



SPARK AND CANNON

Telephone:

Adelaide	(08) 8212-3699
Melbourne	(03) 9670-6989
Perth	(08) 9325-4577
Sydney	(02) 9211-4077

**TRANSCRIPT
OF PROCEEDINGS**

PRODUCTIVITY COMMISSION

**REVIEW OF LEGISLATION REGULATING THE ARCHITECTURAL
PROFESSION**

**PROF J. SLOAN, Presiding Commissioner
DR N. BYRON, Commissioner**

TRANSCRIPT OF PROCEEDINGS

AT ADELAIDE ON THURSDAY, 8 JUNE 2000, AT 9.30 AM

Continued from 6/6/00 in Perth

PROF SLOAN: Just before we start, may I say welcome to everyone, and I think it's quite useful by way of background that I just make a few brief comments, I think partly because there seems to be a bit of misunderstanding around the traps both about what the Productivity Commission is and also how this inquiry arose and the primary issue to which it is addressed. As far as the Productivity Commission is concerned, to summarise, we probably are best described as the federal government's principal micro-economic advisory agent - and I stress the word "advisory". All we can do is make recommendations to the federal government and through the federal government to state governments. We're not a regulatory body; we don't make binding rulings.

Most of you are probably aware of that but I think that's probably worth saying. The origins of this inquiry, in fact, are not entirely clear to us, save to say that it is a requirement under National Competition Policy that all pieces of legislation - state, territory and Commonwealth legislation - which have potentially anticompetitive elements be reviewed. As you would know, most of the various architects acts had either been fully reviewed or partly reviewed when a decision was made to essentially aggregate those reviews into an Australia-wide review process and hence the reference was sent by the federal treasurer to the Productivity Commission as one of a number of potential agencies who might have undertaken this review. It probably is worth stressing, and I think there is some confusion over this, quite what the National Competition Policy involves and particularly the Competition Policy Agreement involves.

One of the key aspects of it is that it involves a reverse of the onus of proof, so it for example contrasts with what the Trade Practices Commission did in 1992 when it reviewed architects. In this case the onus of proof rests on those who wish to retain these types of statutes and, in order to make that case, it needs to be demonstrated that the public benefits are greater than the public costs of these kinds of pieces of legislation; but secondly, that there are not alternative means which are both more efficient and more effective in achieving the objectives of those pieces of legislation. I suppose, to put it colloquially, what that really has done is to raise the bar of the hurdle in terms of maintaining the status quo. I'm sure my fellow South Australians wouldn't stoop to this but there has been a tendency in this inquiry to - again, speaking colloquially - attack the man rather than the ball and I think there is absolutely nothing to be gained from that.

My fellow commissioner, Neil Byron, and I are appointed by the governor-general on the advice of the government and we seek to undertake this task with complete transparency, hence these public hearings, and the whole process with integrity, and our experience so far is that attempts to denigrate our role and the role of the commission are probably not very useful. Just two final points: again there seems to be some misunderstanding about the role of this inquiry. This inquiry is not about architecture, it's not about the role of architects; it's a much more narrowly focused inquiry. It is about where the architects acts stand in relation to a competitive environment and what are the public benefits of those acts and what are the public costs. So again, a lot of the submissions and indeed some of our public

hearing material in Perth was really about the role of architects and the role of architecture.

It may be an interesting topic and I'm sure for the audience an abiding topic, but this is not what this inquiry is about. As an aside, I think when the participants have got on to that area they've also been inclined to spend a lot of time attacking their competitors, for example the building designers and the like, and again a piece of advice: I think that gets us nowhere as well. As far as these proceedings are concerned, by and large we like to keep them as informal as possible and I'm sure, as fellow South Australians, we'll be as polite as possible. As a result of that, I think it's best, though, to stick to the time with perhaps some flexibility at the margin and to make the point that because all the hearings are transcribed, it's really not possible and not appropriate to take interjections from the audience because we then have no record of who made those comments.

To speak very briefly formally, here begineth the second day of public hearings of the Review of Legislation Regulating the Architectural Profession held in Adelaide on Thursday, 8 June 2000. For the purpose of transcript, Andrew, could you state your name and your organisation. Richard, you could do that if you wanted to say something. It might be worthwhile.

MR DAVIES: Andrew Davies, chairman of the Architects Board of South Australia.

MR KRANTZ: Richard Krantz, registrar of the Architects Board of South Australia.

PROF SLOAN: Andrew, what often happens is you've been allocated - and I notice I've taken five minutes, so we'll give you your extra five minutes - half an hour. It's often sensible for you to make an initial presentation, submission and the like, and then we'll open it up to questions. Is that all right?

MR DAVIES: That sounds fine, thank you very much.

PROF SLOAN: I don't recommend you take too much time because sometimes the questions can get terribly interesting.

MR DAVIES: Thank you. My presentation this morning - and I might point out to the observers to this meeting - was made available to the Productivity Commission earlier this week, with a synopsis being presented at the end of last week. I'm speaking to my paper with the aid of overhead transparencies which summarise the points being made. The first point which I made in my introduction is that the Architects Board of South Australia, constituted under the Architects Act of South Australia, has prepared this response to the draft report and it's based upon consideration of the report against the stated background and scope of the review and in the context that the board believes primarily the present act exists to give protection to the public. The background of the terms of reference state:

The purpose of the inquiry is to (a) achieve greater consistency in any future regulation of the architectural profession in Australia; and (b) assist state and territory governments in meeting their legislation review obligations under the Competition Principles Agreement in relation to legislation that regulates the architectural profession.

I have gone back and referred to the Competition Principles Agreement papers and the section under legislation review, which is section 5.1, states:

The guiding principle is that legislation, including acts, enactments, ordinances or regulations, should not restrict competition unless it can be demonstrated that (a) the benefits of the restriction to the community as a whole outweigh the costs; and (b) the objectives of the legislation can only be achieved by restricting competition.

In reviewing the draft report, the Architects Board of South Australia contends that whilst the draft report includes many correct and informative points of view, firstly, insufficient weight has been given to the point that the current acts do not restrict competition; insufficient consideration has been given to the objective of achieving greater consistency in any future regulation of the architectural profession; and insufficient assessment has been carried out of the risk to the public if the state and territory acts are repealed. I will now proceed to discuss a little bit further each of those three points.

Restriction of competition: the draft report appears to have been written presuming that the current acts do restrict competition and it's therefore concentrated on 5.1A of the Competition Policy Agreement that I referred to earlier, that the benefits of the restriction to the community as a whole outweigh the costs. However, this clause states that these conditions need to be demonstrated only if competition is restricted. The draft report states in the findings on page 91:

The anticompetitive effects of the Architects Act appear to be limited.

However, this finding is then qualified by the effect of other legislation in one state and the question of derivative terms, eg "architectural". This view is further reported on page 114 with a comment:

On the whole, the anticompetitive costs of restriction on the use of the title "architect" and derivative terms appear to be limited.

The draft report does not give due cognisance of the Trade Practices findings in 1992, which stated in their report, Study of the Profession of Architects, which is referenced on page 85:

The commission considers that certification of the title "architect" and its derivatives does not have a significant effect on the competition in the market

for building design services. The use of the title is a privilege backed by law and the commission considers that the provision of appropriate public information about the certified title and the training and experience it signifies would assist clients to differentiate between the service providers in the building design services market and would be in the public interest.

Again, the draft report refers to the impact of other legislation outside the purview of the review in order to reach its conclusions on page 91, which I've referred to earlier. Arriving at the conclusion that the acts are not anticompetitive, the board believes that the state's obligations under the National Competition Policy can be achieved without repeal of the current statutory backing.

PROF SLOAN: Can I just interrupt there. We didn't actually conclude that they're not anticompetitive; we said that the effects on competition were limited.

MR DAVIES: Thank you. I'll now move on to the question of consistency in any future regulation of the architectural profession. The South Australian board reiterates its opinion that uniform national regulation with one board and one registration scheme should be established independent of the professional body representing architects. That point was made quite extensively in our initial submission to the Productivity Commission. The board believes further consideration should be given to the Architects Accreditation Council of Australia proposals and is concerned about the apparent lack of objective assessment of their proposals and the apparent premise from the commission that the RAIA should be the self-regulating body, and I'm referring there to the comments on page 134.

The draft report of the Productivity Commission has given scant recognition of the non-statutory organisation, the Architects Accreditation Council of Australia, which is referred to on page 105. This body was established by all the state and territory boards properly recognising the need for a nationally coordinated system and represents at a national level the interests of the various boards. AACA is the body contracted by the Commonwealth government to assess architectural qualifications gained by overseas persons wishing to apply for immigration to Australia. This is not people who live in Australia; it's people wishing to come in. I couldn't find there was any acknowledgment in the draft report of that role. AACA is the only body coordinating assessment of residents in Australia with architectural qualifications which are gained overseas.

The matter of providing correct recognition for immigrants' training and qualifications was fundamental to the initial enactment of architects acts and this is also not discussed in the draft report. AACA, supported by the Commonwealth government, developed and produced the national competency standards in architecture, which culminated in the national program of assessment, enabling competent persons holding no recognised formal qualifications to become eligible for registration as an architect.

Other roles taken by AACA are it is the instigator of the nationally coordinated architectural practice examination and procedures for registration; it's the promulgator of the national legislative guidelines, guidelines which have not been adopted - not due to lack of willingness of AACA or the boards but due to the ultimate responsibility resting with state and territory governments. And finally AACA is the instigator of mutual recognition agreements with overseas countries to facilitate overseas trade.

PROF SLOAN: Andrew, can I just interrupt you. Rather than go through all that, can I just point out that our terms of reference precluded us from assessing legislative guidelines. We had to assess legislation. If you look at our chapter 9 we in fact do go through a lot of those issues, but the fact that we weren't there - I mean, we were precluded from specifically assessing the AACA legislative guidelines because we were just there to look at the legislation. So I just think you can take it as read by us and move on.

MR DAVIES: If I could I would like to continue with my presentation. In addressing the specific point you have made, I am mindful of, under the scope of the inquiry, item 5(e) - and I will quote that, which is not part of my presentation:

The commission's report will identify relevant alternatives to the legislation, including non-legislative approaches and the extent to which these would achieve the objectives identified in item (c) -

which I now believe that - this responds directly to that item.

PROF SLOAN: But they are taken up in chapter 9. That's my point.

MR DAVIES: Okay.

PROF SLOAN: Okay. You're saying, though, the draft report does not carry out a fair appraisal of these legislative guidelines?

MR DAVIES: Yes. I think they're of such weight that they ought to have been considered more deeply.

PROF SLOAN: All right. I just want to leave some time for questions, Andrew.

MR DAVIES: Okay.

PROF SLOAN: So if we can take those as read and then perhaps move on to the risks, which I think is an important point. Did you want to just sum up about the legislative guidelines?

MR DAVIES: AACA strongly opposes weakening of the title restrictions or registration requirements because it believes it is in the public interest to ensure appropriate minimum standards and standards which are very similar to 57 overseas

countries, and countries with which we run the risk of lessening the ability to trade due to being out of step with their requirements.

Moving on to the risks of repeal of legislation, sections of the report addressing the likely impact of repealing the acts are entirely conjectural. The draft report acknowledges on page 108 that the commission is not aware of any precedents where other comparable countries have removed registration. The draft report reaches surprisingly similar conclusions to a review of the United Kingdom situation in 1992, which was a report carried out by Prof Warne. The Warne report recommended the protection of the title "architect" be abolished and UKRC - which is the United Kingdom Registration Council - be disbanded and if registration was to continue it be undertaken by the Royal Institute of British Architects.

In fact the Warne report is quoted in the penultimate paragraph of the report on page 148, directly before the draft recommendation that the state and territory acts be repealed. It is most significant that the draft report does not canvass events in the United Kingdom that followed the release of these recommendations. These recommendations were turned over completely, with the final outcome being the constituting of a new architects registration board.

The South Australian Architects Board believes that the potential economic damage to Australia through deregulation is significant when regulation is the status quo throughout the world generally, and could result in significant loss of overseas students within Australian architectural schools and loss of market share of work undertaken by Australian architects overseas.

PROF SLOAN: Can I just interrupt you there and say that we're not advocating deregulation at all. But go on. We're arguing for the rescission of the Architects Act, which is a different point.

MR DAVIES: I guess the response there is that the situation in the 57 other countries is it is a regulated situation in which we're trading, rather than a self-regulated environment.

PROF SLOAN: Sure, except the building industry is subject to myriad regulations and indeed we have the self-regulation in addition to that. Anyway, let's not split hairs.

MR DAVIES: There are significant risks to the general public should the acts be repealed. Generally the general public can rely on the fact that an architect has suitable qualification and this education and training ensures better levels of safety and quality. There are significant risks in an unqualified person holding themselves out to be competent in an industry where government requires almost all participants to be licensed due to potential impact of the health and safety of the general public.

In our conclusion, the board is unable to comprehend why a system should be abandoned which is considered economic to administer, benefits the public, provides

a

competitive base for Australian architects and Australian architectural education and is not anticompetitive. The board urges the Productivity Commission to reconsider its recommendations and promote uniform national regulation of the architectural profession.

That concludes my presentation, but I did forward to the commission two appendices in matters that I consider to be errors of matters of fact. The first is the reference on page 84 to the Queen Victoria building in Adelaide being designed without use of an architect, and I forwarded a copy of the site signboard that makes reference to the project manager being McLoughlin Architects Pty Ltd and the architect being Con Bastiras, a registered architect.

The second item was that there was reference made to the licensing system in Japan, stating that it was only a two-year requirement for registration. It did not make reference to - that those people need to firstly carry out an architectural degree of at least four and up to six years of training. And I forwarded a complete copy of the document called Kinsikushi, which has been prepared by the Japan Architectural Education and Information Centre, and I would point out that that was included in documents provided by AACA with reference to the forum that was held in Darwin in 1999, looking at trying to facilitate mutual recognition agreements with other parties in the Asian Pacific area.

PROF SLOAN: Thanks very much, Andrew. That's fine. We've got some time for questions. Shall I start, Neil?

DR BYRON: I've got a simple one, if you don't mind.

PROF SLOAN: Okay.

DR BYRON: Much of the discussion about the report in the meetings we've had up to now is concerned about the provision of information to consumers - as you say, the rationale of consumer protection. Can you just elaborate for us precisely what sort of information the register provides?

MR DAVIES: I think my answer to that is that in 57 countries around the world the title "architect" carries a meaning that is understood by the general population in all those 57 countries.

PROF SLOAN: Let's just confine ourselves to South Australia at this stage.

DR BYRON: So in South Australia does it - I mean, we've been told that we've got it wrong in the sense that one of the other submissions we've received says that the register provides a list of people who are eligible to use the title. It is not a register of those who are practising architects. Could you clarify that for me, please?

MR DAVIES: The register is a list of those people who have achieved registration under the state act.

DR BYRON: And are therefore eligible to use the name "architect".

MR DAVIES: Correct.

PROF SLOAN: So it's not a list of competence, except at that point when they - - -

MR KRANTZ: Except to achieve registration they are required to demonstrate a level of competence to achieve that registration. Once they've achieved it the register - - -

DR BYRON: If Mr and Mrs Smith from the suburbs call the Architects Board of South Australia they can ask, "Is X registered as an architect?" and you can give them a yes/no answer?

MR KRANTZ: Correct.

DR BYRON: Yes. In Queensland we were told that someone could take the practice exam, have his name inscribed on the register, spend the next 15 years driving a taxi or something, but as long as he paid his \$80 every year he would still be on the register, he would still be entitled to call himself an architect and presumably he could still deal with the public.

MR KRANTZ: That's correct, and the situation would remain much the same here except it's recognised by the states and AACA that there are issues such as recency of practice and continuing professional development issues which are recommended to be instituted such that those issues are addressed.

PROF SLOAN: But at the moment - - -

MR KRANTZ: But at the moment that is the - - -

PROF SLOAN: Right. And by the same token there are people out there who have an architecture degree, who work as architects - who work as architects but are not registered architects and it is illegal for them to call themselves architects.

MR KRANTZ: That's correct.

PROF SLOAN: So the information is a bit limited. Would you agree with that?

MR KRANTZ: No, I think people - - -

PROF SLOAN: And confusing?

MR KRANTZ: As registrar I don't see that there's any confusion. I'd have to say that people who have got the academic qualifications of a Bachelor of Architecture

are entitled to use that reference, Bachelor of Architecture, but are not, unless they carry out their extra registration procedures, entitled to call themselves a registered architect. I mean, it's as simple as that. There's further experience and examinations which they're required to do.

PROF SLOAN: But they do work as architects. You'd agree with that?

MR KRANTZ: I can't comment. I mean, I presume very - sorry, I can't comment. It would be anecdotal for me to say that they work as architects.

PROF SLOAN: We know of quite a few examples, and I presume South Australia would be no different.

MR DAVIES: But the working - and you use the word "architect" in a sense - - -

PROF SLOAN: Sorry, in the non-legal sense of "architect".

MR DAVIES: And the act in South Australia does not prohibit anyone doing drawings, writing specifications or administering building contracts, but the act protects that use of title to give the public assurance about the training, education and competence at registration of those individuals.

PROF SLOAN: How aware do you think the public is of the existence of the Architects Board and how many calls would you have a week as to people trying to assess whether or not someone are a registered architect?

MR KRANTZ: My assistant handles those calls, but we'd get a couple of calls a week from the public saying, "Is So-and-so registered?" whether it's a corporate entity or an individual.

PROF SLOAN: Do you have any calls, though, that say, "We're unhappy with this, you know. We want to lodge a complaint," and it turns out that that person is not a registered architect?

MR KRANTZ: We do have some of those but we obviously can't deal with those, but they are all brought up to the board for the board's consideration. I can't recall that there's a great number of them but we do get them.

PROF SLOAN: You mentioned the UK, and of course in the UK there's no restriction on any use of the derivatives. So yes, it's true that UKRC was abolished and RIBA instituted - on a very different basis, I might add.

MR DAVIES: It was recommended the RIBA be instituted. It never actually came to pass.

PROF SLOAN: The new Architects Registration Board of course has a majority lay membership as opposed to architect dominated ed board. But there is no

legislative

restriction on the use of derivatives in the UK so there's no legal restriction on the term "architectural" or anything like that. What's your view on that? Does that create havoc in Britain?

MR DAVIES: It has created difficulties and I'm sure that you'll be actually receiving more detailed submissions in that regard. Can I firstly make the point that some of the issues that you just referred to again are addressed in the national legislative guidelines and were recommended to government to be adopted and it's only failure by government to take up that mantle that doesn't see them currently embodied in the current architects acts in Australia and therefore there is the opportunity through this process to achieve greater consistency and address those issues that you raised as concerns.

PROF SLOAN: So it's poor regulation as it stands?

MR DAVIES: Yes.

MR KRANTZ: I think I could make the comment that you raised the issue of the constitution of the board and that in the UK there are significantly more lay members than practising architects or whatever. Again, as Andrew referred to, the AACA guidelines and I think the boards themselves recognise they could be restructured in a better manner to have a broader representation from the community, as distinct from totally architects.

PROF SLOAN: You say that the acts are there to protect the public but if you go and read the acts, that really doesn't seem to be part of it at all and indeed, if you read the history, these acts came about at the behest of the profession and the objects of the act seem to read something along the lines, "This is an act to regulate the profession," so it seems to me that it's a second-guessing procedure to suggest that they're there to protect the public.

MR KRANTZ: I don't think so.

PROF SLOAN: That is the history of them. So you're saying that they've evolved, notwithstanding the fact that the legislation by and large hasn't been altered much?

MR DAVIES: I think if there was an opinion that they didn't protect the public the acts would have been abandoned many years ago.

PROF SLOAN: Do you think engineering is significantly inferior in terms of its standards occupationally compared with architecture in Australia?

MR DAVIES: The issue with engineering is diverse and complex and I guess it's potentially difficult for you to go into great depths when you're limited by your terms of reference, but the submitting of calculations that are required to be submitted to councils and via other acts requires their core competency is to be demonstrated through that process of submissions.

PROF SLOAN: But there's no statutory registration of engineers in this country, apart from some - - -

MR DAVIES: But in the submitting of the calculations that support the requirements it makes use of that training in a far more transparent manner and it's the diversity of the role of the architect which is in many cases difficult to grasp and leads to some of the conjectural points that have been made in the draft submission.

PROF SLOAN: Yet you have a system where someone who was registered in 1958 and has driven a taxi ever since looks exactly the same as someone who registered in 1998. So you're saying there's more information in the self-regulation of engineers than there is in the regulation of architects?

MR DAVIES: It's a different profession and it has different requirements and therefore there are different circumstances.

PROF SLOAN: What about the accountants? They're an inferior occupation too because they don't have statutory - - -

MR KRANTZ: Certainly not. Sorry, it's a biased comment but I think you will find in the accounting profession, whilst it is not regulated per se, a number of the activities carried out by accountants are regulated. I mean, one has to register as a tax agent, a company auditor, financial planning; all of those have separate regulation and one has to be - - -

PROF SLOAN: Isn't that even a fortiori in the case of architecture though?

MR KRANTZ: Sorry?

PROF SLOAN: Because, after all, architects are bound by all those building codes and building regulations which are of course, if you talk about health and safety, surely legislation which is directed to that objective as opposed to the registration of architects - is the way to address health and safety.

MR KRANTZ: You refer back to accountants - just to finish off on that. There is specific regulation that prohibits accountants doing certain tasks, if you like, performing certain work, without the correct qualifications and it is extremely regulated.

PROF SLOAN: Self-regulated.

MR KRANTZ: No, not self-regulation. Just picking one of them - tax agents, for example; you cannot lodge tax returns unless you're a registered tax agent, you have to comply. The same with the registered company auditors. It's very difficult these days to get registration as a company auditor and sign company audit reports. That is extremely regulated.

PROF SLOAN: That, of course, though, is task related so the profession is self-regulated in a competitive way.

MR KRANTZ: Yes, the profession in the broadest sense has no legislation. Anyone can call themselves an accountant; but you can't actually perform certain tasks without complying with regulation.

DR BYRON: But what you've said raises one of the interesting developments when it comes to accreditation, certification and registration and licensing, all of which I see as different. They're sometimes used as if they're synonyms but they are different. The trend seems to us to be that rather than just license or register or accredit an individual for every and any activity that he or she may engage in as part of their professional work, you - if you like - unbundle it and say, "Well, that particular activity has potential serious risk attached to it and high consequences and so we will control who does that activity or performs that function, rather than registering the person who may engage in a whole lot of functions." The registration and reservation of title for "architect" seems to be a very blunt instrument for controlling some particular function which has a high probability of adverse outcome - an adverse outcome of high cost.

I mean the reason not everybody can do brain surgery is because it's very very high-risk and it has to be controlled, strictly controlled. What we're trying to work through is out of the whole suite of activities that architects can and do engage in, from conceptualisation to documentation and all the rest of it, how many of those functions fall into that category of serious risk? And if it happens, it's a very severe consequence. Where is the potential damage where we can really target the protective measures to make sure they work? If the answer is that many of those things are already covered, perhaps excessively covered, by other pieces of state legislation or national building controls or whatever, then we're still trying to pinpoint where exactly the problem is that reservation of title is the answer for.

MR DAVIES: The point you make can be answered in two ways. In the first, again, you started with the analogy with the accountants, which I am no expert on but I guess I put the question: is having four acts, licensing four parts of the business of accountancy, plus the Companies Act and a myriad of other acts, achieving your objective of greater consistency and uniformity, which was one of your requirements to be looked at? Again, it was outside of your purview of the study to do those sorts of comparisons and I can't answer it but I can raise the point in the same conjectural manner in which the response has been given to me.

PROF SLOAN: Economists would call this a mismatch between objective and instrument. You've got legitimate objectives that you wish to fulfil but the instrument, ie reservation of title, achieves that extremely badly.

MR DAVIES: The "extremely badly" reference that you make is the blunt instrument that you refer to that America, England, Japan, Canada, New Zealand and

another 50 countries use because it's considered most effective to achieve that differentiation of a person with the training and qualifications. The risk is by taking Australia out of that equivalence with the rest of the world, we are kicking our own economy in the guts.

PROF SLOAN: Do we want to follow Nicaragua? Because they have reservation of practice and title. I think we really need to stick to the principles.

MR DAVIES: But if we want to trade with China - - -

PROF SLOAN: Yes. Anyway, we trade with those countries in respect of accountancy services and engineering services without reservation of title.

MR DAVIES: But again they're different businesses.

PROF SLOAN: Perhaps this has been a gross characterisation of how the market works but this is how we see it; that in the residential end of the market we have naive consumers, often one-off consumers, but by and large that market is dominated by non-architects, but those are the consumers we might worry about. In the commercial end of the market we have very savvy users of building design services. They're repeat customers, they build up relationships with those people and so I'm not sure the government has got much interest in protecting them. It comes back to who is being protected where we've got a group of consumers who by and large don't use architects, whom we might worry about, and a group of consumers that we're not going to worry about because they're sophisticated players. So what is being achieved here by the reservation of title? Whose interests are we serving?

MR DAVIES: I think there is potential for Mr Neighbour to make some reference to government and their procurement of services and the risks of having properly - - -

PROF SLOAN: So governments need to be protected?

MR DAVIES: Yes.

PROF SLOAN: Governments need to be protected by their own acts, right.

MR DAVIES: It's governments that enacted the acts in the first place, for a reason.

PROF SLOAN: We haven't got any more time, I'm afraid, Andrew, but thank you very much, and Richard, for your well-structured presentation and I'm pleased to have that further submission. There are a few points I might like to follow up later on, so if you're happy to do that - - -

MR DAVIES: Can I make just one concluding remark?

PROF SLOAN: Yes, sure.

MR DAVIES: This document was deliberately quite brief, recognising that you were getting many submissions. The South Australian board is reviewing drafts of the AACA submission, which is a far more comprehensive document addressing broader issues rather than a very deliberate response by the South Australian board to keep it pretty tight and specific.

DR BYRON: Thank you very much.

PROF SLOAN: That's welcome and we will be meeting with the AACA, of course. Thanks Richard, thanks Andrew. I now call on Prof John Cooper. If you could state your name and organisation for the purpose of transcript, that would be most appreciated and we have allotted you half an hour.

PROF COOPER: My name is John Cooper. I'm virtually retired but I remain a consultant architect and I am a director of Development and Collaboration Australasia for the UK University of Lincolnshire and Humberside. My principal interest in terms of the review is in the area of international aspects of architectural education and practice internationally and in quality assurance, which I think has an implication. My interest stems from having been both a practising architect and an academic on both sides of the world. Following training in the UK, where I was registered in 1962, I had a career with a major and UK and international practice with nine years as a partner and a senior partner before coming to Australia in 1976 to take up an academic position.

In 1977, I was appointed as head of architecture at the South Australia Institute of Technology here in Adelaide. I applied for registration and in 1978 I was elected to the Architects Board of South Australia. I remained on that board until late 1989. Between 1977 and 1990 I was at various times RAIA chapter president and national councillor, Architects Accreditation Council of Australia education committee member, Council of Professional Qualifications examiner in Germany on one occasion, and an external examiner and adviser to the University of Science, Malaysia, in Penang, and the Institute of Technology, also in Malaysia, over a period totalling about six years. Throughout this period I remained a consultant to my former practice, which incidentally had an office in Canberra for several years.

I returned to my practice in London in 1990 to develop its quality assurance system to BS5750 part 1, which is now International Standard Organisation 9001, having developed an interest in the quality assurance of architectural services. At that time UK government departments and agencies and some major private clients were moving towards requiring architectural practices to be quality assurance certified as a precondition for being considered for work, but the effects of the recession at that time and the considerable costs of quality assurance implementation has over the years, I believe, resulted in such a dilution of quality assurance credibility in the UK that effectively it's largely fallen into disuse and it has not been seen - and is not seen - as a replacement for registration which, given that the Warne report preliminaries were proceeding in parallel in the early 90s and that the government maybe had in mind that quality assurance could somehow substitute for registration, is in my view interesting.

In 1991 I returned to the academic world, being appointed dean of art, architecture and design at what's now the University of Lincolnshire and Humberside. The vice-chancellor asked me to assess the relevance of ISO9001 quality assurance certification to the university and to maintain and develop contacts in Australasia. It may be of peripheral interest that only one university in the UK in fact went for ISO9001 certification; the vast majority, including my own, felt that it was all too difficult, to be quite honest, and certainly too expensive.

I was appointed as quality assessor for architecture by the Higher Education Funding Council for England and also the Higher Education Funding Council for Wales, and the Higher Education Quality Committee sent teams to assess architecture

courses, as they did to assess all other disciplines in universities around England and around Wales, and I served on I think four of those. I served on the education committee of the Architects Registration Council in the UK until 97 and on the Yorkshire region council of RIBA. I'm sorry to bore you with all of that, but it does just lend background to the fact that I was involved, albeit in a small way, in all the debates which were taking place when the Warne committee's deliberations were ongoing.

Following my return to Australia in 1998 I remained a director of Development and Cooperation Australasia for that UK university. I am currently on the University of South Australia's alumni and friends' committee with particular relevance to overseas alumni in South-East Asia and I am currently an Architects Accreditation Council of Australia assessor for its national professional assessment program.

Since 82 I've made frequent visits to Malaysia, Singapore and Brunei to develop and sustain educational relationships on behalf of the South Australian Institute of Technology and the University of Lincolnshire and Humberside and have also established working relationships between the University of Lincolnshire and Humberside and Australian universities with formal memoranda of understanding in several cases. Normally the three areas of collaboration are student exchange, staff exchange and joint research activities, while in South-East Asia there is a parallel strand of recruitment of overseas full-fee paying students.

In my view the repeal of the Australian architects acts would adversely affect the export of both architectural and education services. It is to be remembered I think, with respect, that the UK Warne report, commented upon favourably in your draft report, was not acted upon by the UK government largely because it was recognised that abandoning registration would severely damage the UK's ability to export architectural and education services.

The stance of the European Union and its member countries was significant with, for example, Germany and Holland insisting that an architect or an architectural practice could not practice on their own account in those countries without being registered. Your draft report refers to architects from Sweden and Denmark being able to work within the EEU, and Sweden and Denmark I understand from your report do not have registration procedures. May I hazard a guess that whilst an architect, in inverted commas, from Sweden and Denmark could work for architects in other European Union countries, I'm rather doubtful that they could readily establish their own firms there.

More generally, many other countries retain registration - and that's been referred to - and they include Malaysia, Singapore and other South-East Asian countries, and South-East Asia is perhaps Australia's prime market and one where competition is strong from the UK, USA, and elsewhere. The report makes the point that in several countries Australian registered architects can only operate by linking up with a local practice, really like a joint venture. To assume that this means Australian registration is immaterial in those situations is dangerous. If Australian

architects

lacked registration in their own country, in my view, they would no longer be viewed favourably as joint venture partners and competing UK or US registered architects for example might be preferred as more credible.

It's also dangerous, in my view, to assume that the two-year notification period prior to the repeal of the Australian registration acts suggested in the draft report would be one of benign neutrality overseas. My belief is that for example, UK practices and universities would immediately use the first news of this situation in South-East Asia, for example, to exploit a perceived weakening of Australia's professional reputation. There would be no question of waiting for the two-year period to elapse before striking for this advantage.

In terms of exporting architectural education, loss of registration would be critical. The reciprocal recognition of architectural courses across those countries which have registration as providing the essential educational prerequisites for registration, and therefore practice, depends upon courses being so recognised by their home registration body. For example, the registration body in Malaysia, PAM, maintains a register of those courses which it recognises on this basis, including those of Australian and UK universities. Loss of Australian registration would result in the removal of Australian courses from the PAM list, and since courses are typically of five or six years' duration I suggest that this removal might well occur immediately the two-year notification period was announced.

PROF SLOAN: Have you any evidence of that?

PROF COOPER: No, I'm suggesting that that - I can't have evidence of something which hasn't happened, with respect.

PROF SLOAN: Well, people can - - -

PROF COOPER: I have negotiated myself with PAM on behalf of my UK university and they are extremely rigorous and extremely careful which courses they approve, and one of their criteria is, "Is your course recognised by the professional and registration bodies in" - in that case, "the UK?" I imagine the same questions would be asked about an Australian course.

PROF SLOAN: I'll ask you a question: what discipline in Australian higher education has been most successful in attracting overseas students?

PROF COOPER: What discipline?

PROF SLOAN: Both absolutely and proportionately? Well, the answer - - -

PROF COOPER: I would hazard a guess and I would say to the best of my knowledge in the UK - and I imagine it's reflected in Australia, but it is a guess - I would think it's probably business management.

PROF SLOAN: Accountancy.

PROF COOPER: It's accountancy. Well, yes, sorry.

PROF SLOAN: And accountancy of course doesn't have any government registration.

PROF COOPER: Maybe not, but maybe it doesn't have government registration in Malaysia either. What I'm arguing is that if you opt out of the international norms on registration then you lose out. You won't be accepted as a credible course or a credible practice in a place like Malaysia, which insists on registration, as do I think you said 57 other countries.

PROF SLOAN: Of course, course accreditation and reservation of title are conceptually different aspects.

PROF COOPER: They are linked though.

PROF SLOAN: But there are plenty of areas of extremely successful attraction of overseas students which have absolutely nothing to do with government registration on - - -

PROF COOPER: I totally accept that. There are many areas, but I don't believe that architecture will be one of them. And if I may just make the point, architectural education is very vitally linked to registration in the sense that registration authorities in the UK and in Australia as well as the professional bodies - the RAIIA or the RIBA - have a great responsibility for ensuring that course curricula, quality of delivery, quality of the academic environment, but most particularly course curricula and content, meet the specified needs of the registration and professional body.

PROF SLOAN: You don't think that happens in self-regulation? I mean, speaking as an academic from a faculty in economics and accountancy, believe me, the accounting bodies completely dictate the courses in accountancy.

PROF COOPER: I can accept that. There was an article just yesterday in the Australian which was taken from the London Times, written by the Times educational editor, which was about university education generally in the UK, but there was a telling paragraph there which said that it really didn't matter what anybody thought or said, it was the professional bodies which dictated the course content - - -

PROF SLOAN: Absolutely.

PROF COOPER: - - - and methodology even of the professional courses, of which architecture is one. I'm not arguing that architecture is superior to other disciplines because it has registration.

PROF SLOAN: No, but those have a self-regulation model which involves

extremely stringent accreditation of courses, which is a requirement of attracting overseas students. Sorry, Neil.

DR BYRON: All I was trying to say is that you've mentioned a few times in the submission that if Australian architects lacked registration I don't think we're talking about an absence of registration. The question is whether it's registration by a state-run body or registration by some other highly credible, respected accreditation body.

PROF COOPER: Yes, well, I - - -

DR BYRON: It's not an absence of registration per se, and so when we look at the engineers and the accountants, for example, they do have registration; it is just that it's not registration by a government statutory agency. I've followed with interest the development of the APEC engineer system, which I believe goes into operation next month, and I've heard that there is some movement about an APEC architect. The engineering one apparently at the moment, or next month, will cover eight countries but it's proposed to cover 15 countries in the next year or two.

It seems to me that they have been able to satisfy each other that - in terms of the integrity of the admission of qualified experienced personnel, the disciplinary procedures for excluding anybody who's not up to their high standards, in terms of the quality of the accreditation of courses, they have been able to satisfy all these same countries that we're talking about in their particular disciplinary area. So now what we have to consider is in what way architecture is so unique that a system that has worked for engineers and accountants, something like that, couldn't possibly be developed.

PROF COOPER: Yes, I understand that, and at least theoretically I suppose I must agree that in the fullness of time it may be that such a situation could come to pass. However, at the moment my mind is focused on the present and the fairly immediate future of the next two or three years, and for the moment the situation, for example in the European Union - and I believe in the United States - is that they have in fact hardened up on their insistence and their support for registration, not the reverse.

Now, all right, if meaningful discussions - a terrible word, "meaningful" - and rational amendments can take place to produce a supra-national system of let's call it registration, in inverted commas - - -

PROF SLOAN: Or mutual recognition.

PROF COOPER: - - - then maybe in the fullness of time that's possible, but I don't believe it's possible overnight and I think, with respect, the recommendation in your report that state and territory acts under review be repealed after a two-year notification period - I think that's quite dangerous and I would like to see any supra-national negotiations be well down the road before anything like that was actually adopted.

DR BYRON: The point you make about the export of Australian architectural services and also of architectural education services is really very crucial to this inquiry; we fully appreciate that.

PROF COOPER: That was why I put it in my submission, because I don't think there are too many people who have worked on both sides of the world as I have.

DR BYRON: I should explain that in a previous incarnation I ran a postgraduate program at the Australian National University that existed solely on full-fee paying overseas students.

PROF COOPER: Yes.

DR BYRON: I used to perhaps delude myself that the reason students came to us was because of the quality, the skills, the expertise, the experience, the reputation effects, plus the fact that our fees are a fraction of sending them to an American university or even a UK university.

PROF COOPER: Yes.

DR BYRON: I speculate that perhaps some element of that also applies even in architecture, where somebody coming from Singapore, Malaysia, Indonesia, will look at what Australia has to offer in terms of the excellence of our architects, the excellence of our university faculties of architecture. Then I really believe we have a lot to offer and that's one of the reasons for students coming here now.

PROF COOPER: Indeed.

DR BYRON: But when I put that together with the fractured system of state-based reservation of title and the litany of defects that the status quo has, it really sort of strains my credulity to say if you take away this admittedly defective reservation of title, all our quality, experience, reputation and value for money is just worthless. The one pillar that is supporting all our existing export of educational services is this rather sad little thing called "reservation of title" and all the defects that the state acts admittedly have. I mean, surely we would still have something very very strong and attractive to offer to any South-East Asian student whether we had reservation of title by state boards or whether we had the architects' equivalent of certified professional accountant and registered professional engineer. That's my proposition.

PROF COOPER: Yes. Could I respond to two of those points? I said in my further submission to you - which you have acknowledged - that I do see advantage, personally - and this is a personal view - in a single national registration system, replacing the present situation of separate registration boards in each state and territory because, whilst I believe certainly that registration is important for Australian architects to practise internationally, then if they are to practice internationally then they are surely capable, in my view, of practising across

Australia, so I think a

national registration system makes sense.

PROF SLOAN: So there would be more cachet in being a registered architect of Australia.

PROF COOPER: I just think it would be more rational.

PROF SLOAN: As opposed to a registered architect in Tasmania.

PROF COOPER: There might be more cachet but my argument is that it would be considerably more rational.

DR BYRON: It's more logical.

PROF COOPER: And I would personally welcome lay representation, as on the new ARBUK in the UK. The second point, if I may just mildly take issue with you, is that I accept all you say about the quality of Australian higher education and that is reflected in Australian higher architectural education but, just to give you a contra example: I have been travelling to Brunei for several years and I have been attracting a steady flow from a population of only about a quarter of a million of about six students a year to my UK university, and that is primarily because the government of Brunei, in its wisdom, has said, "We want our architects to be registered. We don't have our own registration system in Brunei. We adopt the UK registration system and when we send our students overseas we require them to go to a course which is recognised by the UK, as providing the educational prerequisite for registration, and we then require those students in the fullness of time to sit for" - what I imagine now is ARBUK - no, RIBA/ARBUK's professional - - -

PROF SLOAN: But they could come down here because don't we offer the same and at a reduction of costs?

PROF COOPER: Brunei chooses - and it is not for me to comment on why Brunei chooses what it chooses - to recognise the UK registration system as paramount and that is why it goes that way. It's possible that if people beavered away long enough - and I suppose it is a matter of return on investment put into the effort.

PROF SLOAN: Yes.

PROF COOPER: If people beavered away long enough they could, I would like to think, no doubt persuade the Brunei government that Australian registration is just as good, if not better, than UK registration, but they couldn't do that if Australian registration didn't exist, but we're talking about whether it is run by government or whether it is run by some other registration agency.

PROF SLOAN: Bear in mind this registration system is this ramshackle state-based form of reservation of title, really. To say it's a registration system is probably being a bit kind to it because it is a one-off registration system which then actually includes

no

further information for consumer protection purposes.

PROF COOPER: Yes, well, in one of my submissions - one of my two submissions - I also indicated that I would favour the situation which has emerged in the UK, where registration and the issue of an annual practising certificate is linked to the maintenance of appropriate professional indemnity insurance, and by "appropriate" I mean linked to the turnover of a practice. At least that way there is some guarantee that if a client, one might say - well, no, one shouldn't say "regrettably", but if a client succeeds in a claim against an architect and that architect is registered and can only be registered because that architect holds professional indemnity insurance, then at least there is some guarantee that the client will receive some recompense; whereas if the client goes to some other individual who claims to provide architectural services and finds themselves claiming against that individual, it's possible that that individual might simply declare themselves bankrupt.

PROF SLOAN: Right.

PROF COOPER: So that's one thing. The other thing your draft report touches upon is of course continuing professional development and I think a lot of rethinking needs to be done - I am not claiming that the status quo is ideal - but I think for practising architects, yes, there is a case for a mandatory amount of continuing professional development and that in fact is advocated and implemented by - continuing professional development - the RAIA at the moment.

DR BYRON: Yes.

PROF SLOAN: Precisely.

PROF COOPER: I am not bothered who does it.

PROF SLOAN: No, but they do do it at the moment.

PROF COOPER: Yes.

PROF SLOAN: That's an important point. Just given your background, one of the things - we have had tremendous difficulty in establishing an accurate empirical snapshot of this profession. The boards might maintain that that's not their role but the boards in fact weren't very helpful in terms of providing information. Economists would be inclined to think that one of the nice spin-offs of regulation is good data - it's not true in this area but it seems undeniable that there are many more architecture graduates than there are registered architects.

PROF COOPER: Yes.

PROF SLOAN: We're told that a proportion of that loss, so to speak, is something we shouldn't worry about at all because they go off and do other things.

PROF COOPER: I have heard that argument.

PROF SLOAN: But the economy is hard. I am worried about that leakage and I wondered whether there were some aspects of the registration process which - I mean I know that one of the AACA registered guidelines is to improve the transparency of the process and the like, but the thing is for nasty, suspicious economists there can always be confusion between maintaining legitimate standards and restrictive practice and the fact that there does seem to be this very considerable leakage between the number of architectural graduates and the number of registered architects is a concern to us.

PROF COOPER: Yes, I am sure it is. I have no great brief for people holding degrees in architecture going off and doing other things. When I ran a school of architecture in this city I would say that I was only interested in students who on day one, however ill-informed they were, believed they wanted to become practising architects. Others took a different view: that a first degree in architecture at least could be a liberal degree about architecture and they could spin off and do all sorts of other things. I would therefore say that maybe there needs to be some rethinking on them as in architecture schools. I don't know because I'm not up with the latest statistics but my only interest in architectural education is in educating and training architects for practice. Those who go off and drive a taxi for 20 years - that's a point I would like to come back to because if you had to maintain professional indemnity insurance in order to receive your practising certificate each year from a registration authority then that might, as it were, weed out - - -

DR BYRON: Yes. They wouldn't get the insurance if they weren't up to date.

PROF COOPER: They wouldn't get the insurance, no. That might be an answer to that conundrum. I'm sorry.

PROF SLOAN: So you see the bottleneck in the process as that there are insufficient opportunities for those architecture graduates to secure the professional experience required for registration. Is that where the bottleneck is?

PROF COOPER: It ebbs and flows and, at the moment, I understand that the market for architecture graduates is quite good in Australia but the graduates - and I have this from the University of South Australia - have no undue difficulty in finding architectural employment - at the moment - but of course, as we all know, it can be cyclical according to not just the Australian economy but the international economy.

When I went back to the UK I joined my practice's London office and there were 50-odd people in that office and 18 months later there were about 15, so you can't, with respect, generalise about these things. There is of course the educational proposition that education is a good thing in its own right and one shouldn't deny students the opportunity to study architecture if that's what they choose to do, even though they want to spin off and do other things, so there are other schools than mine which provide those facilities.

PROF SLOAN: Because we are very pressed for time, John, we might call a halt again. I hope you are happy if we need to come back to you about anything.

PROF COOPER: Yes.

PROF SLOAN: Thanks very much for the thought put into your submission.

DR BYRON: Thank you very much for all the effort.

PROF COOPER: Thank you.

PROF SLOAN: I now call Keith Neighbour of Arkon Consultants Pty Ltd. If you could state your name and organisation.

MR NEIGHBOUR: I'm Keith Neighbour and I'd like to think I am here representing the public as much as I am as an architect. I wanted to approach this from a slightly different direction. I don't want to go through my CV.

PROF SLOAN: No, that's fine.

MR NEIGHBOUR: Thank goodness.

DR BYRON: It will be included on the Web site anyway as part of your submission.

MR NEIGHBOUR: Right. But I think that the kind of work I've been doing in this last decade and even more recently does impact on some of the issues that are raised in this discussion. During the last decade a lot of my work has been in attempting to troubleshoot construction projects that have gone wrong, and in particular over the past two years I've been commissioned to examine specific projects that in fact have had significant overruns in cost and time - which must be of public interest because some of them were public buildings - and to attempt to identify the reasons for those and where the risks occurred that led to those overruns in cost and time. In my submission I refer to a quote in the assessment criteria, page 5, in chapter 1:

Competition generally will foster production efficiency and thus generate lower prices and better levels of service for consumers.

I think in my submission I have disagreed with that because I believe that the findings that I have made, which are cold, hard facts, are in fact that one of the outcomes of competition has been a lowering of the standards in construction, not necessarily design but it may apply to design again, but more appropriately to the documentation that occurs and is used in contracting work out to builders. I think that competition in the sense that it has affected consultants, and architects in particular, is not the nice form of competition that I like to think that it was. When I think of competition I think of eight very highly-trained skilful swimmers who dive into a pool and use their incredible training and best endeavours to win. Unfortunately that concept of competition is not what has resulted in terms of architects and other consultants in the real life.

What has happened is it has become simply fee-cutting to win jobs, and that has resulted in attempting to match the level of services to the lower fees that have been accepted by people. And in turn my findings have been that through inconsistencies, errors and other things that occur, not so much in the design process but in the further processes of documentation and the administration of buildings, which is undertaken by architects - has led to very significant additional risks in terms of the public and in terms of government, and I think government is recognising this. My recommendations that have gone to the state government here

in South Australia have been that aspect of competition has not resulted in the quality and the economics that

they really had hoped to receive from looking at competition.

Unfortunately I think that the worst risks are yet to come in terms of the life expectancy of buildings and I believe that the next decade will unfortunately be filled with more disputes and more failures in buildings that have really arisen out of this rather excessive attitude towards competition in relation to what I'll call professional services. You might say, "What has got that to do with what we're talking about?" I think that if legislation as it exists or as it may be modified were given up in terms of a form of self-control by professional bodies - I think that that would have a further effect on the deterioration of the present services that are being offered to the public. And I feel that if other competition occurred in architecture, that would then still lower the standards even further in terms - and increase the risk.

Earlier we talked about a comparison between architecture and architects and engineers. Everybody is an amateur architect, including our clients quite often, but hardly anybody is an amateur engineer. I really don't know of any people who offer engineering services who aren't reasonably skilled in that area because, unlike architecture, they're very much more related to very strict disciplines in mathematics, high technology, science itself, and the specialisation in those areas doesn't lend itself to an amateur involvement in that field. So I think that it's a little unfair to say, well, the engineering profession doesn't need this kind of regulation. It doesn't need it because nobody else is really pretending to be an engineer in those fields. It is too specialised and complicated to attract people to do that.

PROF SLOAN: We have plenty of amateur economists, though.

MR NEIGHBOUR: I see. Yes. As I said, everybody wants to be an architect.

PROF SLOAN: And economics is not a regulated profession.

MR NEIGHBOUR: I'm an advocate of course, as you will have noticed, for the legislation of the practice of architecture rather than necessarily the title itself. I do believe very sincerely, from my own experience and my own investigations, that that would suit much better in terms of service to the public. I think there's no question about that. I would like to see that pursued much more rigorously than it was in the report. I felt that in dismissing that as an alternative in five dot points or six really didn't do justice to that and I would like to see the opportunity, following this report, to investigate that particular alternative much more precisely. I wanted to read to you a short list and I've got my wrong glasses on.

PROF SLOAN: While you get your glasses out, when you say there's a fee-bidding - "war" is a strong word - is this not, though, mainly a competition between architects?

MR NEIGHBOUR: Pardon?

PROF SLOAN: Is this not mainly a competition between architects?

MR NEIGHBOUR: Yes, I regret to say that it is.

PROF SLOAN: Right. So if you had reservation of practice what's to stop fee bidding in that context?

MR NEIGHBOUR: Sorry, if you - - -

PROF SLOAN: Had reservation of practice, which is your recommendation.

MR NEIGHBOUR: Yes.

PROF SLOAN: What would inherently then in that arrangement stop fee bidding?

MR NEIGHBOUR: I believe that people - I think much the same sort of thing would happen as is happening now in building, with better building - with building licensing and so on. I think that has stopped a lot of bad practices in building and low fee bidding and so on, because builders do have to meet certain standards, they have to regularly renew their licences.

PROF SLOAN: Right.

MR NEIGHBOUR: And I'm not opposed to that. I believe that that is essential.

PROF SLOAN: So that's the direct way of handling the problem?

MR NEIGHBOUR: Pardon me?

PROF SLOAN: I mean, go back to these nasty cliches that economists have about the mismatch between the object and the instrument. It seems to me that if you perceive the problem to be one of fee bidding I'm not sure where reservation of practice would get you. And I think you're right to point to the CSIRO project, which said that it would appear that if you spend a proportionately small amount of money on those early design phases then there are long-run costs to that.

MR NEIGHBOUR: Yes.

PROF SLOAN: But I just want to know how you see reservation of practice affecting fee bidding when in fact the fee bidding is going on between architects at the moment and presumably has for quite some time.

MR NEIGHBOUR: Yes, but I think the point I'm trying to make is that, because of the analysis of why jobs have gone wrong, governments at least are beginning to recognise that there is such a thing as value for money; that if they want to reduce risk that has occurred in the past and is occurring, then it does require more to be done and more skilled work to be done, and therefore it's necessary to pay for that,

which

will achieve greater savings in the future.

PROF SLOAN: I hear all that. I just don't see where regulation fits in.

MR NEIGHBOUR: No, my line of argument in terms of the legislation of practice wasn't particularly related to what I was saying in terms of - what I was trying to show in relating to this work that I've been doing was that if you open up competition even further, as it is under some of the suggested regulation, then I think that the quality of work in terms of the built environment and the output would go further down the slide than it is now. I think it would encourage that through competition.

DR BYRON: I actually read the CSIRO report in relation to a previous study that the commission did in terms of improving the environmental performance of commercial buildings, and it seemed to me that the whole thing suggests an ideal bumper sticker for the architectural profession; that, you know, "Good design doesn't cost, it pays", if you want to fit it in four words. But recognising the issues that arise from fee bidding suggests to me that the onus is on those who are providing better quality, higher quality services at a higher price to inform their prospective clients of the dangers of buying just on price; the old cliché "You pay peanuts, you get monkeys". If there are clients out there who think that it makes sense to save a few thousand dollars in the design and documentation phase when it's going to cost them millions for the next 30 years, surely part of the discussion with the client and the explanation for the fee has to be that doing it right the first time is actually a very good investment for the client.

Coming back to the issue of regulation, it seems to me that the current system of registration basically says you're an architect or you're not, it's black or white, and all architects are equal. If you're in, you're in; if you're out, you're out. Whereas a system that actually differentiated and provided more information would explain to prospective clients that you've got fabulous, world-class architects who are moderately expensive; you've got average architects, average price; and you've got substandard ones who'll do it very cheap but they're very substandard. The current system doesn't seem to be conveying enough information and surely the onus is on somebody - either the professions or the board of the institute or someone - to explain to those prospective clients "You pay peanuts, you get monkeys." And the current system isn't doing as much as it might to prevent that very real problem that you allude to.

MR NEIGHBOUR: No, I certainly don't disagree with you. In fact I agree with a number of points that were presented in the draft report and I wanted to just very briefly - they're just dot points - read those.

PROF SLOAN: That would be good.

MR NEIGHBOUR: I believe that these are logical and that they do require proper consideration, and they're as follows. Clear identification and communication of the purpose and benefit of the new legislation - I'm assuming you need a legislation of

some kind - such that it is easily recognised and understood and that it primarily serves the public interest. A national system of legislative registration of architects in some form. A direct representation of consumers on a central architects board. A more transparent and independent structure and procedure in relation to disciplinary provisions to be able to inform the public of the courses available to them within the legislation in the event of failure of the services provided; a better defined restriction of derivatives of the term "architect" if that is retained as a restricted word, for example, "architecture" and "architectural", perhaps more as defined in the Victorian Architects Act; and a requirement for ongoing professional development; a requirement for professional indemnity insurance; and revision of ownership of architectural businesses.

I think if we are to look at some form of change that all of those things - we must agree to consider those, but my own preference would be to also look, regardless of what we've briefly talked about today, at a system of the regulation of the practice of architecture. I believe there are advantages that could be shown but I think it needs a really in-depth study to arrive at a reasonable conclusion. I do not believe that some form of self-regulation will be successful enough.

PROF SLOAN: All right, Keith, I think we might leave it at that. That's very helpful. It's always helpful to get a spectrum of opinions about these things. Have we got David Manfredi here? Are you happy to have morning tea before you - why not? Is that what you said? I now call a temporary halt to our public hearings and we'll have morning tea, which will take 15 or 20 minutes.

PROF SLOAN: I call David Manfredi to the stand, as it were. If you could state your name and organisation for the purpose of transcript.

MR MANFREDI: Certainly. My name is David Manfredi. I'm the principal of David Manfredi Design. I'm a registered architect. Thank you for allowing me to make this submission to the commission.

PROF SLOAN: Thank you for coming.

MR MANFREDI: Obviously it's in response to the draft report the commission has put together and I just have several points I want to cover this morning. My more formal submission covers five sections which are a critique of the report, some perceived weaknesses in that report. Section 3 is objectives of a revised system, 4 is an outline for a revised system and 5 is some recommendations. I'll briefly move through some of those sections this morning. The recommendation to repeal raises many concerns for the profession and the community, which I have detailed in that full submission. I've got a point basically that it's not a simple component to get through this whole procedure. In architecture, as in life, the simplest, most effective solutions are not easily arrived at and, most often, not quickly. Rather, they require much refinement in order to deliver the best outcome after consideration of conflicting interests.

I'll basically go straight into what is section 2 of my more formal submission, which is what I've considered to be weaknesses in the report. I use that term perhaps loosely. The draft report explains the task of the commission as one of assessing whether current legislation promotes the public interest or whether feasible alternatives could do better. To do this most effectively there must be an understanding as to what the public interest exactly is and how any feasible alternatives may work and impact on that interest. The commission's report doesn't rule out government intervention, provided there is a cost-benefit analysis, which means there's a demonstration that the benefits will outweigh the costs.

To address this properly we need to define factors to be included in assessing this cost. Is it purely economic or do we as Australians have the maturity to consider the implications of inappropriate design as a considerable cost and as a commodity too valuable to risk? Obviously structural issues contained in building codes and those of sound building practice need to be addressed. However, this country's relatively low appreciation for outstanding design and its reputation for making do should set anticompacency alarm bells ringing. As it's been discussed earlier this morning, I won't rehash the fact that many other countries have the restriction of the use of the title "architect" based on registration systems, similar to the one in Australia at the moment.

Of specific note, however, I'd like to raise the point that the UK experience I don't think is developed clearly enough in the report. There's quite an obvious statement that the act was up for repeal, but there's not a clear representation of the current system, which is actually advocating registration or promoting architecture

through the ARB in the UK. At present there is no restriction on service provision. Competition on price and product already exists. The report's suggestion that consumers will receive lower prices and better levels of service assumes this does not exist at the present. This is clearly not the case. Each sole practitioner or firm, whether they're architects or not, is in competition with the wider peer group. Each consumer is free to negotiate with any of these practitioners based on service, end product and fees, and then engage their professional that they've chosen accordingly.

The desire to fully overcome information deficiencies in the field seems to be the goal of the commission's report, in part at least. Is the real goal here to turn all service providers into off-the-rack suppliers with measurable and predictable products, assuming this will guarantee the consumer knows exactly what they get for their money, perhaps like buying a car or supermarket shopping, therefore deleting the human search for something beyond the functional and eliminating the journey undertaken by clients seeking professional and specific design services? I take a quote from world-renowned architect Renzo Piano from his book the Renzo Piano Logbook. He says there:

Architecture is a socially dangerous art because it is an imposed art. You don't have to read a bad book, you're not forced to listen to bad music, but the ugly block of apartments in front of your house leaves you with no alternative.

Architecture and design is much more than the public knowing what they like. The draft report suggests that community and built environment damage from inappropriate design is not likely to be catastrophic and it's less likely to occur because consumers generally know what they like. This is an extremely worrying observation, since the commission's own terms of reference ensure consideration of the quality of the built environment and government legislation and policies relating to ecologically sustainable development. Does the commission expect consumers to be fully-conversant with this? Consumers are not designers and they have little basis for formulating an opinion on relevant and appropriate architecture beyond an immediate fashion or trend.

If the consumer knows what they like, well, we can just teach them working drawings and they can be their own architects perhaps. The totality of visual, cultural and environmental damage would be impossible tell at the outset. Unfortunately, once built it will only then hit home. Since buildings are expensive, no-one is going to pay to improve them. Therefore, we must ensure that building design is in the stewardship of those best educated and trained to deal with it. Even though architects acts do not contain a direct reference to the protection of the built environment, they do so indirectly, perhaps in a similar way to how the licensing of electricians may not be quoted as directly preventing people from being electrocuted; however, the level of safety that that restriction brings into place achieves just that, the safety of persons.

Further on that, the commission's report states the restricting of performance of certain tasks to a particular group eliminates competition from other groups who might otherwise perform similar functions. What about if an architect wanted to

become a builder? He or she would have to be licensed. So why is there a proposal to let virtually anyone capable of holding a pencil design and administer the production of buildings? Why does the installer of a telephone need to be licensed by Austel but it is seen as unimportant to regulate persons who labour over the very gestation of the building? Why do government buying practices currently exclude non-architects? Is this an acknowledgment of skill and service? How, under a deregulated system, will the government select architects?

If not for the title, then surely there is scope for non-architects to provide such services now, or are architects only selected currently to support government legislation? Just finally a word on education. The tertiary education system would suffer greatly under a deregulated system. Who would bother doing a five-year full-time architecture degree and pay all the additional HECS if you could carry on the same practice and use the same title by doing a lesser qualification in a shorter period of time or, worse still, with no qualification at all? The potential loss of educative and cultural exchange available through interaction with overseas students is of concern. Australia is seen to be a leader in the provision of architectural education and professional services among our neighbours.

This is based on recognition of our system of tertiary education, professional development and registration rigour that our architects are put through. If deregulated, Australia will not be seen as the "clever country" architecturally; more likely a languishing backwater in the global environment where standards are constantly being raised. Deregulation certainly implies a sense of complacency and reinforces the great Australian guarantee, "She'll be right." The value of our currency is affected daily simply by words of major financial players. Is there not scope then to believe that the very hint of deregulation in our country will devalue education export potential and quality architectural services, just based on the perception that our system is weakening.

PROF SLOAN: Have you got any evidence for that?

MR MANFREDI: Which bit?

PROF SLOAN: That last bit?

MR MANFREDI: I guess I could rely on perhaps the submissions presented by other people previously this morning. I guess I'm basing that on the fact that many countries - I'm a part-time lecturer and tutor at the University of South Australia as well, in the school of architecture.

PROF SLOAN: Are you a graduate of the University of South Australia?

MR MANFREDI: I am, yes.

PROF SLOAN: You didn't have to do economics in your course?

MR MANFREDI: I'm sorry?

PROF SLOAN: You didn't have to do any economics in your course?

MR MANFREDI: No. You mean as a subject?

PROF SLOAN: Yes, as a subject.

MR MANFREDI: No. I guess my point being that if Australia's system is seen to be weakening, as previous speakers this morning have said, there is I think good evidence that in a world marketplace - and it is truly a world marketplace these days, given the shrinking of the globe based on the Internet, etcetera - that if other first-world countries who have leading examples of architectural registration and work have that standard and one drops out, so to speak, why would that country perhaps want to send their students here? Without again rehashing the words that were put through this morning, probably in a better way than I can explain at the moment, I just - - -

PROF SLOAN: It seems to me an easy thing to say. I just think that we would probably need some evidence.

MR MANFREDI: My question, I guess, is do you mean evidence on the lack of students coming to Australia or the lack of quality?

PROF SLOAN: The extent to which overseas students are attracted to our courses, Australian higher education institutions as opposed to others, because of our registration system.

DR BYRON: Or is it in spite of?

MR MANFREDI: I'm sorry?

DR BYRON: Are they attracted to Australia's architectural education services and faculties in spite of the Australian registration system rather than because of, or are they attracted because of the quality, the experience, the reputation, the expertise and the extraordinarily good value for money compared to European and American universities?

MR MANFREDI: Quite possibly. I don't have detailed evidence on many of those factors.

DR BYRON: We're being told the only reason that foreign students come here to study architecture is because we have statutory registration and if that were to change to a system of registration done by anybody other than a government agency, the whole export of education services would stop dead overnight. That is a very big call.

MR MANFREDI: I think it is a big call and I don't necessarily agree with that. I guess what I'm saying is it's very much a package deal. Being a part-time lecturer and tutor and a practitioner, I can see the gap between a graduate coming out of - well, particularly the University of South Australia, not to pick on that course, but I don't have experience in the University of Adelaide in terms of graduate quality. What I'm suggesting, though, is a student coming out with a degree in architecture is not capable of producing buildings to a level of a registered architect, simply through experience, so what I'm saying is there's basically a safety net put in place by the fact that you have to register.

PROF SLOAN: But most of these overseas students then secure registration back in their home country, don't they?

MR MANFREDI: Still after going through experience, though. I guess what I'm saying is that the report says that, "The recommendation is to repeal architects acts," that's it. There are hints of other systems and self-regulation, co-regulation, those types of things, which in themselves there's nothing wrong necessarily. However, the current system protects - it's that safety net aspect I guess is what I'm saying. It's almost as if there needs to be a further qualification, if appropriate, in proving that students who come out with a degree can actually practise; much the same, I guess, as an accountancy graduate who wouldn't necessarily have set up his shingle on day one after graduation. He'd go into a firm, get the experience and perhaps do it later on. There's nothing to prevent that at the moment.

PROF SLOAN: But Neil and I have done, dare I say it, many more years of education than you and this was not done because of some law of government registration and, in fact, economics is a completely deregulated environment, you'd have to say. I don't think you'd count the Economic Society as self-regulating, would you? And anyone legally can call themselves an economist, so I'm just amazed that you almost made the proposition that you wouldn't have bothered to undertake architecture and then the further steps if it hadn't been for the registration system. Do you really believe that?

MR MANFREDI: I personally wouldn't have, I still would have done the course, but that's probably a whole other story. What I'm saying is that the report doesn't recommend an alternative system. It raises some points that may work but, for example, if registration is to be undertaken by the Institute of Architects, how will that work? There is really no alternative system proposed.

PROF SLOAN: We've got some models there and we've got models of other extremely successful occupation. You say in your submission where is the protection for Australian professions? In a sense, isn't that a very silly thing to say? Because that's the point. These architects acts are here to protect the public. They're not to protect the professions. If you're actually advocating things that protect the professions then I don't see why we should have any truck with it at all.

MR MANFREDI: The context of that comment is actually taken in response to

part of the commission's report. If I can just look that up - - -

PROF SLOAN: There is somewhere else, where you say - - -

MR MANFREDI: If I can just address that one at the moment. That one was in response to the fact that there must be a - still looking for it here but it's based on something like the transparency of our system here must - and the cost to overseas architects must be low, which I saw as an issue if they're going to maintain the fact that their own registration systems are a cost to Australian architects. Why should we free up the fact that perhaps someone registered in another country can land here with their own registration and then just practice automatically? That is of concern to me.

PROF SLOAN: You think governments should be in the game of protecting Australian professionals?

MR MANFREDI: Perhaps "protection" is the wrong word because I guess, in an economic sense, protection - like the car industry, for example, or other industries - the term "protection" is used in that industry by taxes and other bits and pieces, tariffs, etcetera. I'm not suggesting that's the case here. If there is going to be a freeing up of practice in between countries, then at least those countries should have the ability to say, "Okay, if you're registered" - perhaps in New Zealand, as is the case at the moment - and you come over here and there is some sort of recognition system of those registration procedures. But if we don't have a system at all which is again - I get back to the recommendation.

The recommendation isn't to make another system. In fact, I guess to put this more clearly I'd be happier - if I can use that term - to see that a recommendation, sure, to rebuild the current system because it really doesn't work and I agree with that. However, the recommendation doesn't go far enough to say, "Repeal the acts and replace it with a model," for example.

PROF SLOAN: We have got a replacement, it just happens not to be statute backed.

MR MANFREDI: But what is the replacement?

PROF SLOAN: Which seems to work extremely well in other occupations and arguably works better. You mentioned the UK board, for example, advertising the value of architecture and the value of architects. It seems to me, partly because of the way the boards are resourced, they don't do that at all.

MR MANFREDI: In Australia?

PROF SLOAN: Yes.

MR MANFREDI: Exactly, yes.

PROF SLOAN: People aren't even aware of the boards so how can they be performing, for example, a public information campaign when in fact people aren't even aware of them?

MR MANFREDI: Perhaps I can address that.

PROF SLOAN: How can they be performing a consumer protection function when people aren't aware of them?

MR MANFREDI: Exactly. I actually address that in the next section or two which I'll briefly - I've got some dot points here I'll read out in a moment. As I was saying, really the report - and maybe further investigations will bear this out but I'll be pleased to see the report go to the fact that, yes, the current system is not working; let's get rid of that and replace it with something. But, for example, how will exactly self-regulation work? Or if it is co-regulation, how will that work? All we're really saying at the moment is, "Okay, let's get rid of architects acts."

PROF SLOAN: I don't think we're saying that at all. I think that's very unfair. We're not actually - we do not use the term "deregulation" and we are advocating a model based on successful experience of similar occupations which, in fact, take up a number of those recommendations which are, for example, through the AACA legislative guidelines. But you finish your points, David.

MR MANFREDI: Thank you. Within section 3, to summarise, that in my submission was to do with marketplace and system objectives. Some of the things that people - particularly the public, and this is really what this is about - are going to want to expect from a system. For example, they go to a builder. Does the builder have the appropriate licence to perform that work? Yes or no. Fairly simple assessment procedure. Then they look at their work and then it comes down to price perhaps, and those sort of things.

But the bottom line is if the builder is only licensed - or the contractor has a licence only to do paving, they're not going to approach that builder to do a house for them, for example. So I guess, yes, section 3 looks at the fact that the consumers are aware of their rights and responsibilities regarding access and availability to information, so there is some confusion regarding the procurement of architectural services. If I can just do a brief example here, I run a small firm and there are only two of us who practise in the firm. We are constantly in competition with non-architects, building designers, draftspeople, drafters who have varying levels of qualifications.

In fact, to (indistinct) some work through my studies, I worked with a draftsman who was self-taught. He purely did houses, but there is nothing to prevent him from offering his services in the marketplace, which is open to people to approach him to design a house for them. He doesn't have a degree, associate diploma or anything at all.

PROF SLOAN: And he does inadequate work?

MR MANFREDI: He does a great job of working drawings, sure. He doesn't actually offer any extended services through construction. He is design. I'm not here to critique the man.

PROF SLOAN: No, but I think that's a good point because input and quality are not the same, are they? Qualifications and quality are not the same.

MR MANFREDI: Exactly. It actually works both ways, because you can qualify and graduate with a degree and be a terrible architect.

PROF SLOAN: Exactly.

MR MANFREDI: I don't want to point to anyone in particular, of course, but there are graduates who come out and they - - -

PROF SLOAN: So there are bad registered architects, are there?

MR MANFREDI: I said graduates.

PROF SLOAN: Okay, so all registered architects are excellent, are they?

MR MANFREDI: I am not going to comment on that. But my point is that we already are in competition with the wider field. Anyone who can basically draw a plan is in competition with me and we often get approached by clients wanting to do a fairly typical duplex development or small row of shops or something like that and we put in our fee proposal, outlining all our details, and someone else will come in and say, "Okay, they're X amount of dollars cheaper" - we might have similar work in terms that we've done five houses recently and they've done five houses recently - they get chosen because of a lower fee, which is of concern. It just becomes a fee bidding war, which is what was spoken about earlier today.

My point in this section, though, is that obviously the system doesn't work. The public need to be presented with a transparent system; a clear understanding of the qualifications held by the practitioner; the finer details of their education and training; any limitations on practice that may come through a revised system, whether it be geographical restrictions, building size, value - those sorts of things; provisional insurance; details as to the operation of the controlling body; some sort of registration body, whether it's the Institute of Architects or not; a complaints mechanism; disciplinary measures and how that profession integrates with other professions. How does the architect work with the engineer, for example?

My concern is summarised here. Many of these aspects are not well understood by the majority of the general public who - many unwittingly - rely on the person calling themselves an architect to actually be a practitioner capable of completing a building, not an ill-prepared graduate fresh out of the university or TAFE who, by completing a course, is allowed to practice. A registration system sets

the minimum

educational level and practical experience requirement, not unlike licensing of builders as we've discussed.

My other concern is that to rely on voluntary membership of an organisation in order to address bad design is to lose a protective system for consumers in the urban fabric. That probably comes back to the supposed promotion of - or replacement system, which again I say is not that clear from the report. If the architects acts are repealed at the moment and replace by a system whereby there was a clear system of registration, licensing or whatever you want to call it, then at least every person who submits a plan to council, for example, must have some registration or licensing under that system.

At the moment a house addition can be drawn up by anyone who can put some straight lines together. It's put in to council and the planning staff will help them to get it through in terms of, "That's too close to the boundary, move it around." "It's too high, too low," or whatever, and you end up with a bad addition. Who pays for that?

PROF SLOAN: You say that, but we've got a professor of Curtin University who - I will just read this out briefly and I'd like you to comment on it. He says it's fairly easy for architects to recognise houses designed by project home builders - ie those in the mass housing market. It is not so easy for architects to see the differences between one-off houses, designed by architects, and those designed by others. If architects have that difficulty, how much more so does the general public? If we drive around Adelaide you could say - leave aside probably your knowledge of the profession - you can always say, "Yes, architect; no, non-architect."

MR MANFREDI: Generally you can tell, but I think that depends on where you are driving, number 1.

PROF SLOAN: So architects have never been responsible for something that has actually degraded the built environment?

MR MANFREDI: That's - if I say no, I'll get bagged by the profession.

PROF SLOAN: No, but I just wondered - - -

MR MANFREDI: Basically, of course, mistakes have been made but architect is not a black and white profession, either. It borders between being an art and a science. Construction is the science part, perhaps; getting the contractual procedures together exactly might be, but producing a building from a brief to a budget is a situation which you can't just say, "Anyone can do that." The mass market of project homes is by people basically following other people. People want to buy a house like they buy a car.

PROF SLOAN: So architecture is never derivative?

MR MANFREDI: I'm sorry?

PROF SLOAN: Architecture is never derivative. I think this is a good example. I don't think we, though, are here to debate the role of architecture or the value of architecture. It's really much more narrowly focused.

MR MANFREDI: Yes, you're right.

PROF SLOAN: What are the objectives we're trying to achieve here through this legislation, or other means, this modified legislation or other means? All right.

MR MANFREDI: Sure.

PROF SLOAN: It's really for the community at large to judge the value of architecture, isn't it?

MR MANFREDI: I guess it is.

PROF SLOAN: So bagging non-architects doesn't get us anywhere, and really, bagging the consumer doesn't actually get you anywhere either.

MR MANFREDI: No, and I don't mean to do that. I guess what I'm saying is that the consumer has very little basis for making an informed decision. My example is that if you flick through - - -

PROF SLOAN: I think they have some - - -

MR MANFREDI: I did say an informed decision.

PROF SLOAN: That's always going to offend an economist, I'm afraid.

MR MANFREDI: I mean, everything is objective in terms of decision. I might design a building and I am an architect and someone else may hate it - whether they are a registered architect or not. Design is subjective. But what I'm suggesting is that people want to flick through the Sunday Mail locally and buy a Commodore for \$30,000 and then flick to another page and see the plan, elevation and what have you for a package deal for their house. That, in itself, is not healthy necessarily, but that's probably bordering back into the wider argument.

PROF SLOAN: I think that's a very (indistinct) thing to say. Really your arguments come down to two points, though: truth in labelling - so if someone purchases the services of an architect they are an architect, so they've had that education and training and experience. Then you're making a second point that on average there is a relationship between what an architect does and a superior quality.

MR MANFREDI: Yes, and they also are combined in a way.

PROF SLOAN: I think that second point is probably irrelevant because you've written here, "So why is there a proposal to let virtually anyone capable of holding a pencil design and administer the production of buildings?" That's the current arrangement.

DR BYRON: That's not our proposal, that's the status quo.

PROF SLOAN: That's not our proposal.

MR MANFREDI: I know, but I guess again my response to the recommendation is that there isn't a clear direction given that we are now going to legislate or we are now going to have a system which means every single building in Australia will be designed by a responsible practitioner? It's not that clear.

PROF SLOAN: There are plenty of regulations governing the erection of buildings, I might add.

MR MANFREDI: Not on the design of buildings.

PROF SLOAN: No.

MR MANFREDI: And there is also an assertion - - -

PROF SLOAN: But that comes back about the protection of the profession.

MR MANFREDI: No, not really, because the protection of the profession is in the context which is international between different countries. My point on design is the fact that the report contained a section saying that maybe the benefits or the built environment quality should be protected or administered perhaps by planners in council who have a wider community perspective. So what effectively in that system would happen is that a person with no qualifications draws up a plan, submits it to a council and it's assessed by planning officers who have no design education at all, let alone building quality - but the building quality side is covered by the building code, engineering practices and what have you. So, yes, building quality in terms of the fact "Will it fall down or not?" is adequately covered. But who is taking responsibility for designing the building, the fact that building has to be looked at by every person who walks past it until it's demolished?

PROF SLOAN: So architects have a monopoly of good taste, do they?

MR MANFREDI: No, I'm just suggesting that every single person - if they follow - - -

PROF SLOAN: But if you said only architects could design the building, that's what you are saying.

MR MANFREDI: In a way it is, but I'd like to - my points for a revised system, actually cover - - -

PROF SLOAN: And you agree with that proposition?

MR MANFREDI: Not the way you've worded it.

PROF SLOAN: So your friend the draftsman - - -

MR MANFREDI: Not the way you've worded it.

PROF SLOAN: The untrained draftsman actually - - -

MR MANFREDI: Not the way you've worded it. I'm not saying architects are the only people who can design buildings. Again that depends on your definition of architecture. Are we taking the current literal system or - what is an architect? That's what I said this morning. Everyone is an amateur architect.

PROF SLOAN: Everyone is an amateur economist.

MR MANFREDI: We have people come into the office with their house on graph paper saying, "Draw this up. We've designed it." Now, that's an amateur architect.

PROF SLOAN: What's wrong with that, though? I have people telling me how the economy works all the time. It doesn't offend me at all.

MR MANFREDI: Sure, it formulates part of the brief.

PROF SLOAN: Right, yes.

MR MANFREDI: I guess. It just depends where it slots in the file.

PROF SLOAN: You are obviously working in that overlap niche where you are in fact competing with non-architects. Would you agree with our characterisation of the market that down at the mass end there is very little architectural involvement - now particularly with the project homes and the like? Of course, they may have had architectural input at some stage.

MR MANFREDI: Sure.

PROF SLOAN: Then up at the top end, the high value end, commercial part of the market then architects are invariably involved?

MR MANFREDI: Yes.

PROF SLOAN: So you're working in that middle area where you are actually

competing with non-architects?

MR MANFREDI: That's right.

PROF SLOAN: It is hypothetical and therefore a weak question, but do you think these building designers, draftspersons and the like would be inclined to call themselves architects if there was not legal restraint?

MR MANFREDI: Certainly, I think so and therein lies - - -

PROF SLOAN: Or the derivative perhaps more?

MR MANFREDI: Yes, derivatives are a difficult one because then you can possibly even bring that back to the project home scenario. Are those project homes architecturally designed? Sure, they are buildings but are they architecture? That is a debate all in itself.

PROF SLOAN: They may have architectural input.

MR MANFREDI: Exactly, and that also maybe gets back to ownership of the company producing them and are there registered architects involved; my point being at the moment, in terms of competition - I mean I studied at university for 10 years over two courses - an associate diploma in the architecture field and then at degree level - and now I am a registered architect; for example, I present a fee proposal with our portfolio of work to a client and I am all of a sudden in competition with, for example, my friend the non-trained draftsman who can use the title "architect", who pulls out his portfolio, his reduced fees, but he can use the title "architect", so everyone all of a sudden is saying, "All these guys are architects. We'll choose one of them."

PROF SLOAN: But it's not about you, is it?

MR MANFREDI: No, it's not me individually.

PROF SLOAN: Anyone can all themselves an economist and come and compete with me but there is nothing the law can do to prevent that. How I deal with that is that I am a whole lot better than those people, so I don't worry at all.

MR MANFREDI: Yes, it's marketing of your own services. No problem, I guess, with that but the persons don't even have a degree in architecture.

PROF SLOAN: Yes. I mean, what you're saying is that there should be some government guaranteed return to - I mean, we have spent all that time and money undertaking education but I'm not sure I expected the government to provide some arrangement whereby a return was guaranteed.

MR MANFREDI: No, I am not necessarily asking for that either.

PROF SLOAN: No.

MR MANFREDI: Maybe I should go through these points of a revised system. To summarise this revised system, I would like to see every single person who submits a plan to council have some form of accountability, both economically in terms of the costs and real costs of the building and ongoing costs to the community of that building, but also in terms of practice. Does that person have insurance? Is that person under a mandatory system of professional development? Even if they reach a base qualification, surely there is some recognition to do that? As I said in my summary here today in the overall submission, to get a telephone installed you have to use someone licensed by Austel, whereas I could just be a draftsman calling myself an architect, design the whole building, and not have any insurance because, if the consumer doesn't check I get away with it and that's it. End of story. The telephone is very well installed.

PROF SLOAN: That's a very serious weakness of the current government backed registration system, is it not?

MR MANFREDI: Sure. I think whether the new system is administered by the government under a full statutory situation or by an individual, the Institute of Architects or the AACA or whatever, is probably something up for grabs, in my submission. What I have actually written here is that there is a national Architects Act. Whether that is actually an Architects Act or other form is up for grabs, as I say, but I am suggesting in point 2 there that there is a national registration for all practitioners at various levels and perhaps with various titles.

PROF SLOAN: Yes, so what you would have, chartered architects - - -

MR MANFREDI: What the titles are - yes, I tried to write some down and I thought it would become a bit all over the place.

PROF SLOAN: No, no, that's all right. Keep going.

MR MANFREDI: You might be on the right track with that sort of thing. Yes, a national system for that, so the consumer can understand what they are getting themselves into, who they are actually engaging. Point 3 is amendment of all other relevant legislation to ensure that all buildings are designed by a practitioner registered at the appropriate level; for example, certain features of the Building Code system ensure that footings of a certain type are designed by an engineer and "professional engineer" is defined in the Building Code but again that is a building quality - will it stand up, will it fall down issue - but why, when you put a claim into council, shouldn't you have to put some sort of registration number as a design or architectural practitioner, whatever the term has become, and have that recognised?

We constantly have battles with councils - I guess we're trying to push envelopes or whatever - on them saying, "You can't do this," and "You can do that."

Surely this is what it is coming down to - that a planner untrained in design - and I haven't done the planning course. I know a lot of planners. I have got friends who are planners. They have obviously urban design input in their course but I am talking about the specifics of building design, actual architecture. What do the bricks and mortar actually do? What do the windows do? How does it relate in detail - not just in general streetscape amenity?

We get letters back from council all the time on our residential submissions saying, "It doesn't suit the amenity." They are versed in that. That's fine. That's a whole other discussion, but the actual details of the building, who is actually putting that onto paper - that's my concern.

PROF SLOAN: Do you want to ask a question?

DR BYRON: There is one thing that arises out of that and again it is sort of hypothetical. Imagine I had half a million and I decided I wanted to build this fabulous beach house or something and I had a place in mind and I was looking for an architect, could you just take me through - how do I look for you? How do your clients find you? What is the sort of search process? Do I just sort of go through and say, "This fellow is in the Yellow Pages under Architects, he'll do me"?

MR MANFREDI: I hope not.

DR BYRON: Or do I shop around? What path eventually brings me to knock on your door and sign a contract with you?

MR MANFREDI: It's our experience and I think it would be fair to say that a lot of architectural work is gained by a firm similar to our size, and certainly bigger firms, by word of mouth. It's by reputation. By people looking at the buildings and saying, "I like that style," what have you, and coming to the architect as a foot in the door, so to speak. Most of our clients would go to a range of people just because they're consumers and they can do that. We have won and lost jobs on that basis. The fact that they have actually gone to either other architects or other designers, building designers, etcetera, and we have been competing in the marketplace with them, obviously with the ability for us to say, "We're architects and that means these things and you go and assess the other people you are comparing us to" - generally word of mouth. I mean, I wouldn't select an architect out of the Yellow Pages if I was the public, but then again stranger things have happened, I guess.

PROF SLOAN: Yes.

DR BYRON: The system of having a register of people who have passed the practice exam which guarantees that they once met sort of an adequate level of quality and so on wouldn't give me much information on specialisations.

MR MANFREDI: Yes.

DR BYRON: Somebody who only does high-rise, somebody else does beach houses, somebody does something else.

MR MANFREDI: I think the key phrase there is "once met". That's the weakness.

DR BYRON: Yes.

MR MANFREDI: I have registered now. I'm 29. If the system was to stay as it is I would be registered until I retire without any real improvement or keeping current, which is a problem.

DR BYRON: Is there some way where you could actually give the consumers - I mean, what a lot of people - I think including you - are complaining about is that consumers are not fully informed and therefore they are frequently being misled. Can we think of a system which will actually generate and disseminate a lot more information, so that there is this sort of subgroup, subspecies, of architects who are really great on high-rise offices? These people do apartment buildings. These people's special forte is luxury beach houses and, you know, they are the ones I should head for, but there is no way I can actually get that information as a consumer at the moment unless I know somebody who has hired an architect to do a luxury beach house.

MR MANFREDI: Or unless you ring the Institute of Architects.

DR BYRON: Will the institute give me that sort of information?

MR MANFREDI: Sure, but the situation is, for example, similar to selecting a builder. You might ring up the Master Builders Association, who have a list of people who can do certain types of work - big companies, small companies, medium, whatever they are - who may perform a similar role to the Institute of Architects. If you were to ring them and say, "Yes, okay. What is it? It's a 20-storey hotel. Here's So-and-so's name," or "Here's five names," or whatever, but under the builders' situation the builders are still licensed under the Builders Licensing Act, so there is still a statutory piece of legislation saying, "This builder has achieved this level," and that's why they are licensed in such a way and the MBA, the Master Builders Association, and the HIA - or whoever you go to - will have some sort of record of that person being registered or licensed at that level. Similar to what I am proposing here is that if everyone registered - - -

PROF SLOAN: Which has to be renewed, that licence.

MR MANFREDI: Exactly.

PROF SLOAN: And of course they would have their licence removed if there were serious problems.

MR MANFREDI: For sure, and I have no problem with that.

PROF SLOAN: But they don't.

MR MANFREDI: Exactly. I think that is an improvement that needs to be made.

PROF SLOAN: Not very common with the registration of architects though.

MR MANFREDI: Exactly. That's an acknowledged weakness, as I am saying, but under a national system, if every practitioner had to register under the national act at certain levels with terms to be determined, people like the Institute of Architects - and other bodies if they wanted to - could say, "Okay. Here's five names of people registered generally in that area where you are looking," and how they actually divide that work up I guess is up for grabs as well, but also in this system I am suggesting that there should be - just to continue those few points - mandatory professional insurance, mandatory professional development and other minor points - I consider them perhaps minor - advertising, although a great improvement would be to have public members on boards and committees, obviously, because it is in the public interest to have some sort of input into that.

I guess one of the things which might be an example which most people can relate to is perhaps a doctor. I am not going to pretend that I am up to speed on the exact requirements of calling yourself a GP but you go to a doctor who might be 60 years old, what is the evidence that that person has kept current since they finished medical school, training, etcetera, and what are you actually being given to cure you of your ills? Similar to the architectural profession - if you have graduated back in the 40s, 50s or 60s you might have a particular angle on design than if you graduated in 1997, or whenever you did graduate.

PROF SLOAN: Yes, well, a doctor of course is not a good example because, for them to retain membership of their college, including the college of GPs, they do require to - - -

MR MANFREDI: I wonder how rigorous it is, though. That's always up for grabs in any system.

PROF SLOAN: Okay, but they do have a system of continuing medical education.

MR MANFREDI: Sure, okay. I think architecture should have the same thing because there are just practices that - I mean, the whole pursuit of the human race is to improve things really, and if we don't have a method of assessment saying, "Okay, you're registered at a certain level," do you drop down a rung if you don't do certain things? Can you maintain that licence or that registration certificate, so to speak? No problem with that at all. I am just saying that perhaps it shouldn't be left up to the fact that if the architects acts are repealed and the Institute of Architects is looked at as a key body in maintaining a register of architects, how will they do that? Why should I pay X amount of dollars to be a member of the Institute of Architects just to

call myself an architect? What benefits perhaps do I get? What does the community get?

PROF SLOAN: That's good. You'll only do it if the benefits outweigh the cost.

MR MANFREDI: Exactly. My concern there of course is that if they say, "Okay, if you are a member of the Institute of Architects - and of course not to take anything away from that organisation but if you are a member under some sort of new system you can call yourself an architect but you must reach a certain level. In the interests of more members and therefore more cash flow, where is that level going to sit? Who makes the judgment?"

PROF SLOAN: That may be so but there are plenty of examples where in fact it works in the reverse. Neil has got a good example of the Financial Planning Association where in fact they have very strong incentives to keep the standards probably as high as possible because it is the one bad apple, and so they have a little lapel badge for members of the Financial Planners Association only and that does require professional development, professional insurance, standards of competency.

DR BYRON: And very strict disciplinary procedures to weed out those bad apples.

MR MANFREDI: Sure, yes.

PROF SLOAN: Yes, because there is no integrity to the brand unless they have those procedures.

MR MANFREDI: Yes, you would hope that that would be the case, obviously, and those examples might prove to be good models for a new situation.

PROF SLOAN: Yes.

MR MANFREDI: I guess what I am suggesting is that because it is such an unknown thing someone will go out and spend \$100,000 on a small house. It's a big investment and they put plans across the counter and who are they actually using to put that particular job together for them, and based on what? The report suggests that most people have got a lot of time to do that in and that's fine, I guess, to some extent. They do think about it over a series of months. "Where are we going to live? Let's buy some land there," or whatever it is, but at some point they have to make a decision based on information. Now, any firm is not going to spend endless amounts of time trying to win that client over by padding out their CV, so to speak, so a client is only going to have so much information in front of them at any one time to make a decision. Once they have made that decision and they have paid X amount of dollars to go so far down the track, then they realise it's a bad level of service, very rarely are they going to pull out because it's only a house. If they are happy with the layout - - -

PROF SLOAN: But surely they are not going to just rely on the fact that someone is a registered architect? I mean, what about our registered architect who got qualified in 1956 and has been driving taxis ever since? Do you really seriously think they are going to get work?

MR MANFREDI: No. They wouldn't be allowed to practise.

PROF SLOAN: Are these consumers so silly?

MR MANFREDI: They wouldn't be allowed to practise.

PROF SLOAN: They are at the moment.

MR MANFREDI: No, but I'm suggesting in a new model they wouldn't be allowed to practise.

PROF SLOAN: They might all of a sudden decide, "Well, maybe architecture is for me after all." Do you really think they would secure clients?

MR MANFREDI: I know of an example where they have - - -

PROF SLOAN: I think the point we are making is that, naive consumers notwithstanding, people, because it is a large outlay, will actually invest a lot of time in the search process and that the kind of information they secure out of the registration system is really a minute part of the information that they would require.

MR MANFREDI: Possibly because they might not look at architects as a solution at all.

PROF SLOAN: Yes.

MR MANFREDI: They just simply buy the house out of the Sunday Mail, which is disappointing because if they had that money to spend they could spend it on an architect and get a better result.

PROF SLOAN: Yes, but governments aren't there to market the values of certain professionals.

MR MANFREDI: No, I appreciate that. I guess all I am saying is that even if they do go to someone who is simply doing a house addition for them and it is just simply that - "Let's just extend the rumpus room," or whatever - that that person has the minimum requirement to present certain professional responsibilities, rather than just have a drawing board in the corner of his lounge room and punch out a floor plan. That's at obviously the grassroots level.

DR BYRON: Coming back to your argument about control of practice and who can do certain functions, it seems fairly clear to me that governments license particular people to do particular functions because of their apprehension of significant harm, and that's why doctors, builders, plumbers, structural engineers or whatever are actually licensed; they have to sign off. In the case of architects, what we really have

to focus on is where is the significant harm, and you've talked about the aesthetic or the environmental impact, the fact that it detracts from the quality and amenity of the whole community. Regulating design in the sense that it is in many ways a form of art - how do you differentiate that from regulating other art forms? You don't have to be a licensed painter to have your painting hung in a gallery. You don't have to be a licensed musician to sing in the opera or something. We don't have lots of precedents of governments trying to regulate who can do art.

MR MANFREDI: It's a very difficult position, isn't it?

DR BYRON: And we have legislation that controls who can do certain things which governments perceive to be high-risk, or the public is telling governments, "These are high-risk and you've got to control it."

MR MANFREDI: And the parameters of those areas are quite easily quantifiable. You can tell. Is electrical work installed properly or not? It's very easy to determine that. Who is to say, to take up your point, that a building is designed properly or not? That's exactly where you're coming from, isn't it?

DR BYRON: Yes, and not just the design but how to say whether the documentation and the product along the way to completion is really well done, to the extent that it's very difficult to judge objectively whether it's good or bad, acceptable or unacceptable. As someone was saying before about engineers, there's lots of maths and physics in that and there's sort of a right answer and a clearly wrong answer if it falls down, but it's much more difficult to be rigorous and systematic and objectively judge whether this architect's piece of work is high-quality and somebody else's is substandard.

MR MANFREDI: I don't think any system will solve that particular problem, particularly not the design aspect, because otherwise you will have some sort of regulation saying, "You must use red paint," or something. That's just not going to work. But for the rest of the practice what I'm suggesting is that if a person has to enter a system of licensing or registration or something like that, they have to meet certain standards. What those standards are right now - I can't exactly explain every single one of them or how that would work, it's a whole other study, but what I'm suggesting is that at the moment there is nothing to help a particular person. As the report says, even layouts of building - I'm not even talking about the street presence of a building. Even just the internal layout, it kind of works, and the client goes, "Yeah, it looks good to me." They're looking at it in plan; they live in it in three dimensions.

It's a whole lot of argument. Has that person reached a level where they have a degree or no degree? Where does that put them in the system? Why should that person be able to compete with a registered architect currently or a person of a higher standing in a new accreditation system who is able to design any size building and has a particular client selecting him to do a house, for example? That person may be

a lot more experienced. That needs to be recognised somewhere in our system, surely?

PROF SLOAN: We might call it a day because we've got other people, but thanks very much, David. Thanks for all the thought and time you've put into your submissions and for coming along today. I now call John Chappel. If you could give your name and organisation for the purpose of the transcript, it would be most appreciated.

MR CHAPPEL: As you've heard already, I'm John Chappel. I've been around the traps in architecture for 40 years or something like that. I've got a bit of background in it. I've been in private practice for 35 years and I believe I know as much about architecture as anybody would know. I'm very concerned about this approach. Let me say firstly that architecture is an art and therefore it is distinguishable from other professions on that basis. I haven't heard that point really brought home in the discussion today. I think that goes a long way to much of my argument in this paper.

I support and endorse the recommendations made by the RAIA in response to the review, with some reservations. I do not favour the amalgamation of boards, nor the transfer of this role to the RAIA or any other profit-making body. I've seen the results of that before. I do think, however, that the board - also the board has had a pretty rough spin in today's discussions because I believe that the board, set up in 1936 and run on a shoestring since then, has a very fine record and it has fulfilled its objectives very well indeed, as far as complaint procedures are concerned. They've been in operation all that time and the board has been known to take action on regular occasions when people step out of line. If it's necessary to make their availability well known, I would have thought that was a pretty easy thing to do. I do think the board is entitled to better acknowledgment than it has been getting so far. As far as I know, whereas the public might not know they're there, it's fairly easy to find out that they're there and it's very easy to get their ear if people want to.

Had the commission involved architects in this review initially, I believe their background experience and understanding of the problem would have greatly simplified the whole review process because there are things about architecture that - especially its artistic connotations - require a lot of understanding. You can't just line it up against an electrician or a plumber or an economist because it's a different thing altogether. I hope I'll be able to make that a bit clearer before I finish today.

PROF SLOAN: I should say, John, though, to say that we didn't involve architects is not really fair because we've basically been on the road for six months with this inquiry.

MR CHAPPEL: No, I believe that the boards were set up and run by architects for all that 50 years and then, all of a sudden, it's decided to investigate it without any input from them at all. I think there should have been a architectural input into the commissioners of the review itself.

PROF SLOAN: There has just been enormous input by architects, so I think that - - -

MR CHAPPEL: Yes, but not - okay, not at the helm, that's all I'm saying. They've run the boards up until now and all of a sudden you come along and say, "Now, step aside, we're going to take over and decide, with no background in the subject at all." I didn't come here to launch an attack on you, so let's get off that subject perhaps.

DR BYRON: Just to clarify, I think that is precisely why an independent organisation was asked to do the review. Likewise when the pharmacies were being reviewed or the taxi drivers or the dairy boards, or any other board, members of those groups who were directly involved were not appointed to preside over those inquiries. They've always been done by a totally independent panel but with input from all those who are, if you like, the subject - or directly involved in the subject of the inquiry.

MR CHAPPEL: Sure.

DR BYRON: So this one is not an exception.

MR CHAPPEL: I know that's the objective, but from reading the report I say with all courtesy that there are many gaping areas there where it's quite obvious that the problem is not well understood, with apologies to you on that matter.

DR BYRON: The reason that we have these draft hearings is so that we can get feedback to correct all those errors of fact and inadequacies of our comprehension of the issues. So I should let you continue, thank you.

MR CHAPPEL: Thank you. Since architect acts in Australia were instigated by architects, however, and administered by them for more than half a century, to the great benefit of both the profession and the Australian public - which is another opinion that you apparently don't agree with - I believe it has been of great benefit. Failure to seek their initial guidance in this matter seems extraordinary. Ironically, the reason behind the establishment of the boards was in itself the removal of unfair competition by imposters who posed as architects but were not equipped to provide architectural services. That's why the board was set up in the first place. There was, and still is, ample evidence of this practice which has been an ongoing problem for Australia's architectural development. If people don't know where to go to get advice and they can't be sure that they're going to get the full advice, it's a disadvantage to everybody.

Since that time schools of architecture have been set up at universities around Australia to ensure, under the supervision of the boards - the schools are all supervised by these boards that we're rubbishing at the moment - that adequate professional training is available to aspiring architects. In this sense I suggest the record of achievement of these boards is impeccable. Their standard is being governed by precedence in architectural education, progressively established since the days of the Greeks and the Romans. A like situation exists in most Western civilisations around the world. I was going to read them all out just to - - -

PROF SLOAN: We can read them, yes. I'm not sure you would really want us to follow the Romanian experience of regulating architects. We could look into it.

MR CHAPPEL: I don't know what it is. If I knew what it is then I could comment on that.

PROF SLOAN: Or maybe the El Salvador system.

MR CHAPPEL: It may be excellent, for all I know, but the principle is there, and certainly we're interested in our near neighbours like Singapore. Singapore is a good example of where it might be but the main point arising out of this is the leading nations in the world, like the UK and the United States of America, France and Germany, Turkey, Poland - all of them - Israel - these countries all believe in regulation of their architects and that usually includes full practice being regulated. Are we going to go in there without any particular reason? We've got a perfectly good registration system, I'm contending. Are we going to go and abolish that and ignore the fact that the main countries in the world are already married to this system which will divorce us from the international scene altogether?

So there are 50 countries in that list. The only major countries that I'm aware of are the ones that have been quoted - Denmark and Sweden - that have some sort of non-regulation. Strangely, no arguments have been produced by the review as to why Australia should not require registration when so many major countries find it necessary. While there is a suggestion that the process of the inquiry could have been hampered in some quarters by a preconceived conclusion, this should not prevent an outcome in favour of regulation. I submit that a country's architecture is a measure of its culture and civilisation, as it has been down the ages. Any action that could result in a decline of architectural standards in Australia should therefore be avoided. Surely deregulation will do just that.

Importantly, true competition is a comparison of apples with apples, and then competing on price alone. That is competition. It is not competition unless there is some basis of uniformity about what you're tendering. This means that while architects do compete with other architects, since they provide a unique service not available elsewhere, they cannot be said to compete with draftsmen, builders and other building design practitioners, who are offering a range of abbreviated and partial service - undefined, abbreviated and partial services. This, I suggest, is a major flaw in the reasoning leading to the findings of this review.

In the light of the above I suggest it would be seriously damaging to architecture and to the cultural image of Australia to abolish the regulation of architects. Surely architecture, as distinct from mere building, is a vital component of the development of any civilised nation, as it has been throughout history. It lies at the core of any nation's history, both past and future. While conditions of fair competition are important to the economy, therefore, the principle of comparing apples with apples is an essential ingredient. Any other form of so-called competition is totally ineffective and indeed counterproductive.

Other occupations, including plumbers and electricians, are regulated in Australia, plus all the leading professions. That doesn't include economists - apparently.

PROF SLOAN: Or the accountants, or the engineers, or the social workers, or the

financial planners. There are a lot actually.

MR CHAPPEL: They are professions, are they?

PROF SLOAN: It's a fluid definition.

MR CHAPPEL: To abolish registration of architects would be a sad day for Australian culture and a major victory for the Philistines. I'm sorry if that sounds a bit aggressive, but I do feel pretty strongly about it.

PROF SLOAN: That's okay. When I said don't attack the man, play the ball, I didn't want to imply that we had thin skins - which we don't. I am interested that in some views your views do differ from other architects in that you are keen to keep a state system going.

MR CHAPPEL: I see that as virtually irrelevant at the moment. We're talking about another problem - whether regulation should exist.

PROF SLOAN: Okay, so that tiny detail doesn't matter.

MR CHAPPEL: And many things get slipped through at that time, so it would be better if we had national - they do that with the Institute of Architects and it certainly isn't better, it's a whole lot worse.

PROF SLOAN: And you are opposed to any consumer representatives on the Architects Board.

MR CHAPPEL: Philosophically I am, yes. But I'm not making that a major issue, either.

PROF SLOAN: Right.

MR CHAPPEL: I don't think - on any board a consumer input is so minor that - you are talking about subjects in which they could have no input, except the general information about what they, as a consumer, might think. Anyway, I don't think loading boards up with people simply on the grounds of being consumers is valid, but I don't feel all that strongly about it.

PROF SLOAN: Because, after all, if you were really to think about this as not there to represent the profession but to protect the public - - -

MR CHAPPEL: Exactly, and you don't protect the public by having a whole lot of inexperienced people making judgments.

PROF SLOAN: Right, but you do protect the public by having a lot of self-interested architects running the Architects Board.

MR CHAPPEL: Yes. I think the architects have shown over the last 50 years that there hasn't been a self-interested thing at all. It's been run on a shoestring and it's been extremely effective. Had that not been, certainly the architects couldn't practice. You can't, as I say, practice architecture when you're not comparing apples with apples. It means that the architects - and this is happening, unfortunately - are actually lowering their standards to survive. That's a very bad effect.

PROF SLOAN: So that's notwithstanding the regulation?

MR CHAPPEL: No, that's because they have altered the Architects - was it the act? Anyway, we had a minimum fee scale and that's what really pinned the whole thing together. When that went, it opened the door to a great many problems. It was very valid. The Institute of Architects or the architectural profession says, "We will do this for you," and they say, "We will see that our members do it," and then they say, "Well, they've got to compete with other people who aren't capable of doing it." The minimum fee scale was a very vital component of the whole thing. That was taken out by the Trade Practices Commission and it's had a disastrous effect on the Institute of Architects. If we're going to maintain a standard, as we promised to do, and then we are told, "We're going to allow our members to charge less than the necessary amount to maintain that standard," then we're not able to live up to our promises, if you understand.

DR BYRON: Can I just come back to the apples and apples point. If I'm trying to sell somebody a Rolls Royce service and the guy down the street is trying to sell them a second-hand Volkswagen service at a lower price, anybody who buys purely on price - well, you know. The difference, compared to architecture, is that if we're comparing a Rolls Royce and a second-hand Volkswagen, you can tell the difference. You can see what you're getting. You know what you're getting. If you've only got a small budget and you want to buy the cheap one, you get what you pay for, you know what you're getting and it's all very clear. The consumers can tell the difference between cheap and nasty and very expensive. The world would be a better place if everybody could afford Rolls Royces no doubt, but unfortunately some people have to shop down the bottom end of the market.

MR CHAPPEL: I know about that.

DR BYRON: Yes. The thing, coming back to architects, is: how do the mums and dads out there in the suburbs distinguish between the really top-quality, state-of-the-art, best possible service and the bottom end of the market? Somehow or other they're not getting the information that enables them to tell, "This is what you get if you only pay so much."

MR CHAPPEL: You say they're not getting the information but I believe that information has always been available to them, and if they want top state-of-the-art, that's the whole idea of the registration of architects in the first place. If they want it to be done to top standards, that's the place to go. Let's keep in mind - and this hasn't

come out in these discussions sufficiently - right through history, from the beginning, the architects have only really been involved in the more important buildings. There's always been a vast mass of building done by who knows who.

DR BYRON: In the slums.

MR CHAPPEL: No, not just slums.

PROF SLOAN: In the better suburbs of Adelaide. Most of those villas weren't built by architects.

MR CHAPPEL: No, they weren't. No, most of them weren't, but even then, you see, the architects' share of the market, if you like, was not the mass market.

DR BYRON: So the real special area for architects is, as somebody said to me, the icon buildings, the big public buildings, the treasury, the central post office, the big bank.

MR CHAPPEL: Not only that, no. There has always been an input into the housing market. During my career I've always been able to just glance at a house and see that it was an architect's house. I might say that in all my career, standards have never been worse than they are now. They're just appalling, in Adelaide and elsewhere, in the housing market. Architect-designed project houses in which I was involved were successful for quite a while, but that's a place where architects did get involved in the mass housing market.

PROF SLOAN: It's just, John, that we've got quite a few people. Thanks very much for spending the time to put in your submission. It's always helpful to have someone with experience, so thanks very much.

MR CHAPPEL: Thank you.

DR BYRON: Thank you very much.

PROF SLOAN: Have we got Tom Maxwell here? If you could give us your name and organisation for the purpose of the transcript, it would be appreciated.

MR MAXWELL: My name is Tom Maxwell and I would like to offer my opinions and response to the commission as someone who came to the architectural profession rather late in life via work previously as a builder, project manager and a design draftsman. I currently work for the City of Adelaide, coordinating their capital works, and I should say I am also on the Architects Board of South Australia. I support their submission, I support the AACA's submission, but I felt it might help to give a slightly more personal response myself.

PROF SLOAN: Very good.

MR MAXWELL: I started work as a builder and project manager in both England and Italy in the early 1970s, on the basis of a business degree. I very quickly became aware that I lacked an enormous amount of technical and professional knowledge and I very quickly started to establish who had that knowledge and who didn't have that knowledge and who the most useful people were. I quickly formed the opinion, both in England and in Italy, that the core of information and knowledge for the building profession and the design profession was the architect, and that wasn't purely because of design issues. It was the whole professional, technical and client liaison matter.

One of the things that impressed me was that one of the important services - in fact I believe one of the most important services - that architects provide is the contract management service and that is where you have a client and an architect in a traditional contract. They both agree that the architect holds a quasi arbitral role and the architect will certify. Very basically when the architect says to the client, "I certify this work," the client is contractually bound to pay. When the architect says to the builder, "I'm not satisfied with that level of work," in general terms the builder has contractually agreed to accept the architect's word on that and he will rectify it, so you don't have the face-to-face problems between an uninformed or worried client and a builder who is trying to make money and get on with the job, and it is very easy for a client to think that something is horribly wrong when in fact it is quite all right. It is structurally sound and it is going to be hidden. Architects in those sorts of roles save an awful lot of time and keep a lot of people out of the courts. I subsequently decided, because of this, that I would train as an architect and when I emigrated to Australia that is what I did.

I would like to respond to an earlier point that was raised about overseas students and the universities. To emphasise the importance of this issue the accreditation of the University of Adelaide's Bachelor of Architecture degree as a degree acceptable for sitting the architectural practice exam was withdrawn by the Architects Board of South Australia in the mid-1980s for one year. This was due to the university not satisfying the board's requirements for professional practice education. This was a unique event. The accreditation system was tested and the university amended its course to the satisfaction of the board, and the reason the matter was quickly resolved was not only a pressure from those graduates who found

they had to undertake additional post-graduate studies prior to sitting the architectural practice exam, but also due to the fact that overseas students and registration bodies require these professional degree courses to be recognised by an appropriate statutory authority, and this is still continuing, and in fact the board has recently had letters of concern from the registration board in Malaysia, concerned about a particular course that is going on in Western Australia, and this mail has been circulated throughout the boards in Australia.

Overseas registration authorities are interested that our universities are accredited by a statutory authority. Without this recognition by a statutory authority it is unlikely that Australian universities would maintain their existing foreign income and local employment through being able to offer these statutory accredited courses. The professional Bachelor of Architecture courses are the only courses which include professional practice with a major content of contract administration and contract law as a compulsory element. Engineering courses do not and building courses currently concentrate on direct client-builder contracts with no intermediate, superintendent or certifying role.

The assumption by the Productivity Commission that self-regulation could readily replace this statutory accreditation flies in the face of accepted practice throughout the world and would be used to considerable advantage by overseas universities. Deregulation or the lack of statutory recognition of an architects board, as we currently have, and the board providing accreditation for universities, would be anticompetitive for universities competing in a world market. It would reduce income and job opportunities for academics and practitioners and could possibly lead to local students considering studies overseas and, on a personal note, I can assure you that when I was considering doing architecture in Adelaide I corresponded with the Architectural Registration Council of the United Kingdom to make absolutely sure that both degrees were recognised, and I got that positive response. I saw no point in undertaking an architecture degree which would not be recognised in case I returned to Europe.

PROF SLOAN: Mind you, the accreditation of courses occurs at all sorts of layers, including, as we have talked about, in accountancy particularly, where there is very strong accreditation of courses.

MR MAXWELL: I appreciate that, but the status quo is that - - -

PROF SLOAN: Are you saying just because it exists it should continue to exist?

MR MAXWELL: I'm saying that it will cause problems which will be expensive to resolve.

PROF SLOAN: Of course I think the term "anticompetitive" is the wrong word. It might undermine the "competitiveness".

MR MAXWELL: No. It's my submission and it's "anticompetitive" and I am going

to stick with that.

PROF SLOAN: Speaking as an economist, it's the wrong adjective.

MR MAXWELL: I am not an economist. I am looking at what the real situation is in the marketplace.

PROF SLOAN: It might undermine the competitiveness.

MR MAXWELL: And I feel for the universities on this issue. The Productivity Commission - and this is referring to costs benefits of existing legislation - in its reports, terms of reference, scope of inquiry, states that the commission is to have regard to the following matters: legislation which restricts competition should be retained only if the benefits to the community as a whole outweigh the costs. Currently the only legislation which could be said to restrict competition is the restricted use of the title "architect" to those qualified practitioners who are registered with state boards. The practice of building design, unlike every other skilled input into the building industry, is unlicensed. You did say earlier on that structural engineers were licensed. That's a new one on me.

PROF SLOAN: That may not be in this state.

MR MAXWELL: I am certainly not aware of it in this state. It is completely unlicensed. The consumer has a completely free choice. In most Australian states and territories the cost of administering the architects acts is borne entirely by the architectural profession. In South Australia the current registration costs for an architect is \$95 annually, which is unlikely to impact on the professional fee to a consumer. A non-legislated alternative would have to be considerably more expensive due to the extensive industry and consumer re-education process which would have to be undertaken.

In South Australia I am aware of only two areas where registered architects may be said to have an advantage over non-registered practitioners. One of them is in the Liquor Licensing Act, where applicants can submit plans showing a liquor licensing premises. The act says:

The plans must, if the licensing authority so requires, be certified by a registered architect or a registered surveyor. In this case repealing the Architects Act would be anticompetitive as this work would be restricted then to registered surveyors.

PROF SLOAN: But you could repeal it all.

MR MAXWELL: Sorry?

PROF SLOAN: You could repeal it all, including the reference to registered surveyors.

MR MAXWELL: The cross-effect on other acts of parliament would be quite dramatic.

PROF SLOAN: Thanks for drawing our attention to that.

MR MAXWELL: The South Australian Builders Licensing Act deems registered architects to be category 1 building works supervisors; that is, under the act they are deemed to hold a licence to supervise any kind of building work. I have to say that the majority of architects don't take advantage of this or they steer clear of it but it is simply the law stating what is already an obvious fact; that registered architects who work in that type of work where they may have to supervise work are thoroughly well qualified to do it.

In this case repealing the Architects Act would not increase competition or reduce costs but it is unlikely that the Builders Licensing Act would be amended to transfer the current deeming provision to a non-statutory body. In other words, the only effect would be to increase costs, and possibly confusion, as some architects might feel obliged to apply and pay for supervision licences. In neither of these cases would the consumer or competing professionals benefit. In regard to the domestic and small commercial market which has been discussed, I comment that in a non-restricted marketplace this would seem to be commercially inevitable where, for small jobs, the skills of an architect may be perceived by the client as not being required.

As I said before, we all understand that it is a completely unrestricted market. In addition, until relatively recently architects in South Australia were prohibited from advertising, while their non-registered competition faced no such restriction and, in many cases, persistently used the title "architect" or "architectural designer".

PROF SLOAN: That prohibition of advertising was of course contained in the Architects Act.

MR MAXWELL: It was. I don't think it was asked for by architects. I don't know that. I'm not quite sure how it arose.

PROF SLOAN: I think you will find it was.

MR MAXWELL: That's the fact of the matter.

PROF SLOAN: Because you are all part of a club and so you don't advertise if you're part of a club.

MR MAXWELL: I beg your pardon?

PROF SLOAN: If you go back to the history of it, it was typical of professions.

MR MAXWELL: However, as John Chappel mentioned, the Trade Practice Commission said that was anticompetitive and it was thrown out. Thank goodness. Because architects through training and experience are far more likely to know the true costs of preparing a building design, and because they frequently are contracted to superintend this work, their fees will always tend to be higher than those of a draftsman simply preparing a plan for a builder. The architect's professional role requires that his or her documentation can be safely used for tendering and contractual purposes and be prepared sufficiently carefully to mitigate against contractual dispute and misunderstandings.

Having said that, I am not arguing that there are not non-registered practitioners who are unable to do this work. The problem is for the consumer that there is no way currently of identifying them. Getting rid of the current system of identifying those who have passed all the exams and postgraduate exams will not help the consumer at all because it will totally remove currently the situation that we have. I know you are arguing that there are alternative systems but the immediate effect will be that the consumer will have more confusion, not less confusion, and more work to do to try and understand what the marketplace is actually doing.

PROF SLOAN: But our point is that the current system is contributing very little. People tend to talk about problems but it is in the context of the current system.

MR MAXWELL: The current system could be better. The AACA has put up proposals and, as far as I'm aware, all of the boards have agreed to the proposals for a national act. I know not everyone is happy with that but there are proposals for improving the situation. The architect's role - is it diminished in the modern environment? The commission appears to argue that with a large number of associated professionals whose work overlaps that of an architect, the architect's role is somehow diminished and protecting the title serves no useful purpose.

I believe the commission has allowed itself to be misled and swayed by arguments which have more to do with occasional professional jealousy than demonstrated reality. The fact is that the skills of the building industry are generally fragmented into specialist areas, including construction and project management. There are few genuine master builders these days working on major complex projects. That role has now largely passed to the master designer, the architect who creates and leads the design team, which includes amongst all others the engineering survey and costing disciplines.

I have personally witnessed on a number of occasions major multi million-dollar industrial developments, frequently government funded, which have commenced under an engineer or unqualified project manager, lead role, and where a firm of architects brought in for minor ancillary works has assumed a larger and larger role in managing the total project.

PROF SLOAN: We've got actual evidence to the contrary, particularly in the eastern states.

MR MAXWELL: I have evidence to back that up.

PROF SLOAN: Yes - where it's the head contractor now that runs the show, and the Multiplexes and the Lend Leases and - - -

MR MAXWELL: I don't think that is contrary to what I'm saying.

PROF SLOAN: And the architect's role has been narrowed, not broadened.

MR MAXWELL: No. I will come on to that point. The point I am making is that where a contract is set up for what is perceived as a non-architectural type of building construction, frequently people with architectural qualifications are brought in not for design purposes but for contract risk management purposes, because that's what they spend so much of their time doing, particularly at the upper end of the market. That is a very important role and it's much used by industry, and I will enlarge on that if you like.

PROF SLOAN: This would drag it back to the role of the architects acts though. The changing role of the architects in architecture might be interesting, but it all has to be dragged back to the role of the architects acts.

MR MAXWELL: The Architects Act is there, we presume, to protect the consumer.

PROF SLOAN: Yes.

MR MAXWELL: If we want someone who is going to provide consumer protection risk management on a project, one of the easiest ways to do it is to clearly identify those people who are immediately qualified to do it. My own experience has been that the architect is generally held in very high regard by major developers, builders, institutions and government departments, not only for their design team leadership roles but also for their on-the-job, contract management and superintendence roles. This regard is coupled with a strong expectation of a high standard of technical and professional performance.

Of course there is an overlap of skills with associated professions, but the architect's extensive training and broadly based professional knowledge is of considerable importance to the construction industry. The current professional status of the architect, coupled with their contractual arbitral role, helps the construction industry function without more frequent resort to litigation and dispute resolution via the courts.

PROF SLOAN: But I don't see what that's got to do with the matter in hand. If you want to go out and market your services because you're good at that, that's fine, but you can't expect the government to be doing that.

MR MAXWELL: The government is not doing it.

PROF SLOAN: No, so I don't see how this discussion is pinned down to the role of the architects acts.

MR MAXWELL: I think it's an extremely important point. Once we get past the first part of the commission's report, we are very quickly moved into the area of subjective argument and there is a great deal of quotations and things in there which simply do need responding to, and I am responding to the general tenor. I am making the point that architecture covers a broad role. There is a great expectation in the professional market for what that role is. Taking away the current statutory recognition will confuse the issue. The building industry is used to it, good developers are used to it, the courts are very used to it and rely on it a lot.

PROF SLOAN: All right. That boils down to the argument, "It's there, so we should keep it."

MR MAXWELL: It boils down to the argument that what we have at the moment, no matter how imperfect it is, is an extremely effective and economical method of consumer protection for those involved in the marketplace.

PROF SLOAN: That's even though we know that a lot of consumers don't even know of its existence?

MR MAXWELL: A lot of consumers don't know a lot of things. That is not an argument for taking away consumer protection. There will be consumers who don't know there is a state ombudsman.

PROF SLOAN: There's plenty of commercial arbitration work that goes on, and I'm not sure that the choice of arbitrator hinges on the fact that someone has statutory registration.

MR MAXWELL: As an architect?

PROF SLOAN: Yes, or in many other areas there's commercial arbitration going on. That person goes by their reputation, their experience.

MR MAXWELL: In many contracts, if a dispute cannot be resolved you can go to external arbitration. That's well established. What I'm saying is that an important role, with a great cost benefit to the consumer and the construction industry and society as a whole, is the architect's quasi-arbitral role in managing a project because both sides know they're dealing with the profession, and you get arguments resolved on the spot rather than going to court.

PROF SLOAN: I'm not denying that, and it happens in many other areas not involving architects at all, but that doesn't seem to me to provide a good justification for the continuation of the architects acts. That's all it's saying: that architects

perform this useful role.

MR MAXWELL: I understand where you're coming from, but you're coming from the position of a profession which doesn't have a protected title.

PROF SLOAN: Nor would I want one.

MR MAXWELL: If one were starting from scratch, one might say the system is a bit odd. We are not starting from scratch. We are starting from not only a well-established system but a system which is recognised throughout the world, and it seems to me that the commission is drawing an extremely long bow by saying that because they get away with it in Denmark, we should follow suit in Australia, when there is so much weight of evidence that in fact it will cause a problem.

If you want to say, "Let's improve the act," I would agree with you wholeheartedly. If you want to say, "Let's find a way to include competent design professionals who haven't come in through the university system," I would dance on this table I would be so pleased, because I really believe it would cure a lot of problems. There are some extremely skilled people around and I would love there to be a system for them to be welcomed into the profession. It has been opened up a lot recently; you can get in without a degree. There are systems of doing it, and I would like to see those systems improved.

But I think currently what we're talking about is protecting a real national asset and I think we've got to be very very careful about listening to sniping comments about where there's architectural failure or things haven't gone right or "because other professions don't do it". Public risk was mentioned. Professions such as medicine, law, dentistry, physiotherapy, do not have protected titles. However, they are protected by statute. People who aren't qualified can't do it.

PROF SLOAN: That's actually quite a grey area and some of them - - -

MR MAXWELL: Obviously it's a grey area around the edges.

PROF SLOAN: Yes. They do actually have protected titles, some of those, as well. But, yes, the way the professions are regulated or self-regulated varies a great deal, and it goes back in fact to Neil's point that if you try and think why are some statutorily regulated or licensed, it is about the consequences of their actions - the gravity of the consequences of their actions.

MR MAXWELL: In passing, I might just cover one small item which I noted you said. You referred to the Architects Act in Romania. I can tell you, because I have first-hand experience of examining a Romanian graduate and registrant, that not only are they registered there, it's an extremely high standard - or was - and the practice of architecture there is totally restricted to registered architects. As an examiner of the board, I had the pleasure of examining a young lady who had escaped from Romania, fortunately with her documentation. It doesn't help the commission, but it's a little bit

of background for you. I can't answer for Somalia.

PROF SLOAN: I'm not sure I mentioned Somalia - El Salvador.

MR MAXWELL: Perhaps El Salvador. I can't do that yet, but maybe one day.

PROF SLOAN: We haven't got too much time.

MR MAXWELL: Okay. I'd like to just cover another - - -

PROF SLOAN: Yes, okay, Tom.

MR MAXWELL: The commission appears to have given credence to the argument that some modern contractual arrangements do away with the architect's contract management role or the supervision role, and both design and construction contracts and BOOT contracts were mentioned.

Design and construction contracts offer a supposedly cheaper method of project delivery because the risk is transferred heavily to the client, who contractually frequently loses any control and gives up the normal certifying process. He hands the whole lot over to the builder. Knowledgeable clients who enter into these contracts still engage architects and associated professionals to minimise the risk of these contracts, and I have been in exactly that position.

Build, own, operate and transfer - or BOOT - schemes still have to be designed and constructed properly to be commercially viable, although they are frequently built down to a price which produces somewhat crude finishes, and I can give you some examples in Adelaide which clearly indicate that you get what you pay for.

PROF SLOAN: I think you get what you pay for everywhere, actually. Again, I think we need to bring it back to what is the role of statutory registration. These kinds of developments are going to happen, have happened, whatever the system of regulation of the profession.

MR MAXWELL: In your introduction to your report, it says, "The commission is to have regard to the following matters," which include quality of the built environment, policies relating to ecologically sustainable development, social welfare - line after line of these things. I have to say that in my opinion - - -

PROF SLOAN: They're not our words, by the way.

MR MAXWELL: Precisely. But they are there as part of the things that the commission has to consider. In every one of these items the commission has failed to show any benefit of repealing the architects acts. Indeed, in every one of these items it would be bizarre to suggest that the subprofessional could reasonably be expected to play a role so similar to the trained professional that the identification of the trained professional by title, understood and restricted in use by all of the countries

with

whom we're doing our best business, isn't necessary.

The lower end of the market has been discussed here - project housing and all the rest of it. I'm not going to relate to or refer to the design as we visually see it. I am going to refer to the design of environmental friendliness, energy efficiency and ecological sustainability. The only people who are really going to have a major input into this are people who put time into the study and take a genuine interest in it. The Institute of Architects is a major driver in this area.

It is not controlled by statute. Consumers are not controlled by the local government regulations or planning laws that provide a very minimum standard. In fact, the existence of professionals or subprofessionals in council offices who help people through with their planning and building applications is actually anticompetitive in the marketplace, because the person who can't be bothered to pay for the job to be done properly is actually having their work paid for by the ratepayer, and that is anticompetitive against those people who do the job and submit the applications correctly in the first place, so I don't think it's good enough to simply say the public is covered or the public interest is covered or the consumer's interest is covered purely by statutory legislation.

In some cases statutory legislation doesn't work, in some cases Australian standards conflict with each other, and in some cases it does cause accidents and death, and you don't have to be a structural engineer to stop it happening. What you do have to have is a real understanding of what's going on in the marketplace and be able to see the likelihood of ill-considered design decisions. Finally, in your own words the commission states that:

The architects have unique skills and expertise to offer the community and it is in the community's interests that they market and use their skills as well as possible.

As previously noted, the cost of registration for an architect in South Australia is \$95 a year or less than 25 cents a day and the current registration system operates at absolutely no cost but at considerable benefit to the general community. The protected title of "architect" provides an easily understood benchmark of professional competence for the consumer in an otherwise almost totally deregulated market. Requiring architects to invent another more complex title to replace the existing, unambiguous, easily understood title of "architect" in order to satisfy the current desire for deregulation in an already totally deregulated market can only increase costs, confuse consumers, invite misrepresentation and, inevitably, affect our overseas trade in education and consulting services.

I would ask the commission to sincerely reconsider its position and recognise the genuine benefits to the community of not only retaining the existing acts but moving towards a system of national architectural registration.

PROF SLOAN: Thanks very much for that, Tom. I'm not sure you can deregulate

an already totally deregulated market, but that's just being pedantic. Did you want to say something, Neil?

DR BYRON: I've found much of great interest and information in your submission. I can assure you right here and now that everything you've said will be very sincerely and wholeheartedly considered.

MR MAXWELL: Thank you.

DR BYRON: I can't foreshadow what difference it will make to the final bottom line of the final report when it comes, because we haven't had those considerations yet, but this will certainly be a part of it. I do wonder, though, if you may have in some ways misinterpreted our intent. In the paragraph that comes after your paragraph 19 you seem to be implying that we are proposing to eliminate the differentiation between those who are highly educated, trained, skilled and experienced and so on and those who are not. My reading of the same report is that that was never our intent, that our intent was actually to give clearer information to the public as to the spectrum of competencies out there, and any system that informs prospective clients about the relative competencies of all the prospective providers I think is consistent with all our interests. If you were reading it as we were advocating, there should be no distinction whatsoever between the good, the bad and the ugly, that was certainly not our intent.

PROF SLOAN: In fact, if I were to be a delicate flower I might find a certain degree of offence in how the report has been interpreted, because in effect we're saying that the regulation is so weak that it is not helping the architects and that in fact if you look at those strong self-regulation models of some of your professional cousins, they do a very good job at promoting the value of their services and therefore promoting the value of their profession in general.

Economists have a completely different view of costs to cash outlay. Yes, in cash terms this costs nothing, but it seems to produce very little in the way of benefits. We would all be prepared to pay more if you get more benefits. In a sense I think the profession at large has misinterpreted this report. It seems to me the architects, partly because of the existence of the boards, have done an extremely bad job at promoting their value. By having a registration system which does not differentiate between the 1956 registered architect working as a taxi driver who can legally call himself an architect, from someone who is concerned about all those important community issues as well as more specific architectural issues, I think does the profession a lot of bad service.

MR MAXWELL: You could apply the same argument to every single profession that requires licensing or registration in Australia.

PROF SLOAN: That might be right, but we're just here to look at the architects.

MR MAXWELL: I think as far as the report is concerned, the problem is because

the content in the second part, on the architects' side, will draw a reaction because a lot of it is seen as biased or tending towards bias, or tending towards a foregone conclusion.

PROF SLOAN: That seems extraordinary because, if you read chapter 9, we are taking out all these issues about the current weaknesses of the current system.

MR MAXWELL: Then I don't see why it's necessary to introduce arguments which basically are arguing - or introducing other people's arguments that the profession actually doesn't matter in many areas.

PROF SLOAN: I think we say the absolute reverse.

MR MAXWELL: No, you round it out very nicely. You say that we've got - - -

PROF SLOAN: "Unique skills and expertise to offer the community and it is in the community's interests that they market and use their skills as well as possible."

MR MAXWELL: Yes, you've popped it on right at the end of the report, after putting the boot in extremely firmly.

PROF SLOAN: I think that's absolutely incorrect. People see the recommendation and then read the report.

MR MAXWELL: The recommendation essentially is, "Repeal the acts, do a better job on your own." That will cause confusion and it will cause increased costs and it will cause, for quite a while, a great deal of misrepresentation. I think the recommendation actually needs to be more positive.

PROF SLOAN: To the extent that the architects continue to rely particularly on the current system of registration, they do themselves a disservice. It seems to me there must be some political economy in the fact that it has taken nearly a decade to get nowhere, in terms of having those legislative guidelines inputted into any of the state acts. Every state you go to there seems to be, "The minister changed" blah, blah, blah. It seems to me there is not much political constituency for this.

MR MAXWELL: I've been pursuing - - -

PROF SLOAN: If it puts you off going for an effective and strong system of self-regulation, it seems a great pity.

MR MAXWELL: I've been involved in this matter now for nine years, going around in circles.

PROF SLOAN: My point.

MR MAXWELL: And I have to say this commission is the latest reason why the state is not modifying the act. They're waiting for a result. They were waiting on the Trade Practices Commission. They were waiting on a state review. There is always an excuse. But that is not the reason to take away what is already there, no matter how feeble it may be, because it is going to cause confusion. Taking it away I suspect you believe will trigger a change in attitude - - -

PROF SLOAN: We have a two-year notification period.

MR MAXWELL: - - - and self-emotion. The immediate effect will be very, very anticompetitive. The immediate effect - unless a lot of people work extremely hard it will hit the universities because there will be a very simple view taken of what's going on and competitors will take great advantage of this apparent lack of confidence by the government in the architectural profession. That's how it will be seen. It doesn't matter what your good intentions are, that is how it will be perceived.

PROF SLOAN: All right. We will leave it at that. Thanks, Tom, for coming along. You are happy, obviously, to have this part of the public submissions.

MR MAXWELL: I am, yes.

PROF SLOAN: Thanks.

DR BYRON: Thank you very much.

PROF SLOAN: I'm sorry for the fact that we seem to be running a bit late. Can I call Des Egan from the Development Industry Accreditation Services Ltd.

MR EGAN: Des Egan, Building Surveyors Accreditation Board and Development Industry Accreditation Services Ltd.

PROF SLOAN: Thank you very much for coming along. Would you like to just give us a short presentation.

MR EGAN: Thanks for the invitation to be here today. You've been provided with a lot of information about the organisation that describes BSAP and Development Industries Accreditation Services that's going to take over the role of that previous organisation, so I won't dwell on that now unless you've got questions later on. But to talk about the accreditation service, BSAP/DIAS will offer an accreditation process to any professional association for a trade group in a building development and construction industry.

The assessment criteria is provided by the professional or trade group and BSAP/DIAS will not develop any assessment criteria in opposition to any professional group. The process involves assessment for accreditation where the applicant must satisfy criteria for qualifications or competencies and experience as provided to the BSAP/DIAS board by the applicant's industry peak association. Courses of study are accredited by the professional association or trade group.

Unsuccessful applicants are offered advice to facilitate their accreditation and may be referred to a recognition of prior learning process if such a process is established by that organisation or that industry. Unsuccessful applicants can seek a review at no cost and following that may have a further avenue by lodgment of an appeal at a cost. Accredited persons are issued with a certificate and an ID card and can use the logo "BSAP/DIAS accredited, nationally recognised professional accreditation". Successful applicants must agree to abide by a code of professional conduct. Accredited persons must be re-accredited. The period of accreditation is agreed with the industry professional association, ie, three years as we do for building surveyors at the moment or annually in New South Wales for private certifiers.

Applicants for re-accreditation must satisfy continuing professional development requirements and provide evidence of skills maintenance. The review and appeal process is available to persons seeking re-accreditation. The accreditation service is supported by a complaints investigation process that requires any written complaint to be investigated. A disciplinary process is in place for persons found guilty of misconduct and proved complaints. BSAP/DIAS has the power to remove a person's accreditation.

The organisation can offer professional associations and trade groups access to an independent assessment process that is free of any bias. We liken ourselves to Quality Assurance Services and other similar groups that provide to small business and large business. We provide that same service to the individual. We provide a guarantee to the community that a person has been assessed independently and via a rigorous process. The certificate and identification card can detail what the person is accredited for. This is what we do for the accredited certifiers in New South Wales,

so the community consumer can find out what they are buying from that person and they find out the level of work that they're going to have assessed - is what the person is qualified to undertake.

BSAP/DIAS can save professional associations and trade groups having to invest in developing and maintaining an accreditation scheme and being diverted from their core business, which is membership development and services. The aim of BSAP/DIAS is to provide grants to professional associations and trade groups on a pro rata basis to assist them with membership development, training and education and services. It aims to put resources back into the building development and construction industry.

To conclude, BSAP/DIAS is recognised in legislation in Queensland, South Australia and New South Wales and the ACT for building surveying. It is also recognised for private certification in New South Wales. Victoria and the Northern Territory have their own schemes and in the Northern Territory the Building Practitioners Board there use BSAP's criteria for assessment. Tasmania and Western Australia are to introduce legislation for building surveyors and private certifiers in the near future and it would appear that we're going to be involved in that. To date, BSAP/DIAS has accredited 1925 building surveyors around Australia, and in New South Wales for private certification over 125. In the short term, in June this year, BSAP/DIAS - or DIAS - will take over the administration of the private certification scheme for the Royal Australian Planning Institute in New South Wales and we are currently holding discussions with the Australian Institute of Building for their national register and also with the Building Designers Association. We're also meeting with other professional groups and trade groups.

In the short to medium term DIAS will seek its own accreditation with Quality Assurance Services so that we can prove to the practitioners and to the community that we are serious about what we're doing and also that we meet certain criteria. We're not government funded in any way. We are funded on a fee-for-service basis only. That's about all I've got for you. Are there any questions that I can help with?

PROF SLOAN: Thanks a lot for coming along because in a sense you provide a model of an arrangement which is not embedded in statutory regulation, although when you say your accreditation scheme is caught up in legislation regulations, can you just explain that to us.

MR EGAN: Yes. We're written into legislation in South - - -

PROF SLOAN: So you're the recognised accrediting authority.

MR EGAN: Yes. So to expand on that, in Queensland it's a co-regulatory approach where for a person to be a private certifier in that state they must have BSAP accreditation and then they go to Building Services Authority and pay their licensing fee.

PROF SLOAN: Right. Presumably it's not actually illegal for someone to call themselves a building surveyor, it's just illegal for them to do certain - - -

MR EGAN: It would be illegal for them to practise as a building surveyor.

PROF SLOAN: Yes. Okay. Am I right in saying you're a company limited by guarantee?

MR EGAN: That's right.

PROF SLOAN: So you're not a government - - -

MR EGAN: No affiliation with any government group whatsoever.

PROF SLOAN: No. In fact, in a sense, you're trying to broaden the scope of your accreditation work.

MR EGAN: That's right. To give a brief run of the history, BSAP was created by the Institute of Building Surveyors back in 93 in response to the Development Act in South Australia, I think of 91. They saw an opportunity to accredit their own, under their own auspices, and they saw a bigger vision where they could provide services to other groups that didn't have the resources to set up their own accreditation process. So it has now evolved where the organisation wants to expand into other markets, with the politics within the industry, to run it as building surveyors' accreditation services. Those jealousies won't allow that to happen so they've created a company limited by guarantee. The Australian Institute of Building Surveyors are the sole members of the organisation. They own the constitution. They won't be taking any profits over and above what pro rata agreement they have with the board. It's only there should DIAS fold up in the future and any assets remaining would go back to the AIBS, which would only be right as they brought the thing into being.

PROF SLOAN: One of the criticisms of a kind of self-regulation model is that you have an incentive to dilute standards because the association - which are separate from you - they want to increase the number of members. On the face of it, by the look of your activities, you're not in the game of diluting standards, are you?

MR EGAN: No. We only receive what the professional associations will give us for assessment criteria. The board will say, "Do we want to be involved with that group? Do we consider that assessment criteria to be rigorous enough?" because in the long run it will be DIAS that ends up being litigated against and with the developer and with the accredited person of the professional association, so we've got to be mindful of that.

PROF SLOAN: So, in other words, the incentives probably run the other way, do they?

MR EGAN: We do. We're tough. Put it that way.

DR BYRON: What this is trying to do is to get a separation between those who set the standards for the occupational group or profession and those who actually do the accrediting against those standards.

MR EGAN: Yes, that's right. That's why the AIBS wanted to set their standard. That's what we want people to be assessed against, but they didn't want it to be seen by the community as an in-house assessment process. They saw the benefits to the community and to their own profession to have a separate organisation independent from it.

PROF SLOAN: Do building surveyors undertake educational courses?

MR EGAN: Yes.

PROF SLOAN: So you're involved in the accreditation of those courses?

MR EGAN: No, we don't get involved in the assessment of courses. The AIBS undertake accreditation of courses on a regular basis.

PROF SLOAN: So that's done by the association itself.

DR BYRON: By the institute. Coming back to this question of separation, are you aware of other sort of accreditation systems that don't have that clean separation where there - - -

MR EGAN: The Institute of Engineers have their own accreditation group. I believe they are separated from IEAUST in a form but there's still that association by name between the two.

PROF SLOAN: The strength of some separation is that it's not the association of professions itself judging itself that they set up - - -

MR EGAN: That's right.

PROF SLOAN: Yes - some separate. It's basically a competency assessment.

MR EGAN: Firstly, it's on qualifications and experience. The AIBS are currently developing competencies for their top level of building surveyor. They have competencies developed for the lower levels of assistant building surveyor and building surveying technician, which we use, but we don't get into developing them ourselves. We see that as the province of the professional group.

PROF SLOAN: Right. These professionals are required to be re-certified, are they?

MR EGAN: Re-accredited?

PROF SLOAN: Yes, re-accredited.

MR EGAN: Yes. With the building surveyors it's every three years. In New South Wales it's annually where the fee is quite steep. It's about \$480 a year for them to go through that, and they have to provide for re-accreditation, evidence of continuing professional development. With the AIBS - - -

PROF SLOAN: Do they carry insurance, too?

MR EGAN: Sorry?

PROF SLOAN: Do they have to carry insurance?

MR EGAN: Yes. They've got their own professional indemnity insurance to be provided to us and also they have to provide evidence of skills maintenance. At the level of building surveyor they must provide proof to us that they are continuing to practise at that level of surveying and have not dropped down to a lower level.

PROF SLOAN: You seem to talk about the transparency of the process and people are aware of why they failed and they have - - -

MR EGAN: The process is explained to everyone at the time of inquiry, so they know exactly what process they're going to go through; that it's an assessment process; that there are avenues for review and appeal; and that there are no hidden lurks at the end - or hidden traps through the process.

PROF SLOAN: Do we have building surveyors who work overseas?

MR EGAN: We have a couple of people accredited from Hong Kong, and that's all I'm aware of at the moment.

PROF SLOAN: No, but I mean do we have Australian building surveyors going out and working overseas?

MR EGAN: I would presume so but I'm not aware of any personally.

DR BYRON: Is BSAP or DIAS the only accreditor for building surveyors?

MR EGAN: Yes.

DR BYRON: You have a monopoly on that?

MR EGAN: We have a monopoly at this point in time.

DR BYRON: Do you see any other possible accreditors?

MR EGAN: Not that we're aware of but we are not sitting back and saying, "Well, we've got it all to ourselves. That's why we want to go through Quality Assurance Services, so that we can always keep pace of anyone who is considering it.

PROF SLOAN: So you will keep a monopoly if you're seen as so high quality that it is - - -

MR EGAN: That's right. In New South Wales it's different. They're not called building surveyors as such. They're called private certifiers and in that state IEAUST, through their accreditation branch, can offer accreditation services to private certifiers with an engineering background. We have had some approaches from architects in that state to be involved but nothing has come of it at this stage.

DR BYRON: The reason I asked about competition is because the board for the register of professional engineers cited you as competition for them.

MR EGAN: Yes, good.

PROF SLOAN: Is that good?

MR EGAN: I'm glad to hear that.

DR BYRON: I don't think that was a secret, by the way. It's probably public knowledge.

PROF SLOAN: When I say a monopoly, there's nothing guaranteed about this. You're saying that, in a sense - - -

MR EGAN: That's right, our success is guided by regulation in a lot of respects. If a professional group is required by legislation to be registered or licensed or accredited, that's when we can come into play. We've spoken to various groups about voluntary accreditation. Some groups are exploring that and if they have other agendas within their own organisation at the moment for membership development they see accreditation as needed but not of an immediate priority. So some groups will come and ask - - -

PROF SLOAN: Maybe you could come and accredit the architects.

MR EGAN: Sorry?

PROF SLOAN: Come and accredit the architects.

MR EGAN: We would be happy to talk to them.

DR BYRON: When we spoke to the Building Services Authority in Queensland

their basic position - and I hope I'm not doing them an injustice - was that, "We don't really mind who accredits each particular occupation or group as long as somebody does it and takes responsibility for it and if anything goes wrong we know whose head to kick."

PROF SLOAN: That's what you're saying.

MR EGAN: That's right.

DR BYRON: You're taking that responsibility.

PROF SLOAN: You have to take this extremely seriously because the risk ultimately rebounds to you.

MR EGAN: That's right. We'll be the ones who end up in court with the developer and the accredited person; not the government.

PROF SLOAN: Right. You're based here in South Australia?

MR EGAN: Based here in South Australia.

PROF SLOAN: So you're basically a national organisation based here in Mile End.

MR EGAN: Yes.

PROF SLOAN: Well done. Was there anything else?

DR BYRON: No, I can't think of anything else at the moment.

PROF SLOAN: It's very useful, Des, for us to have that information because we are required in our inquiry to look at different models and you have provided a lot of information about a different mode. Thanks very much.

MR EGAN: Okay. Thank you.

DR BYRON: Thank you very much.

PROF SLOAN: There being no further participants on this day of public hearings, I call the public hearings on Thursday, 8 June to a close. We will reconvene in Brisbane tomorrow.

AT 1.23 PM THE HEARING WAS ADJOURNED UNTIL
FRIDAY, 9 JUNE 2000

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