



Master Plumbers ACT Consumer Guarantee

Terms and Conditions

Information for Consumers

The Board of Master Plumbers ACT Inc (MPA) has established a Master Plumbers Consumer Guarantee scheme (Guarantee) to facilitate handling of consumer complaints regarding residential work performed by MPA Members to ensure compliance with industry standards and the *Competition and Consumer Act 2010*, in accordance with clause 10.4 of the MPA Constitution.

MPA provides a 12-month (from the date of the initial work) guarantee (the Guarantee) to Consumers for protection against the following:

- (a) substandard workmanship, and in particular compliance with the plumbing code – Guarantee Part A
- (b) Advance payments – Guarantee Part B

The Guarantee applies only to residential plumbing, gas-fitting and drain-laying Work carried out by a Member of MPA and their licensed plumbers, gasfitters or drainlayers.

The Guarantee issued by MPA is subject to the terms and conditions set out in this document.

2. Definitions

In this Guarantee, unless the context requires otherwise:

- 2.1 **ACT Act** means where the Member is located in the ACT, the *Construction Occupations (Licensing) Act 2004 (ACT)*.
- 2.2 **Claim** means a written claim made by a Consumer for work done by a Member to be considered and assessed under the Guarantee, in the form prescribed by the MPA.
- 2.3 **Claim Fee** means the fee charged by MPA for a Customer to make an application to access the Guarantee, as determined and published by MPA from time to time.
- 2.4 **Code** means the plumbing codes applicable to plumbing gas-fitting and drain-laying work in the ACT and NSW under the *Water and Sewerage ACT 2000 (ACT)* and the *Plumbing and Drainage Act 2011 (NSW)* and includes:
 - (a) the Plumbing and Gasfitters Codes of Australia (PCA) (Volume 3 of the National Construction Code) as modified or amended by



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any ACT Appendix published with the PCA or made by the Minister in legislation; and

- (b) any document included in regulation to be part of the plumbing code.

2.5 **Consumer** means a person who enters into a contract for Work performed, or to be performed, by a Member.

2.6 **Covered Member** means a Member who carries out Work that is covered by the Guarantee, and in relation to which a Claim has been made by a Consumer.

2.7 **Guarantee** means the Master Plumbers Consumer Guarantee scheme, as detailed in these Guarantee Terms & Conditions.

2.8 **Insolvency Event** means:

- (a) Where a Member is a company, a liquidator or an administrator has been appointed to wind up or manage the company; or
- (b) Where a Member is a sole trader, that Member has filed for bankruptcy.

2.9 **Labour Costs** means the labour costs relating to the Work.

2.10 **Licensed Tradespersons** means all employees and contractors of Members who:

- (a) under the ACT Act:
 - (i) in respect of plumbing services, are persons who hold either a current practicing licence or a provisional licence under section 8 of the ACT Act;
 - (ii) in respect of gas-fitting services, are persons who hold either a current practicing licence, a provisional licence, or an employer licence under section 9 of the ACT Act;
 - (iii) in respect of drain-laying services, are persons who hold either a current practicing licence or a provisional licence under section 10 of the ACT Act; and
 - (iv) persons who have been granted an exemption to perform any plumbing, gas-fitting, or drain-laying services under section 12 of the ACT Act.
- (b) under the NSW Act, one of the following licences in each category of specialist work, as set out in Schedule 4 of the *Home Building Regulation 2014*, in which the person works in
 - (i) Contractor Licence
 - (ii) Qualified Supervisor Certificate



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- (iii) Endorsed Contractor Licence
- (iv) Tradesperson Certificate

- 2.11 **Member** means a current member of the MPA.
- 2.12 **MPA** means Master Plumbers ACT Inc
- 2.13 **NSW Act** means where the Member is located in NSW, the *Home Building Act 1989 (NSW)* and the *Home Building Regulation 2014 (NSW)*.
- 2.14 **Product Costs** means the cost of replacing Products damaged as a result of Substandard Work or as a result of remedying Substandard Work but excludes defective products where the Consumer or Member can seek a remedy (either by replacement or repair of the Product) from the manufacturer/Product supplier.
- 2.15 **Products** means all plumbing, drain-laying and gasfitting products supplied by the Member and installed into the Consumer's residence as part of the Work.
- 2.16 **Residential** means a place of residence designed for people to live in, or an area occupied by private residence(s).
- 2.17 **Substandard Workmanship** means Work that in the opinion of MPA is not of acceptable quality and/or is not complaint with the Code, but excludes the installation of products:
 - (a) That are defective due to manufacturer/product supplier error; or
 - (b) Not purchased or supplied by the Member.
- 2.18 **Work** means plumbing, gasfitting or drainlaying services and repair work carried out on, at or in Residential premises by a Member or a Licensed Tradesperson of a Member for a Consumer.
- 2.19 **Workmanship** means workmanship of any Work.

3. **Scope of the Guarantee – Part A Substandard Workmanship**

- 3.1 The Guarantee is available only to the Consumer who engaged the Member and not to any other person, including any subsequent purchaser of the property.
- 3.2 The Guarantee Part A - protection against Substandard Workmanship covers the costs of investigating and remediating Substandard Workmanship in relation to Work done by a Member, up to a maximum of \$ 5000 Including GST for:
 - (a) Labour Costs;
 - (b) Product Costs; and
 - (c) any investigation and remedial costs of Master Plumbers.



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3.3 A Claim under Guarantee Part A:

- (a) must be brought within 12 calendar months from the date the Member invoiced the Work; and
- (b) must be made using the procedure set out in clause 3.4 below, or as otherwise advised by MPA on its website; and
- (c) may be made even:
 - (i) if all the contracted Work is not completed; or
 - (ii) where the Work has not been paid for where the unpaid amount relates solely to the specific Work in dispute.

3.4 In order to make a Claim under the Guarantee Part A, a Consumer is required to comply with the following process:

- (a) The MPA will provide the Consumer with a complaint form upon receiving notification that the Consumer wishes to make a claim.
- (b) The Consumer must complete the complaint form and provide specific information in support of their claim and pay the Claim Fee.
- (c) Upon receipt of the completed form and fee, MPA will consider the Claim and may take the following steps:
 - (i) Speak to the Consumer to obtain further information, if required;
 - (ii) Contact the Covered Member who did the Work in question to discuss the Claim;
 - (iii) Attend the residence of the Consumer making the Claim to inspect the work and/or arrange for the Covered Member to attend the residence to inspect the work and discuss the complaint with the Consumer;
 - (iv) If the Consumer and the Covered Member cannot reach agreement about a resolution of the application, arrange for an assessor to undertake a technical assessment the work done to determine if it is complaint with the Code.
- (d) The Consumer will be notified in writing if a claim is accepted.
- (e) MPA will use its best endeavours to facilitate a satisfactory outcome for the Consumer within a reasonable time of receipt of the complaint form. The time it takes to consider and assess a claim may be impacted by availability of the Member who did the Work and the extent of information provided by the Consumer.
- (f) Possible outcomes of an accepted Claim include:



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- (i) remedial work undertaken by the Covered Member, at no cost to the Consumer, up to the cap of \$5000 including GST; or
- (ii) remedial work undertaken by an alternative Member, at no cost to the Consumer up to the cap of \$5000 including GST;
- (iii) another outcome agreed between the Consumer, the Covered Member and MPA.

3.5 Any decision made by MPA in assessing a Claim is final and no appeals will be considered.

3.6 In relation to any technical assessment undertaken as part of the Claim process:

- (a) Any report prepared by a technical assessor appointed by MPA is the professional opinion of that assessor, made to the best of their knowledge and experience based on the information provided.
- (b) Any assessment report may only be used for the purposes of the Claim procedure and not for any other reason.
- (c) Neither the assessor nor MPA accept any liability for the opinion of the technical assessor. If any loss is suffered due to the Consumer using the report in an unauthorised way, the Consumer will indemnify that person for that loss.

4. Scope of the Guarantee – Part B Advance Payments

4.1 The Guarantee Part B - protection against Advance Payments will be available in the following circumstances:

- (a) a Consumer has entered into a contract with a Member to perform Work; and
- (b) a Member is unable to fulfil its contractual obligations to the Consumer due to an Insolvency Event; and
- (c) the Consumer has paid to the Member a payment in advance for Labour Costs and/or Product Costs but have not yet received the services or goods paid for.

4.2 Under Part B of the Guarantee, Consumers are protected from the loss of any Advance Payments for Labour Costs and/or Product Costs made to a Member up to the total value of \$5000 including GST. This cap applies to all claims made by Consumers making Advance Payments per Member, and is not a cap per Consumer.

4.3 In order to make a claim under Part B of the Guarantee, a Consumer is required to comply with the following process:



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- (a) The MPA will provide the Consumer with a complaint form upon receiving notification that the Consumer wishes to make a Claim.
- (b) The Consumer must complete the complaint form and provide the specific information in support of their claim and pay the Claim Fee.
- (c) Upon receipt of the completed form and fee, MPA will consider the Claim and may take the following steps:
 - (i) Contact the Member to ascertain if an Insolvency Event has taken place;
 - (ii) Contact the Member to request further information about any Advance Payments received, and any goods or services provided by the Member to Consumers who have made such payments;
 - (iii) Request documentation from the Consumer about the Advance Payment made, and any goods or services provided by the Member;
 - (iv) Undertake investigations with third parties about whether an Insolvency Event has taken place with respect to the Member.
 - (v) Undertake investigations about any other Consumers who may have made Advance Payments to the Member.
- (d) The Consumer will be notified in writing if a claim is accepted.

4.4 If the claim is accepted, Master Plumbers will arrange for

- (a) in relation to incomplete Work paid for by the Consumer - the contracted work to be completed by a qualified tradesperson; and/or
- (b) Replacement (if necessary) of any product purchased by the Member from payment made by the Consumer;

up to a maximum amount of \$5000 including GST for all claims from any and all Consumers for loss of an advance payment arising from the liquidation or bankruptcy of a Member.

4.5 Any claim under this part must be supported by appropriate documentation and proof of liquidation or bankruptcy, and each Consumer must have received the distribution to creditor's advice issued by the bankruptcy administrator or the liquidator.

4.6 Any payment received by a Consumer from the bankruptcy administrator or liquidator will be deducted from the value of work



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and/or produce replacement to be provided to a Consumer under clause 4.4.

- 4.7 Any decision made by MPA in assessing a Claim is final and no appeals will be considered.
- 4.8 MPA will have the same rights to claim in any liquidation or bankruptcy as each Consumer. If required by MPA, each Consumer will transfer or assign its rights to claim to MPA.
- 4.9 If more than one Consumer makes a claim under this part of the Guarantee in respect of the same Member, Master Plumbers will apportion any payment at its sole discretion.

5. Guarantee Exclusions

- 5.1 Both Part A and Part B of the Guarantee do not include the following consumer claims:
 - (a) Faulty or defective products or any costs associated with these;
 - (b) Products not purchased or supplied by Members;
 - (c) A claim where any subsequent work, alterations or remedial work is carried out by any other person;
 - (d) Unpaid contracts except as specified in Part B of the Guarantee;
 - (e) Pricing/payment disputes or claims;
 - (f) Any claims that have already been lodged with any Tribunal or court or an insurance company;
 - (g) Any claims which have already been notified under the *Competition and Consumer Act 2010*;
 - (h) Any issue that would normally be covered by the Consumer's insurance, or any professional indemnity or public liability insurance held by the Member;
 - (i) Any consequential loss arising as a result of the Substandard Work;
 - (j) Claims arising from unsuccessful identification of the source of leaks, blockages or other similar faults. Roof leaks and blocked drains may require several attempts to resolve and as such are not covered by this Guarantee; and
 - (k) Other exclusions as specified in the terms and conditions.

6. Privacy

- 6.1 Any personal information collected by MPA as part of the Claim process under the Guarantee will be used for the sole purpose of assessing the Claim made and will be treated and stored confidentially.



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- 6.2 Details of a Consumer has made a Claim will be communicated to a Member only to the extent required for MPA to verify the Work subject of the Complaint, and for the Claim to be assessed.
- 6.3 Records relating to Claims made will be retained by MPA for a period of 7 years for internal use only to review and assess the utilisation of the Guarantee. After a period of 7 years the records will be destroyed.
- 6.4 Any Consumer who has provided personal information to MPA can obtain a copy of the information held by MPA by contacting the Executive Office of MPA at EO@masterplumbersact.asn.au.