



Department of Infrastructure

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The Commissioner
Productivity Commission
LB2 Collins Street East
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Dear sir

ARCHITECTS ENQUIRY

Thank you for the opportunity to make a submission in respect of the Architects Enquiry.

I have attached a document representing the general views of the public sector client in Victoria.

As a central agency with an overview of public construction in Victoria, I would be willing to provide any other information that may assist you in your enquiry.

Yours sincerely

Jeff Norton
Director Building Policy

BUILDING POLICY GROUP

Submission to the Productivity Commission Architects Inquiry

Building Policy Group, Department of Infrastructure, Victoria

Building Policy Group represents government and public sector clients undertaking construction projects and provides a purchaser, or consumer, perspective on the matters addressed by the Productivity Commission.

Building Policy Group supports systems that contribute to easily identifiable, unambiguous and specific competence of practitioners in the construction industry.

It is therefore submitted that the system of title protection of "architect" should be maintained and, although not central to the inquiry and specific to Victoria, the title "building practitioner" with its associated classifications.

It is understood that the Architects Registration Board requires the competencies of their membership to include competency in design and practice going beyond the attainment of a specific qualification. Systems that support a higher level of competency distinction are of greater use to consumers or clients who perform pre-qualification of suppliers. These systems assist in determining and purchasing the level of skill appropriate to their project requirements.

A system of national recognition, by the consolidation of each states legislation into federal legislation is supported, as it will increase the acceptability of Australian qualifications in international jurisdictions thereby providing business opportunities for the Australian construction industry.

BUILDING POLICY GROUP

Background

Building Policy Group represents government and public sector clients undertaking construction projects and provides a purchaser, or consumer, perspective on the matters addressed by the Productivity Commission.

As many purchasers of construction industry services are not repeat purchasers, they are faced with a difficult selection process where, although various types of suppliers offer varying levels of quality, specialisation and competence of service, this is not easily determined by the purchaser.

Clearly an information asymmetry exists in this situation indicated by the limited ability to assess quality before purchase and consumption.

The market in which architects compete is broad with some components of the services of an architect being offered by a range of other occupations. However no other provides the range of services that many purchasers wish to find in a single supplier which often results in the architect becoming their principal supplier.

One method which assists clients to select the most appropriate supplier for their project needs is known in the construction industry as pre-qualification.

In 1995 the (then) Construction Industry Development Agency (CIDA) introduced “ a framework, understanding and methodology for pre-qualifying and selecting consultants suitable for their particular projects”. This promoted criteria that “allow reliable and objective assessment of the capacity of a firm to complete work required; and optimise the predictability of project outcomes including time, cost and quality”.

The Building Policy Group actively promotes the use of pre-qualification processes as a useful investment of resources in the identification of the suppliers most suitable for a particular style of work.

Recent construction industry reviews have shown that pre-qualification by clients of their suppliers is strongly supported by all sectors of the construction industry in the selection of consultants, contractors and subcontractors.

BUILDING POLICY GROUP

In employing pre-qualification systems, purchasers need to be able to differentiate between the training, experience and specific skills of each supplier.

The process of assessing the capability of a supplier is both time consuming and costly. The reliance on the use of controlled titles as evidence of achieving a defined standard as set and applied by a responsible authority is therefore of considerable value to purchasers.

In the absence of consistently applied and reliable titles, indicating certain specific competencies, clients of the construction industry seeking to pre-qualify suppliers would be faced with the onerous task of evaluating a broad range of tertiary qualifications and related experience to determine suitability.

Faced with such an onerous task clients would be unlikely to properly evaluate supplier competencies and therefore invite a high risk exposure in undertaking construction projects and have difficulty comparing the relative value of fee proposals received.

The use of pre-qualified consultants who have demonstrated capability in specific categories assists in:

- the management of risk to government in entering into contracts and consultancies for public construction
- the effective management of public resources
- the rapid commitment of works
- the reduction of industry costs in tender submissions

Ministerial Direction No 1 Tendering Provisions for Public Construction, issued under the Victorian Project Development and Construction Management Act 1994, provides an option for clients to call tenders from at least 3 pre-qualified consultants as against publicly advertising. A recent survey of Victorian public sector clients showed that approx 80% used pre-qualification to select their consultants.

It is noted that the NSW Department of Public Works and Services have recently introduced a mandatory system of pre-qualification for public construction. A similar policy change is being considered by Building Policy Group for Victorian public construction.

BUILDING POLICY GROUP

The Building Policy Group, Department of Infrastructure, maintains a register of firms of Pre Qualified Consultants and Contractors. Categories include Project Managers, Construction Managers as well as Draftspersons and Architects.

The Register provides a service to government departments and public bodies who tender for public construction services. By utilising the register government consumers are able to access information regarding consultants capabilities prior to inviting them to provide a proposal.

This register has developed criteria to identify specific competencies of practitioners but employs industry systems where they are available and reliable. In Victoria the system of Building Practitioner Registration and Architects Registration represents such a reliable system.

The Register provides a risk management service by the elimination of the unqualified practitioners or those not considered competent, skilled or experienced for the task to be undertaken.

Consultants and contractors have an open invitation to apply to the Building Policy Register so they can be classified according to their capability and expertise before being invited to tender for any specific work.

Some anecdotal evidence exists that clients are confused by the use of the generic term "building practitioner" when not associated with the classification of the practitioner. This confusion may be more prevalent in private construction.

As each classification of "building practitioner" is only registered for certain competencies, the classification should be more prominent and easily identifiable to assist consumers. As this situation already exists for the term "architect" the retention of the protection of this title is supported.