR Co-ordinator) at Hindmarsh Plumbing. They arranged work experience as part of my course and everyone was happy to take me on as a school based apprentice. I undertook testing and had an interview with Master Plumbers GTS and demonstrated to the staff at Hindmarsh Plumbing that I could do the job.

Q4. What do you intend to do once you complete your apprenticeship?

I want to remain working at Hindmarsh Plumbing and continue to learn as much as possible. I'd also like to do my Certificate 4 in Plumbing as I've been advised it gives you greater knowledge which will help me in my career at Hindmarsh Plumbing.

Q5. What do you do after work hours?

I mainly workout at the gym and practice my boxing.

Q6. What are your goals for the coming year?

To complete year 12, gain my SACE as well as do really well at trade school and excel on the job. I'd also like to win my first fight in the boxing ring in the next couple of months.

Q7. Anything you've created, gained or learnt you'd like to share?

Last year I completed my research project at school which was to design and construct a functioning outdoor shower. I built the framework, installed the pipework and shower head and tested to make sure it worked. It is still being used at home and I'm very proud of it.



Brittany DeKuyper

Year level: 1st year apprentice

Start Date: 12/01/15

Host: Hindmarsh Plumbing Construction

Q1. What have you done prior to starting with the Master Plumbers Group Training?

Worked in Traffic Management and Bartending. Completed dual certificate 2 in Roof Plumbing and Metal Cladding.

Q2. Why did you choose Plumbing as your preferred trade?

I gained an idea about plumbing through work experience at Gas Appliance Plus. There are many different types of plumbing, so you learn different things all the time. You also change workplaces as jobs are completed, so there is always variety in the workplace.

Q3. How did you get your apprenticeship?

As part of my course, I did 4 weeks work experience with Hindmarsh Plumbing. This was arranged after testing and interviewing with Marilyn Sheffield, my Field Officer and an interview with Oakley Abela at Hindmarsh. I also worked hard and tried to fit in whilst doing work experience.

Q4. What do you intend to do once you've completed your apprenticeship?

I'd like to continue working with Hindmarsh Plumbing and take on a leadership role. To take on a leadership role, I will need to complete my Master Plumbers (Certificate 4 in Plumbing) as well as learn on the job from others.

Q5. What do you do after work hours?

I love going to the gym, doing body building and footy, just normal stuff really.

Q6. What are your goals for the coming year?

To keep gaining knowledge and understanding in my job and getting along with workmates on site.

Q7. Anything you've created, gained or learnt you'd like to share?

I've been able to fix mum's washing machine and a garden tap that was run over (not by me!).

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Member Benefits

The Master Plumbers Association has a phone plan deal with Telstra, exclusively through Wireless Communications. The deal is a Business Phone Plan so does not allow individuals to add options like Foxtel because they are consumer products.

We are informed by Telstra that no other association has access to Tier 6 pricing and that this deal is normally only available to companies with more than 150 mobiles. There is no doubt that if you have a only one or two phones on a capped consumer plan, that you may be better off on a consumer plan but if you are a business with more than one or two phones you are likely to be better off on the Master Plumbers phone plan.

There are two tables below that enable you to compare Tier 6 pricing through the Master Plumbers and Wireless Communications and the Telstra consumer plan.

It's only by comparing apples with apples that you can actually make an informed decision about Telstra. To compare phone deals with other carriers is not easy.

They all use different ways of offering their plans and unfortunately you need to be in the telecommunications industry to be able to decipher and compare all of these plans.

Master Plumbers supports the Wireless Communications/ Telstra offer because 75% of our members are with Telstra because of their network coverage. Plumbers business is dependent on reliable service and coverage.

Additional Benefits to Master Plumber Members

Features, Advantages & Benefits

- Shareable call and data allowances - Increase cost certainty and save on excess usage charges by sharing your unused monthly call and data allowances between eligible mobile services on the same MICA account in Australia
- Data allowance can be shared between services
- Call allowance can be shared between services
- Free intra-account calling - free voice, video calls and SMS within Australia between services on the same account
- More services, more value - The more Business Fleet Connect services you have on the same account, the lower your call rates
- More included value - receive unlimited SMS and MessageBank
- Per second billing format

These features are not seen on the Telstra cap plan.

Call Rate per 30 seconds (charged by second)	\$35/MTH (Base Call Rate)	\$45 / MTH	\$75/ MTH	\$95/ MTH
Call Rate Discount (off the Base Call Rate)	N/A	10%	20%	30%
Tier 1 / 1-10 Staff Mobiles	36c	32.4c	28.8c	25.2c
Tier 2 / 11-19 Staff Mobiles	32c	28.8c	25.6c	22.4c
Tier 3 / 20-39 Staff Mobiles	28c	25.2c	22.4c	19.6c
Tier 4 / 40-79 Staff Mobiles	24c	21.6c	19.2c	16.8c
Tier 5 / 80-149 Staff Mobiles	20c	18c	16c	14c
Tier 6 / 150+ Staff Mobiles	16c	14.4c	12.8c	11.2c

Pricing

24-month contract terms	\$35/MTH	\$45/MTH	\$75/MTH	\$95/MTH	\$120/MTH	\$140/MTH
Call allowance	\$20	\$45	\$75	\$95	Unlimited	Unlimited
Data allowance (sharable between eligible services)	50MB	200MB	1GB	1.5GB	2GB	4GB
Excess Data charges			\$0.10/MB			
Call Sharing	Yes	Yes	Yes	Yes	N/A	N/A
Data Sharing (between BFC, BMA and TMB Share Plans)	Yes	Yes	Yes	Yes	Yes	Yes
Data Share SIM (Optional)		Not Available			\$10/MTH	\$10/MTH
SMS	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
MessageBank	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
MessageBank Plus	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
MMS	50c	50c	50c	50c	Unlimited	Unlimited
IDD Allowance	Nil	Nil	Nil	Nil	Nil	\$50
Member Credit when you sign up for 24 months	\$3/MTH	\$5/MTH	\$10/MTH	\$15/MTH	\$15/MTH	\$20/MTH
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SAFE WORK

Safety in the workplace has been in the spotlight recently and sadly, all for the wrong reasons.



Businesses are responsible for ensuring they have enough first aid-trained staff.

In recent months, three local businesses have been fined a combined total of \$85,000 for being found lacking in areas including unsafe machines and not taking reasonable care to protect their workers, after a number suffered injuries. These incidents are sad and sobering reminders about the consequences of accidents and injuries in workplaces. Consequences which can be devastating and far-reaching, not only for the people injured, but their families, employers,

business owners and fellow employees. There's no question that it's both understood and widely accepted that businesses have a responsibility to ensure the general safety of their staff, customers and the general public on their premises. How can they do this effectively if they don't comply with their legal obligations, or even more alarmingly, aren't actually aware of what those legal obligations are?

Incidents and injuries can happen in an instant, anywhere and anytime. It's critical for employers to be prepared to save a life and empower their staff with the confidence that they can to do so as well. There are new requirements for first aid in the workplace, after South Australia adopted nationally harmonised work health and safety laws almost two years ago (the First Aid Workplace Code of Practice).

This new code has changed the first aid responsibilities of Australian businesses and is an approved code under the Work Health and Safety Act 2012 (SA). Alarmingly, in South Australia, a large number of organisations simply aren't aware of this change, and therefore their legal obligations when it comes to first aid. This now leaves a situation where not only people's safety is at risk, but organisations are at risk of prosecution should an accident occur.

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SAFE WORK

Safety in the workplace has been in the spotlight recently and sadly, all for the wrong reasons cont...

This situation clearly has to change. Workplace safety starts with being prepared and this comes down to the basics. Being able to provide medical care and respond to an accident or emergency situation can, at the most save a life, and at the very least prevent or reduce injuries. According to Safe Work SA, around 20,000 South Australians were injured at work in the 12 months to July 2014.

Also, many work-related injuries required significant treatment and rehabilitation with traumatic joint, ligament, muscle and tendon injuries common, likewise musculoskeletal and connective tissue diseases, wounds, lacerations and amputations. In order to afford every worker the protection they deserve, we're calling on all employers to step up to the issue, find out what they need to know and make sure they comply with having a first aid ready workplace.

There's no doubt Safe Work SA does a great job spreading the word about workplace safety in the community, but it's also every employer's responsibility to prioritise getting it right. Incidents and injuries can happen in an instant, anywhere and anytime.

It's critical for employers to be prepared to save a life and empower their staff with the confidence that they can do so as well. It's not just a matter of buying a first aid kit and assuming staff will know what to do – it's about making sure there are enough first aid-trained staff in all workplaces, as well as having appropriate resources including kits, drills and effective procedures in place.

The first aid requirements of any given business or organisation will vary depending on a number of factors such as types of hazards, size and location. Under the Code, workplaces are now expected to undertake a risk assessment to identify their equipment, procedures and number of trained people. For example, one of the core areas under the First Aid Workplace Code of Practice that must be addressed in all workplace settings is the presence of first aiders

on staff. These are people who have successfully completed a nationally accredited training course, or equivalent, and who are confident and competent to administer first aid.

They also need to undertake annual refresher courses in CPR and renew their qualifications every three years. In low-risk workplaces, one first aider is recommended for every 50 workers. For high risk workplaces, it is one to every 25 staff.

For workplaces shared with other businesses, or for tenants in a large building such as a shopping centre, instead of training your own workers you may be able to consult with other business operators and management to ensure that your workers have access to a shared pool of first aiders.

Other things to consider are resources and equipment including fully stocked first aid kits, the right type of kit, clear first aid signage, procedures and drills training covering first aid protocols for all staff about what to do in an emergency.

The First Aid Workplace Code of Practice provides useful information and guidance on how to be compliant. We also encourage businesses to talk directly to a first aid training provider for advice.

The most important first step is a risk assessment that factors in the unique needs of your workplace, a service that St John Ambulance SA provides for many of its industry partners. Prevention avoids incidents, injuries and ultimately prosecution. Safety at work is not a benefit, it's an unquestionable right – and being first aid ready is the cornerstone of a safe workplace.

Sharyn Mitten

Chief Executive Officer of St John Ambulance South Australia.

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SAFE WORK

Contractor Management - striking the right balance when managing work health and safety



For many organisations, working with contractors and subcontractors is part and parcel of daily life. More and more organisations are seeking the services of specialist contractors to assist them with large-scale projects or simply day-to-day maintenance tasks. This can make life easier for everyone in many respects, but it can also create a number of issues when it comes to managing work health and safety.

What does the law say about contractors?

For certain construction work over \$250,000, the model work health and safety regulations (WHS regulations) impose specific work health and safety obligations on principal contractors. However, these obligations don't mean that those who engage principal or regular contractors are off the hook when it comes to ensuring health and safety.

Work health and safety legislation across Australia imposes an obligation on organisations to ensure the health and safety of their contractors and sub-contractors, where it is reasonably practicable to do so. These qualifying words "reasonably practicable" are very important. In a number of recent cases, the courts have stated that it is reasonably practicable for organisations to rely on the expertise of their contractors to maintain a safe work environment.

In *Baidia Polutry v The Queen* Justice Heydon stated:

"In some circumstances, the employment of independent contractors may be the only reasonably practicable way of ensuring and maintaining a safe working environment... Very often those who engage independent contractors know much less about safety than the independent contractors do."

Where there are multiple parties working on the same site, the various roles of each party need to be determined right at the beginning. If this doesn't happen, then generally when an incident occurs, the parties will start arguing about who was supposed to do what. Unfortunately, by this stage it's too late to only start dealing with roles and responsibilities! Further, regulators will rarely prosecute just one party at a site. Instead the regulator will look to see who are duty holders under the legislation, what the duty was and what reasonably practicable steps those duty holders could have taken to prevent the risk arising.

Another common mistake by organisations is engaging a contractor and then leaving them to their own devices – effectively delegating all safety responsibility. States that operate under the harmonised model work health and safety legislation (WHS Act) are now specifically prohibited from transferring all safety responsibilities. Section 272 renders any such attempt as void. No matter how cleverly worded a contract may be, any clause within a contract that attempts to:

- exclude, limit or modify the operation of the WHS Act
- exclude, limit or modify any duty owed under the WHS Act, or
- transfer to another person/entity any work health and safety duty owed under the WHS Act, will be deemed void and therefore unenforceable.

Organisations should be clear about what they want their contractors to do, and contractors should be asked how they will do the task safely.

What should you be doing?

When looking to engage a contractor, the lowest price should not be your primary consideration. What you should be looking for in a contractor is:

- what experience and competency they have in undertaking the task you are getting them to perform
- whether they have any convictions under safety legislation
- evidence of their safety management system, including what process and documentation they will use to assess, eliminate and minimise risks, and
- what level of supervision they will provide for their workers at the site.

It may be that the cheapest contractor has the best safety record and evidence of an excellent safety management system. If they don't and you select a contractor based purely on price, it will be difficult to argue that you took all "reasonably practicable" steps to ensure a safe work environment when engaging the contractor. Once a contractor comes on board, the WHS Act requires that you consult with that contractor about the specific health and safety issues listed in the WHS Act. In particular, you need to work with them to identify and minimise risks. Many organisations make the mistake of engaging a contractor and then not keeping lines of communication open.

However, it's important that the right balance is struck. For example, if your organisation engages a contractor and is overly prescriptive about what you want your contractor to do and more importantly, exactly how to do it, you run the risk of inheriting liability for a task through your actions. Organisations should be clear about what they want their contractors to do, and contractors should be asked how they will do the task safely. It's then your job to monitor and communicate with your contractor to ensure they are doing what they said they would.

By Carlie Holt

Jail Time Awaits Dodgy Construction Contractors



Building and construction contractors who repeatedly perform work for which they are not licensed or do not have the required insurance could now face jail under new laws in New South Wales which aim to beef up consumer protection and reduce the compliance burden on the building sector – albeit with financial penalties for unlicensed building work having been cut in half.

Under the Home Building Amendment Act 2014 which came into force on January 15, builders within the state who are convicted of performing unlicensed building work for which they do not have home warranty insurance will be subject a non-mandatory sentence of up to twelve months in prison.

The maximum financial penalty for this type of behaviour has been cut from \$110,000 per offence for individuals and \$220,000 for companies to only \$55,000.

Meanwhile, licensing laws have been tightened to allow Fair Trading NSW to take into account any actions or behaviour of those who have previously been involved in corporate liquidations (i.e. company directors and associates) for up to three years prior to the liquidation when assessing licensing applications.

The government believes this will help reduce the instances of ‘phoenixing’ – company owners and directors avoiding liabilities by stripping assets from companies and opening up and operating new business entities leaving liabilities such as unpaid taxes and superannuation stuck in the old companies with no assets from which to pay them – as it will make it more difficult for those involved in such conduct to obtain a license to operate under the new legal entity.

The laws will also:

- raise the threshold for building and general trade work for which a licence is required from \$1,000 to \$5,000, consistent with other states
- eliminate the need for a licence to complete stand-alone contract work for internal paintwork or work on tennis courts, ponds and water features
- clarify the definition of major defects and

- raise the threshold for detailed contract requirements from \$5,000 to \$20,000 (for contracts between \$5,000 and \$20,000, contracts will be required but less detail will be necessary).

Around Australia, and including New South Wales, the problem of unregistered builders has been a considerable headache for authorities, consumers and the construction sector.

Problems ranged from outright scam activity (such as tradespeople taking upfront deposits and disappearing without completing any work), the performance of incomplete or shoddy work, or the performance of work by contractors or tradespeople who simply do not have the skills and experience required to perform the work properly and safely.

One such case in Hunter’s Hill, for example, an elderly victim paid a large upfront cash sum to a group of travelling comen offering to do gutter cleaning and restoration work. An inspection by a neighbour after the men had left revealing that little work had been done and that the men had left a mess behind them.

In a more extreme case, unlicensed building, fencing and landscaping contractor Matthew Rixon was fined convicted of contempt of court and given an 18 month suspended sentence last September, after breaching orders issued in 2013 to discontinue trading on more than 24 occasions after earlier being found guilty of no fewer than 29 breaches of the Home Building Act 1989 for conduct involving accepting large upfront deposits and leaving work either unfinished or completed to a very poor standard.

Despite the reduced financial penalties for unlicensed work, the government says harsh financial penalties (maximums of which are rarely imposed) have not proved a significant deterrent to unlicensed builders in the past, and that prison time would be more effective.

Commenting on the overall reforms, State Fair Trading Minister Matthew Cox said the new laws were about modernising the system and bringing New South Wales into line with other states.

“At its core, these new home building laws are about ensuring NSW consumers are appropriately protected without creating unnecessary red tape and regulation that will stifle industry growth and investment,” Cox said. The new laws came into effect on January 2015.



Andrew Heaton

Editor’s Note: We have asked Consumer and Business Services to look at this legislation with a view to similar legislation being introduced into South Australia.

Business Advice

5 Top Tips For Tendering For Success

Do

- Make your Bid/No Bid decision quickly
- Perform a Win/Loss Review after each tender
- Answer every single part of each question

Don't

- Submit your tender late
- Miss a chance to demonstrate the value you add
- Flesh your answers out with waffle or jargon

Tendering is a real double-edged sword for business: get it right and it's a fantastic way to access lucrative jobs that exponentially increase your bottom line.

Get it wrong and it's a black hole of 'busy-ness' that will see you pouring valuable time and resources into 'opportunities' that are anything but profitable. We've spent 20 years finely honing the tendering process – and here are our top 5 tips to keep you on the cutting edge when it comes to tendering:

Tip #1: Target the right opportunities

Where do you start? Let your fingers do the walking: get onto Google & search 'location/industry/tender'. Once you've shortlisted some opportunities, the next step is to make a 'Bid/No Bid' decision based on your likelihood of winning the tender.

Ask yourself whether you provide what the client wants? Is it your core business? Can you demonstrate that you have done it before and show results? If you can answer 'yes' to all these questions, chances are this is a good tender to go for.

Tip #2: Give the client what they want

It's easy to get caught in the trap of telling the client how you can give them everything you think they need and forgetting to give them what they want. Review each part of the tender document carefully and make note of what the client wants – these are the key points you need to target in your response.

Once you've given them everything they want and established trust in the tender, you'll be able to add extra value by advising them on what you know they need during negotiations, which will establish you as a trusted adviser rather than just a supplier.

Tip #3: Clarity is key

Successful tenders provide clarity to the client and should clearly articulate the problems you can solve for them and the benefits you can add to them.

You could have the best product/service, however, if your tender doesn't demonstrate the value your company provides, you are unlikely to ever have the chance to prove it.

Briefing sessions are a potential gold mine of information – both about the client and your competition – and give you the opportunity to gain clarity on many key points.

Tip #4: Lead with least cost compliant

Your prospect may have a limited budget to use for your product/service. Even though you know what they really need. The advice I've given to many companies has been to lead with the least cost compliant proposal. Then within the answers and the pricing you can recommend added value or options – at an additional charge. Think the classic McDonalds upsell: 'Would you like fries with that?'

Tip #5: Standing out from the crowd

Chances are you and your competition offer essentially the same products/services. There is more to responding to tenders than just answering the questions. How you position yourself, how well you articulate what makes you stand out from the rest and how easy it is for your client to do business with you all make an enormous difference to your likelihood of success.

Remember, people like to do business with people like them – communicate in a way that your client feels comfortable and you're far more likely to end up on the 'yes' pile.

Done properly, tendering can be a fantastic opportunity for growth and positioning your company as industry experts in your field. These tips are a great place to get started, but tendering effectively is without doubt a learnt skill – and definitely something you should invest in expert guidance - if you want to increase your chances of success.

One final point – Never assume that the person deciding on who will win a tender – knows anything about your company. Even if you're currently providing the products/service to the company. Every tender response should assume that they don't know you.

Chris Dennis

CEO Win Win Tendering
chrisdennis@winwintendering.com

Chris Dennis is a tendering expert with over 20 years experience & CEO of Win Win Tendering. Born from her passion for giving smaller companies the chance to compete with the 'big end of town', her 'Tendering for Success' program is a systematic guide to getting tendering right, comprising 'how to' videos, group Q&A sessions, one-on-one mentoring and a comprehensive tender review.

Chris will be conducting a Win Win Tendering Workshop for the Master Plumbers in June. Please see details in the Member Training section. Only 12 places are available.



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- Gain an understanding of bid/no bid decisions
- Understand what happens after you submit your tender
- Learn how to increase your winning ratio
- Know when to present your capability document

WHO SHOULD ATTEND

- Business owners looking to produce a successful tender
- Companies seeking advice on responding to tenders successfully
- Companies wanting to increase their probability of reaching the negotiation table

About Chris Dennis

Our presenter, Chris Dennis is a tendering expert with over 20 years tendering experience & CEO of Win Win Tendering.

Born from her passion for giving smaller companies the chance to compete with the 'big end of town', her 'Tendering for Success' program is a systematic guide to getting tendering right, comprising 'how to' videos, group Q&A sessions, one-on-one mentoring and a comprehensive tender review.

THE WORKSHOP

Date: Thursday 4th June 2015 8.30am - 4.30pm

Venue: Education Development Centre
4 Milner Street, Hindmarsh SA

Course Fees

MPA Members: \$395 per person

Non Members: \$500 per person

*Payment is required upfront. Refunds are not applicable, unless course is cancelled due to insufficient numbers.

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Business Advice cont...

Plumbers are Usually Price Takers

Working with Ian Novak in delivering business mentoring options for members, we have had some very interesting conversations based on the knowledge we have been able to exchange. Ian has now done quite a bit of work with members and has developed a good understanding of the economics and practical challenges plumbers face in running a profitable business. Plumbing can be broken down into a number of overlapping categories:

1. Price Takers – This is where the plumber or business has to accept the price the client is prepared to pay.
2. Price Givers – This is where the plumber or business can determine his costs and the profit he wishes to make and the customer either does or does not accept the price.

In an ideal world for business, all businesses should be price givers. The reality is always very different from the real world. One of the other overlapping categories is the type of work that you do.

Plumbers can basically be broken down into four categories:

1. Commercial construction
2. Residential construction
3. Commercial maintenance
4. Residential maintenance

One of the barriers preventing plumbers from being price givers is the very make up of the industry. Over 90% of all plumbing businesses are small employers, usually less than ten employees. One of the reasons for this is that the set up costs when compared to many other businesses are relatively low, resulting in a high level of new entrants each year and a relatively high failure rate. The outcome is a highly fragmented industry with a large number of businesses competing aggressively in various segments.

Commercial construction plumbers are in most instances tendering and bidding for work. Commercial construction is highly competitive and in most instances price is the determinant in selecting the successful bidder. In the current climate many tenders have been bought, in that the bidder has made a price offer, at or below cost. We have already seen the consequences of this with several construction and plumbing businesses failing. This is an over simplification because other factors are usually involved but losing or not making money on tenders can only be absorbed for a short period of time.

The second group of plumbers who are price takers are residential plumbers. Similarly to commercial plumbers they are dictated to, by the builder, either through acceptance of their quote or more often by the builder calculating a fixed price for work and giving the tradie the choice of take it or leave it. This leaves the maintenance or small works plumbers and here, there is the opportunity to set your price and stick to it. The limitation is the level of competition and how prepared they are to cut their price to gain what they see as a competitive edge. There are no black and white answers. If everybody declined to do any work for builders there would be a lot of unemployed plumbers. Maintenance and small works plumbing, within limits, has the greatest scope to be price givers.

What does this all mean?

Plumbing is in a highly competitive market. Good profit can be achieved if you have a number of things in place:

- A clear understanding of all of your costs and management processes to control them
- A business plan that clearly identifies your markets and customers
- A marketing plan which ensures you are reaching your customer base and maintaining them as customers. This does not mean necessarily spending money on advertising. If you plumb new homes for example, the investment is likely to be your time off the tools managing your relationships with the builders you work with and finding new ones when necessary.

Apart from your financial bottom line, the questions you need to ask yourself are:

- Do you receive an income that adequately compensates you for your time?
- Do you receive an income that adequately compensates you for the risk you take in being in business?
- Are you able to enjoy work life balance?
- Are you happy?
- Are you able to prepare yourself financially when you retire?

If you answered in the negative to any of these questions then you may need to re-evaluate what you are doing. Most people need help in implementing the right processes and systems to control a business so that it is achieving these goals. Rather than seeing it as some kind of failing on your part, you should see business coaching or mentoring as nothing more than seeking the right expertise to achieve your life goals.

Big business spends a great deal of money employing the best expertise they can. Smart small businesses do the same. If you are interested in obtaining assistance in business mentoring contact the Master Plumbers and we will put you in touch with Ian Novak.



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