ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

Energy Services Industry Subcommittee

Inquiry into energy services industry

Chadstone — 12 December 2005

Members

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Witnesses

Mr G. Workman, National Manager, GreenPlumbers; and

Mr V. Ebejer, National Director Training Services and Programs, Master Plumbers and Mechanical Services Association of Australia.
The CHAIR — Welcome. All evidence taken by the committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, if you make comments outside the precincts of the hearing, they are not protected by parliamentary privilege. Hansard is recording all evidence taken today and you will receive a proof version of the transcript within a couple of weeks. I will hand over to Gary to go through the presentation, and we will ask questions at the end of it.

Overheads shown.

Mr WORKMAN — Thank you for the invitation today to speak to the committee. We have some slides which are broken into two parts. I want to give you a brief background on GreenPlumbers and then really respond to the questions that were outlined in the terms of reference that were sent through by Vaughn Koops. Vin Ebejer is our national director of training and services, and I am the national manager of the GreenPlumbers program. We are both from the Master Plumbers and Mechanical Services Association of Australia.

Just to give you a bit of background on GreenPlumbers, it was initiated through the master plumbers association in 1999 in response to a range of issues in regard to greenhouse gas emissions. If we can think back that far, the really hot political topic was greenhouse gases, global warming and all those sorts of things.

There are a lot of areas in the plumbing industry — heating, cooling and hot water appliances — that impact and use a lot of energy. With some assistance from the Australian Greenhouse Office and RMIT University we developed a program called Climate Care. It had a very long-winded title back then. It was really just to look at the issues around the impacts that plumbing has on the environment; some of the issues plumbers need to respond to in terms of better level of customer service and looking at some of the technology and regulations that are available. It has been an ongoing, very fast-changing industry since then.

We now have five separate programs and we have that information in the supportive documents I will attach. We have climate care, solar hot water, caring for our water which is water conservation, water-efficient technologies and the inspection audit process for both domestic and commercial buildings. We have trained 3800 plumbers, around about 1800 businesses around Australia, and we have plumbers in every state in Australia except the Northern Territory.

One of the issues we noticed very early on within the GreenPlumbers program is there is no mandated requirement for continuing professional development in a licensed trade. Most other licensed industries such as dentists, doctors and lawyers all have a professional development requirement to renew their licence to continue practising. Our industry does not have such a thing as a mandated requirement although in NSW they have trialled it for the last 12 months and have now gone back to a voluntary scheme. We have actually registered continuing professional development in NSW and Victoria and it is under consideration in New Zealand at the moment where they actually mandated it very recently.

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them engaged with the local building and plumbing industries so when we leave there is someone there they can go back and talk to. Within our industry there has not been a great connect between local government and the plumbing industry in particular.

Getting on to the response to the questions that were raised in your paper, the context of our response is really within solar hot water, heating and cooling appliances. It is estimated that about 70 per cent of the energy efficiencies made within the domestic and commercial areas are plumbing work, whether that be rainwater, recycled water, solar hot water, heating and cooling appliances and so on. That is the context we have answered those questions in.

The first question is on the progress made to date developing the energy efficiency services industry in Victoria including its market size, characteristics, profitability, capacity and composition. We have a few dot points there that really look at a number of states and in Victoria SEAV and Sustainability Victoria now have a rebate scheme for the quicker uptake of solar hot water appliances or a range of renewable energy appliances, not just solar.

This has stimulated the market but I think what has had a bigger impact is the new sustainable housing regulations in all states. In Victoria there are the 5-star regulations; NSW has its ‘basix’ and we know Queensland and South Australia have just announced similar regulations. They have had a bigger stimulus in the market to actually drive change than the incentives a rebate has. There are a number of skill gaps we have identified within plumbing not only to meet current demand but future demand. There are a few things there we would like to discuss a bit further.

Just to give you a quick snapshot on the size of the market: you might have some other figures from other groups like the Australian Bureau of Statistics and Sustainability Victoria but these are from the Australian Greenhouse Office a couple of years ago and have been updated since. We have about 7.2 million households; the average hot water appliance lasts about 10 years, so that is about 700 000 replacements a year and we build about 130 000 new homes every year across Australia. In Victoria that translates to about 1.4 million households so we install about 140 000 replacement hot waters.

We are building somewhere between 30 000 and 35 000 new homes and, just to give you a rough idea of the heating and cooling market, around 95 000 split-system airconditioners were installed last year, which I guess our energy infrastructure never really planned for 50 years ago and which is having a big impact. That gives you a bit of a snapshot.

Just to give you a bit of a comparison of Victoria compared to the other states, we are quite a unique market, even within Australia. Victoria is very much a natural gas state; we have had natural gas infrastructure for quite a long time. Previous departments within Victoria really promoted natural gas and the infrastructure has been built up to be quite significant compared to in the rest of Australia, especially the other big population areas, Queensland and New South Wales, where they are still very reliant on electricity. That also gives a few problems in terms of where we might be heading with sustainable housing regulations and other things in terms of the investment that is needed by energy companies to continue down this path, as they are not getting the return on their investment. There are some issues there that are clouding where this might be heading for the industry, not just plumbing but building in general.

Mr DRUM — Gary, you are saying that only 2 per cent of Victorian hot water services are solar?

Mr WORKMAN — Those are the figures that we have been given, yes. Out of 1.4 million households, 2 per cent are solar. I do not know what that works out to be mathematically.

Mr DRUM — And why would Northern Territory be so high — it is not just the sun, obviously?

Mr WORKMAN — I think it is a little bit of public perception. A lot of people within Victoria do not believe solar works terribly well; they do not understand the basic principles. An analogy I always give is, think about your car windscreen parked in the sun today. It has not been a particularly sunny day, but your car windscreen would have got up to 50 or 60 degrees. Even on cloudy days in the middle of winter it would get up to 30 or 40 degrees, and your car windscreen is not designed for absorbing and holding in solar energy, whereas your solar hot water collector is. When people think about simple experiences they have every day, they think, ‘Oh yes, that makes sense’. They automatically assume that as Victoria is cold and we have a lot of cloudy days, it might not necessarily work.
Mr EBEJER — The other perception is that if the sun don’t shine, it is not happening.

Mr DRUM — Do you know which way those figures are trending, Gary?

Mr WORKMAN — I think that in all states they are trending more towards the renewable sources — so, solar — especially with the new regulations and so on. But it is a very slow sort of incremental increase.

Mr DRUM — It is staggering.

Mr WORKMAN — One of the big problems within our industry is the replacement market. If there is an existing electric hot water unit which costs $800 to replace and your customer rings up wanting hot water on that night, the simplest thing is to replace like for like. That is by far the cheapest option. That mentality is something the plumbing industry has to get a better hold on, because we do not really give a better level of customer service; we do not explore the options. We always think about the immediate dollar issues, and plumbers have four other jobs on that day as well. There are a few things there and we try to break down those issues in our training programs. Western Australia and Northern Territory have been fantastic with their governments’ promotions. Some have really good incentive schemes over and above what the renewable energy certificates offer and other national schemes. I guess Tasmania, with its hydro scheme, would probably be pushing electricity down there.

Mr DRUM — Would the Northern Territory’s figure be because there is a better perception or because of better incentives from government?

Mr WORKMAN — I think it is a combination of everything. The public perception is a lot more inclined to go with solar. They have months and months without any rain and cloudy days, so the public perception there probably plays a big part. The governments do seem to be a little bit more proactive there, to be honest. I do not know.

Mr DRUM — Thanks.

Mr WORKMAN — I will keep going. On question 2, the range of services and technologies available and the diversity of the business models compared with those in other countries, we have seen a big change within the Australian market within the last five years, especially within the last couple of years we have seen a fairly significant consolidation within the marketplace. A lot of the larger international solar hot water manufacturers have come to Australia, or bought out smaller, competitive Australian-owned-and-made products. I think that is because of the sustainable housing regulations; they have actually seen a market for the very first time — with 130 000 installs yearly. That has been the main driver there. I guess that has also stimulated a range of business models and supply chain arrangements that are in place now. In the past we had a lot of franchise solar hot water models. We are now seeing solar hot water installed in the main plumbing supply chains and wholesale chains that mums and dads go to, so there have been some changes there.

With technology, there are two ways of thinking here. We have good technology; co-generation, design considerations — some of the products we do not necessarily see in the Australian market because we are quite a small market still. Europe and the United States have far bigger markets if we are looking at international technology. We are starting to see some of that in Australia, but as we are still quite small the manufacturers of most of these products, which are based in Asia, are still focused heavily on Europe and North America. I guess one of the reasons for that is European countries especially have very strong incentives for greenhouse gas reductions as market drivers. Also the initial cost of energy and water is far greater than it is here, so the return on investment is a lot quicker, too. I guess they are the reasons they are further advanced.

Question 3 was on the competitiveness of the Victorian energy efficiency service industry in the Australian and international market context. This is very difficult to answer. There definitely needs to be further research in this area, within both the plumbing and building industries, which is my last dot point there. We are getting more competitive within Australia. Product pricing is definitely heading in the right direction from a consumer point of view. There is more competition there now, and that is a bit because of reconsolidation and newer companies coming into the market.

Internationally, it is difficult to say where we sit. I have not seen any research or figures that compare prices and installation in Australian markets compared with internationally. My gut feeling is that we still have a fair way to go there, which is based on the other drivers. As I mentioned, we are still a very small market compared to those in
Europe and North America. The return on investment is not the same for the customer so consumers are very switched on — for example, they may have a payback period of five years for a solar hot water system, whereas in Australia that is a very good payback period. We sort of start from there and move out to 10-year marks, so I guess return on investments from a consumer point of view are a heavy driver as well.

Question 4: the main barriers and drivers for the development and uptake of energy efficiency within the residential, commercial and industrial sectors. I think the main barriers are the initial costs and the lack of specific information outlined in the cost of environmental benefits. There is a lot of information out there but we have seen it is a fairly competitive market and from our point of view we are seeing a lot of mixed messages. We run a number of training workshops, and it is interesting to see, now there is a bit of a market there, how the manufacturers and other groups are portraying the savings and the benefits of their type of product. It is difficult to compare apples with apples. Every industry does it — they have slightly different ways of promoting their own products so they cannot be compared with somebody else’s.

A good point was made by the speakers before; they mentioned a 12-star home. We have no way of measuring a 12-star home, but that is a perception that people have. We have 5 stars and mine is a lot better! It will be something else, but we have no tools to measure that. They are just interesting points.

On the main barriers, we believe there is poor implementation of state building regulations. We have some slides as an appendix to what we have given you here. I believe the intent was fantastic, but the actual outcomes and the ways it is being implemented are quite poor at the moment.

Mr DRUM — Could you give us specific examples of that, Gary?

Mr WORKMAN — I have some examples on the Victorian 5-star rating later, but in Victoria you have to build a 5-star home now under the new regulations. You can have a 2000 litre rainwater tank connected to all your toilets or a gas boosted solar hot water unit. The way the regulations were written was not to discriminate against other types of product but they had to be environmentally friendly.

One of the issues we are now finding is if you take out an electrical element of a heat pump that meets the regulation guidelines but not the intent; the intent was to have a product that is performing correctly and to save energy. In Victoria if you take out the element of an electric heat pump in the middle of winter, you are going to get such poor performance that the customer will complain about the renewable energy appliance and it will give them a poor perception. The market has done that because it has found loopholes in the way it was written and it is the cheapest option to install from a builder’s point of view — so that is where we are at. That is one example.

The other example is why do we have the option of either going to energy savings or water savings? Most other states do both. We are giving people the wrong message along those lines compared to other states. Also there is poor enforcement. At the moment the way we have implemented these regulations is that we have local government planning departments signing off on what you are going to build 6 to 12 months later. Then when it comes time to do the inspections, the people who do them are more worried about the installations instead of the performance of the appliance. They are looking at whether bolt A is correctly connected to bolt B and whether it complies with occupational health and safety rather than looking at the environmental considerations or the performance of the appliance, so there is no link there between what we have started with and what we have installed at the end of the day. That has probably taken 18 months — from when the regulations were first introduced — to realise. I know the PIC is looking at that, but it is one of the things I think we need to take on board a little quicker.

The other point in terms of the barriers, apart from the costs, is the consumer perception of renewable energy performance in Victoria. I have no hard evidence to back this up. I am not sure if Sustainability Victoria has done any research from a consumer point of view, but the information we are getting is that people believe it is a great idea but they do not necessarily believe that it works fantastically well in Victoria.

Mr EBEJER — We have a research report out on Mount Macedon where we did a solar program. We picked Mount Macedon for a solar program because it was probably the worst area in Victoria in terms of people’s perceptions. We have that report and can make it available if necessary.

The CHAIR — Thank you, that would be good.
In terms of the drivers for the market, I think if we mandated nationally consistent building regulations with the appropriate enforcement mechanisms, that would easily stimulate the market well beyond where it is today. You could have manufacturing scales of economy so they would know that they have a product that meets all markets in Australia, not just those in Victoria, and they would not have to develop something slightly different for New South Wales and so on. That would help drive down the initial cost and also promote more consistent information.

In relation to increased greenhouse gas emission savings by energy retailers, I am not an expert in those areas but from our point of view emissions trading and renewable energy certificates — those areas — from what we can gather probably need to go further. The locals are at just over 2 per cent at the moment. My understanding is we have an oversupply of RECS certificates at the moment and the rebate and the costs of the certificates have dropped, so there needs to be more stimulation there at either state-level or nationally.

There needs to be clearer consumer information on energy efficient benefits. I think everyone believes they are great ideas, but there are many mixed messages from within the industry which do not clearly define what they are.

Customer and consumer incentives — these are some of things we have tried to toy around with a little bit. It is not necessarily dollar incentives. If we think back to when we started on our GreenPlumbers program we had problems internally wondering whether people would be happy to head down this way. Public perceptions within the whole environment have changed in a big way over the last six to seven years, so there might be other ways that we can give some recognition to the consumers about better benefits and so on. An example is what is happening in the ACT. If you want to sell an existing home, you have an energy rating on an existing home. It is only a voluntary scheme but people can start to see more value in this home because the ongoing energy costs are a lot less. They are not just looking at the lifestyle options within the home, they are looking more holistically at the environmental benefits as well. That is something we could look at.

The adequacy of training, the accreditation and performance guarantee arrangements are something that we are quite passionate about, and we could chew your ear on for a couple of days. The current apprenticeship focuses on hands-on and installation and occupational health and safety requirements; there is little attention to any environmental considerations. I have shown some specific ones in terms of sizing and design. They are to be included in training packages, but we find that under the current national training package arrangement these tend to happen a long way after the industry actually needs them; they are probably a good four to five years behind and because you are trying to rely on every state to agree on what the training packages should represent, they tend to be very general and holistic in their outcomes. Having said that, there is not enough time within an apprenticeship to cover all the aspects that they need as it is, so the industry needs an injection of funds to encompass some other areas.

Post-apprenticeship training, with flexible pathways and recognition for prior learning, is one of the things we need to look at. One of the things we have done is to have licensed GreenPlumbers businesses so we ensure that if businesses are out there calling themselves accredited green plumbers they have to have the appropriate levels of insurance, training, qualifications and all those sorts of things, so it does not damage the brand of GreenPlumbers. The customers can also start to rely on that brand for some good advice, making sure that they are appropriately covered within the industry.

Within the commercial areas, this is something we have already brought up with a number of energy efficient committees, hot water and solar hot water in particular, heating and cooling, natural gas co-generation, all of these things which are poorly delivered within the commercial sector of the industry. Most of the industry that works in that area has just grown up and built up experience over time. It is not a formal qualification where someone goes to university or TAFE and continues past their apprenticeship. It is something that is built up with experience in the industry. How we can find it easier for these guys to be recognised and how we can help them is something that we need to look at.

Question 5 relates to the commitment of ongoing training. There needs to be a correlation between water and energy savings and energy consumption in waste water treatment. We need a more holistic approach. When we are talking about energy savings, most people focus on energy and then they go somewhere else and focus on water. At a government level, and also within training, we need to look at these a little more holistically as well to give people a better idea of the totality of the plumbing that is being installed. Just as an example, Vin recently had a study tour to Japan to look at some product technology and appliance servicing. He was quite surprised at the level
of sophistication that the products can achieve and the level of service and maintenance that these products will need from time to time, but our industry is a long way from being able to deliver those sorts of services. That is also another barrier within the industry, especially from our international manufacturers that are looking at Australia at the moment.

One of the ways that this could be better utilised is having specialised licensing and compliance and training in these technical areas. At the moment we have very broad and general areas of licensing within plumbing. We have water suppliers, waste water suppliers and roofing suppliers, and within each of those very specific areas of licensing the level of expertise required, depending on what you are doing, is very wide ranging. Maybe we could have better licensing to promote domestic and residential plumbing and then commercial and other aspects as well. They are things we need to look at.

Question 6 relates to measures to promote energy efficiency services including the production of data and performance and various technologies. I believe Sustainability Victoria, or the old SEAV, has really good information. It has been generated as averages so it does not offend one particular technology or product out there. The problem is that that is not the consistent level of information that everyone else is using. They will draw on it and then they will pick things that suit their own products and technology or what they are trying to do. Consumers are focused on the initial dollar spend. We need to better promote the long-term dollar savings and environmental savings.

Builders and developers is one issue that we have problems with, especially with our new 5-star regulations. Builders are really there to install the minimum performance requirements. That is why we have minimum standards. At the moment they are maximising their profitability around the environmental regulations that we are putting in place. The recommended retail price we are seeing for solar hot water appliances is a good example. It is more than double what builders are charging as part of a new home package, and they will not let you shop elsewhere. If you have signed a building contract you have to go through the builder, so the level of interaction with the plumbing industry is very low; it is all done at a higher level with the builder. They sign a contract and the builder negotiates separately with a subcontractor, who is a plumber, to get the best price for the installation, and the consumer never gets to that level of negotiation. That is one issue. I think long term that is going to damage the industry as well because the cost is ridiculous.

Mr DRUM — So most builders make 100 per cent.

Mr WORKMAN — We have seen some figures where a solar installation is over $6000 and a rainwater tank is over $5000; it is staggering. If you went and spoke to those manufacturers directly, or spoke to a plumber directly, you could do far better than that.

Mr DRUM — How much better?

Mr WORKMAN — With a solar installation, the recommended retail price would be $3000. I know a builder would buy it for far less than the recommended retail price. It is hard to give an exact figure, but I think there needs to be further investigation in that area, because these are things that we have not revisited with our regulations. One idea — and it is only our idea — is that there could be a levy on energy consumption for greater promotion and uptake of renewable energy options. People have the option of buying green power at the moment, but the government could look at stimulating that, and finding some way to put a levy on people who are not buying green power. That money could then be used within the industry to promote renewable energy.

Item 7 is last, and I am mindful of the time. The state government and federal bodies have a role to play in developing and regulating energy efficient services, including the impact on future greenhouse gas emissions that trading schemes might have. Trading schemes will definitely have some sort of level of stimulation within the market. I think we need to increase the targets if we are going to be serious about this. I understand that also has impacts for our energy industry with the cost of infrastructure and everything else, and the return on investment for our developing suburbs is an issue for governments as well. I know there are two sides of the story to all of this. We definitely need nationally consistent regulations to drive economies of scale, and we need to include other areas of impact such as the infrastructure costs.

The other thing we would like to see pushed is the benefit of natural gas options. Governments have the best of intentions to drive renewable energy, but Victoria is already a very big natural gas reticulated state and the greenhouse gas savings on a 5-star efficient hot water appliance fuelled by natural gas is better than a solar electric
option, for example, in a cold climate like Victoria. Governments are pushing renewable energy all the time but that is a very expensive option. We do not really tend to push high efficient natural gas products and there are some really good products out there, including hot water condensing units that are 97 per cent efficient, high-efficient gas space heaters. I know in some areas we are recommending natural gas to get people off wood fires and so on. There are some rebates available in country Victoria for those sorts of things. But as a whole state it is a big jump to go from electric to solar or renewable. There might be an interim step that we could focus on a little more to get people aware of what the savings are. Gas is a far more cost-attractive option in the short term, and our state is geared up to do that, whereas most other states are not.

I have given you some other information on the Victorian 5-star regulations for your own information. There is some further information on GreenPlumbers in general and a little bit about what we do and how we promote ourselves.

The CHAIR — Thank you, Gary. You did very well in covering the extraordinary breadth of things that we have asked of you. Thank you very much for your submission.

Mr DRUM — I have two quick questions, and I should know the answer to one of them: is there any such product as a gas-powered airconditioner?

Mr WORKMAN — Internationally, yes. Natural gas cooling products are available.

Mr DRUM — Are we far away from getting it here in Australia?

Mr WORKMAN — The market is very small here, and the products are very expensive. One of the things Vin went to Japan for is that we now have 1 kilowatt natural gas co-generation engines. When we talk about co-generation we usually use natural gas for heating, cooling and hot water, and the by-product is cold air. You could use that cold air for certain activities. We do that very well for large commercial operations where it is economically feasible. Internationally products are available to do this domestically, but they start at about $8000.

Mr EBEJER — And that is based on the market size increase, and obviously the price factor would reflect that.

Mr WORKMAN — We have subdivisions in Europe especially which are purely run on natural gas. It generates their power, their heating, their cooling — everything — from natural gas, so they have different models over there.

Mr DRUM — The web site has 3500 hits every week, which is a good number. Do you think that everyday home builders are aware of the economically sustainable materials and products that are available?

Mr WORKMAN — I think they are aware, especially within the building industry, which is always dollar driven. It is a very competitive market. I think they have the same misconceptions as the general public. They think that some things might work very well and others not. There is a lot of misrepresented information out there. They will have one manufacturer tell them one thing, then another one tell them something different, so they are always a bit cautious.

Mr EBEJER — For example, you have manufacturers producing builders’ models — builders’ models ducted heating systems, builders’ models split systems and builders’ models different other appliances. They are specifically built to a price. You have the builder and the manufacturer coming together and producing product that suits the price range that the builder wants to put in that particular home.

Mr WORKMAN — With the existing regulations we have in Victoria we have seen a lot of activity with the main solar hot water manufacturers and big builders that might build 5000-plus homes across Australia. The wording in our regulations is so generic that they are finding loopholes on putting in products that meet the minimum requirements, but it is not the intent of the regulations at all. Undersizing is a big issue. Most of our homes are 30 squares these days, and we are putting in products that are for one and two-family homes.

Mr HILTON — As you said, GreenPlumbers has been around for the last six years, and we still only have 2 per cent in Victoria of solar hot water systems. In any way do you think that is a reflection on the effectiveness of GreenPlumbers or does it maybe indicate that appropriate advice is being given, but that advice — for whatever reason — is not being taken?
Mr WORKMAN — I think one of the barriers we have within the training is even the plumbers’ perceptions. There are over 60 000 plumbers around Australia (15 000 in Victoria), and we have trained just over 10 per cent. We have a long way to go. We are reliant on government funding and manufacturers’ support to run these programs. We seem to have got a lot of support in other states over the last couple of years, and maybe not so much in Victoria, which is a little disappointing.

A plumber is not really trained to deliver customer service; a plumber does his apprenticeship and is very focused on the technical aspects; we equated with the backyard mechanic we all had 10 years ago. That industry has gone very much customer focused and franchised, if you want to call it that. There are no backyard mechanics any more; they all belong to a customer service arm that has dealers across Australia, and they have a very professional level of service. Our industry really has not got there: we still have husband-and-wife teams or father-and-son teams. We have to get through to the plumbers’ level first of all that this is something their customer wants. We have to give them an informed option. At the moment a lot of plumbers are saying, ‘Their electric hot water system has blown up, they want hot water on by tonight, and it is an unexpected cost’.

Mr EBEJER — If I can just add to that, one of the issues we have for solar is 20-odd years ago we had a very strong solar push in Victoria. However, the products and the installation techniques at the time really put a lot of people off. That caused problems in the industry, products failed, and there were very poor installations. People still remember that and they have been very slow in coming forward. However, what we have really seen is a significant uptake in the interest from plumbers about solar. If that then translates into a sale to a consumer, that is really coming out of the green plumber training. Really no-one else has offered that sort of training over the last six years.

Mr HILTON — I can understand that in today’s environmentally conscious environment the term ‘green plumber’ has some attraction. I know you have talked about ongoing training but do you do any monitoring of the advice a person would get if they accessed a green plumber? Is that any different in practical terms than it would be if the person was a non-green plumber?

Mr WORKMAN — It is something we have not done within the energy services industry. I know the Our Water Our Future group in Victoria is looking at the level of performance and service within the water area but not within energy. It is something we have not had the funding to do.

Mr EBEJER — My view of how to answer that would be that if it was a non-green plumber who had not been through any of our programs, for them to have the level of information to pass onto a customer they would have had to do some research themselves.

Mr HILTON — I suppose my question was the obverse of that and whether the person who has gone through the green plumbing accreditation is actually in the field giving different advice from a person who has not gone through the accreditation.

Mr WORKMAN — We normally only hear the good news stories.

Mr HILTON — That is right, I am sure. I understand.

Mr EBEJER — However, our web site does provide an opportunity for customers to come back to us and indicate anything different if they are not getting that advice and they have been to our web site. We provide the opportunity for feedback.

Mr WORKMAN — We have seen a significant shift within the industry. People are starting to realise that this is a sustainable business for them to move into this line of work as well. There are a lot of passionate people out there who have made significant shifts within their own businesses to this.

Mr EBEJER — And not only young plumbers — even at the other end.

The CHAIR — Can you tell me how much it costs to be a green plumber?

Mr WORKMAN — We have a commercial arrangement in place now. Because we had such a high level of interest we have set up a commercial call centre and people pay for every lead that they get as part of that. We are an employer association so we represent the whole of the plumbing industry, something we were a bit uncomfortable getting into. Before that we had a trademark licence so people actually paid a fee to use the logo and
the branding if they completed the assessment. We had that in place for two years, and all the funding we raised in that exercise went back into promoting GreenPlumbers in general. The problem we had was we could not track if they had the proper insurances and all the other things to protect the consumer so we have entered into arrangements with a third party which handles all of that for us.

**Mr EBEJER** — We could not handle the calls we were getting because that is not what we are equipped to do.

**Mr WORKMAN** — We have separated the areas. We handle training and research, and they handle the customer service aspects.

**Mr EBEJER** — But in a sense if a plumber wanted to do training, there is no fee.

**Mr WORKMAN** — And we let everyone say they are accredited green plumbers in solar or water. They can call themselves that, they just cannot use the brand. If they want to use the brand, they have to be part of the commercial arrangement.

**The CHAIR** — Thank you.

**Mr BENJAMIN** — Do you do training on tempering valves and piping size and those sorts of things? Is there an accreditation for house layout piping?

**Mr WORKMAN** — There is no accreditation course for design of hot water. We talk about the different models that people can use and ring mains and other ways of having better efficiencies. We discuss tempering valves quite significantly because in some states there is still not a mandatory requirement. We talk about the hot water issue and a range of things there. Our courses are not designed to give plumbers hands-on skills. They are already licensed plumbers, they are already practising and our training sessions are more to keep them up to date with regulations, customer focus, service issues, and we talk to them about the technology that is available. Hopefully we have made the connect with enough people so that they can go away and follow up what they need to specifically.

**Mr BENJAMIN** — You said there were no members in the Northern Territory?

**Mr WORKMAN** — We have not run a training program there.

**Mr EBEJER** — We have had interest to go up there.

**Mr WORKMAN** — We have not done training in Western Australia or the Northern Territory but we have had people from WA fly over. We are just running programs in Queensland and New South Wales. We have really only gone national in the last 18 months.

**The CHAIR** — Does that mean that most of the 10 per cent of plumbers in Australia would be Victorian plumbers?

**Mr WORKMAN** — I think we are just over 2000 in Victoria out of the 3800.

**The CHAIR** — It has been great to have heard your evidence today. Thank you very much for your time and the effort you have put in.

**Mr WORKMAN** — That is okay.

*Committee adjourned.*