

YOU MIGHT NOT KNOW IT, BUT YOU COULD BE THE MANUFACTURER

If you're installing a product from overseas, current legislation views you as the manufacturer for all quality assessment purposes. **Terry Nguyen** explains how cutting corners with dodgy products could really hurt the plumbers.

Construction in Australia is continually evolving to open up potential opportunities to grab a cutting edge in a competitive market. The plumbing industry is no exception, with large plumbing contractors always looking for small gains to increase output at lower overall costs.

Efficiency is key, and anything that allows quick construction at lower costs will get contracts successfully across the line more often. But traditionally, lower cost is a trade-off with better turnaround times, meaning trying to improve both together isn't always easy.

Direct sourcing of products for plumbing work has increased in popularity over recent years, with the entire world open for trade without borders. Direct sourcing involves ditching the intermediary retailers and procuring the product straight from the manufacturer.

As Australia's manufacturing industry is all but just a memory for most plumbing products, this means sourcing products from overseas. The direct sourcing model provides the opportunity for plumbing contractors to both reduce material costs and take complete control of supply lines. Delays in product sourcing can be better managed internally to improve overall project timelines.

Australia's construction industry is in a state of high demand for labour in all trades needed to start and finish projects as quickly as possible. The direct sourcing of plumbing products, where materials can be procured in large shipping containers brought straight from China months in advance, means

avoiding delays when retailers and distributors have supply issues.

It creates an opportunity too good to ignore when you consider the large cost savings by cutting out retailers.

So, if large cost savings and supply chain issues are averted, is the prospect of direct sourcing too good to be true? And is there a catch?

The answer is an overwhelming yes that all in the industry needs to be wary of.

Whilst the model can work effectively, there are large risks of directly sourcing plumbing products that are a fundamental cornerstone of health and safety in the community. Most of the continual compliance work to confirm products are fit for purpose is usually done by the retailers and distributors in Australia, meaning direct sourcing of products puts the onus on the importer to do the QA work themselves.

This is often outside the curriculum of a plumbing apprenticeship, which leaves large knowledge gaps for plumbing contractors to fill. And as QA is seen as an unnecessary hindrance to driving projects (and profits) forward, it isn't hard to imagine that this knowledge gap will go unattended.

Australian consumer law considers the importer of products as the manufacturer. This means that the importer is expected to perform due diligence in continually monitoring incoming goods to confirm ongoing compliance. Purchasing a product

overseas that simply has a WaterMark licence isn't necessarily doing due diligence to safeguard the community against non-compliant products. Screening of products using established and accepted manufacturing batch assessments and tests is expected.

Activities are usually set up, monitored and run by trained and experienced QA officers.

Now, this may sound a little unfair that a plumbing contractor is expected to go through such efforts just to confirm that what they've purchased is up to scratch. It might then explain why the

retailers and distributors in Australia exist.

Reputable brands and suppliers based in Australia invest in QA activities to ensure international manufacturers are kept honest, where their plumbing contractors are protected and free to simply do what they do best.

Responsible plumbing contractors would likely understand this issue and would be investing in appropriate personnel internally to ensure the efficiency gain of direct sourcing is completely realised. Forgetting or ignoring the responsibility is an attractive means of trying to save costs and time, particularly with so much work presently and forecast into the future.

Ambitious construction targets being set by the governments for more housing have created an opportunity for contractors to find solutions to getting projects finished quickly. The jury is out, though, as to whether the government's

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housing targets have helped the industry or created more problems. The need for building more dwellings quicker than ever could be seen as a catalyst for plumbing contractors pushing to find innovative techniques to hasten construction with minimal supply chain delays.

This is the notion that is hopefully true, because the alternative is that the unlikely housing targets have created an environment where companies have found a way to bypass QA for greater profits with relative ease. Quicker, faster, more is the perceived blueprint for the construction trades, leaving companies an excuse as to why they needed to move towards alternative sourcing options before understanding risks.

The losers of this situation not only include the community, but also individual licensed plumbing practitioners being asked to install questionable products. Regardless of who it was that purchased the product,

it will still be the plumber who will also be responsible for its installation. Plumbers are being asked to choose between losing their licence or their job when being handed products that they aren't comfortable installing.

Purchasing products from Australian suppliers provides more protection to you as a plumber than you may think. It removes the purchaser as the legal manufacturer of the product, where a faulty or lead-leaching batch of in-wall mixers in a high-rise tower won't find you in an expensive legal dispute.

At PROVE, non-compliant products are arriving for dispute resolution at an increasing and possibly alarming rate. Home owners are shifting towards wanting their products checked upon failure to confirm the product was compliant to begin with.

Australian merchants selling reputable brands on our shores may seem more expensive initially. Be mindful that the prices include hidden

costs for necessary QA activities that occur behind the scenes for batch screening of imported products, hopefully also still tested in Australian laboratories. Laboratory testing of products correctly to the strict requirements of the Standards often uncovers issues able to be dealt with prior to accepting large batches of products.

If you have chosen to directly source products from overseas and have not created or employed an effective batch acceptance test regime, you may want to double-check check you are meeting your due diligence, because you are now considered the "manufacturer". ■

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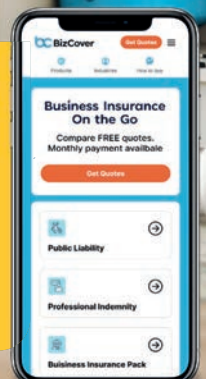
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